

November 30, 2015

[Translation]

In the Matter of
the Securities Legislation of
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New
Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador
(the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Trans Québec & Maritimes Pipeline Inc. (the Filer)

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer (the **Exemptive Relief Sought**).

Under the Process of Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the *Autorité des marchés financiers* is the principal regulator for this application; and
- (b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* have the same meaning if used in this decision, unless otherwise defined herein.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer was incorporated under the *Canada Business Corporations Act* on April 24, 1980 to administer and manage the TQM Pipeline and Company, Limited Partnership (the **Partnership**). The head office of the Filer is in Montreal, Québec.

2. Each of 9265-0860 Québec inc. (**9265**), a wholly owned subsidiary of Gaz Métro Limited Partnership (**Gaz Métro**), and TransCanada PipeLines Limited (**TransCanada**), a wholly owned subsidiary of TransCanada Corporation, owns 50 percent of the issued and outstanding shares in the share capital of the Filer.
3. The Filer became a reporting issuer on September 28, 1984, further to a receipt for a prospectus in connection with an offering of \$100 million principal amount of 13.10% First Mortgage Bond, Series A, guaranteed by the Partnership.
4. The Filer is a reporting issuer in the Jurisdictions and is not in default of its obligations under the Legislation. The Filer is not a reporting issuer in any other jurisdiction of Canada other than the Jurisdictions.
5. The authorized capital of the Filer consists of an unlimited number of common shares. As of the date hereof, 200 common shares are outstanding, of which 100 are owned respectively by 9265 and TransCanada.
6. The Filer has one class of debt securities outstanding, the \$100 million principal amount of 4.25% Series L Bonds (**Series L Bonds**), due September 15, 2017. The Series L Bonds were issued pursuant to an amended and restated trust deed dated August 24, 2009 (**Trust Deed**) and a supplemental trust deed to the Trust Deed dated July 28, 2010 (**Supplemental Trust Deed**). The Trust Deed and the Supplemental Trust Deed are made between the Filer, the Partnership and CIBC Mellon Trust Company, as trustee. The Series L Bonds are not convertible or exchangeable into equity or voting securities.
7. The Series L bonds were issued by the Filer to the Partnership in exchange for a Partnership promissory note in the principal amount of \$100 million. The Series L Bonds were guaranteed, offered and sold by the Partnership on a private placement basis in accordance with National Instrument 45-106 – *Prospectus Exemptions* (**NI 45-106**) under an offering memorandum dated July 21, 2010 (**Offering Memorandum**) in Canada only to purchasers who qualified as "accredited investors" under NI 45-106.
8. The purchase agreements entered into in connection with purchases under the Offering Memorandum indicate that of the 20 purchasers, there were 4 investment funds, 4 registered advisers, 7 Canadian financial institutions or subsidiaries thereof, 3 persons with net assets of \$5 million or greater, 1 government or crown entity and 1 person acting on behalf of a fully managed account. There were no individual purchasers.
9. The Series L bonds are not and have never been listed for trading on any stock exchange.
10. The Filer has not issued debt securities under a prospectus since July, 2000 when it issued \$100 million principal amount of 7.053% MTN Series Bonds pursuant to a prospectus supplement dated July 6, 2000 and a pricing supplement dated July 13, 2000, which matured and were repaid in September, 2010.
11. The Filer has no securities issued and outstanding, including debt securities, other than as set out in paragraphs 5 and 6 above.

12. The Series L Bonds are issued in book-entry form and are represented by global certificates registered in the name of the nominee of CDS Clearing and Depository Services Inc. (**CDS**) with beneficial interests therein recorded in records maintained by CDS and its participants as financial intermediaries that hold securities on behalf of their clients. In accordance with industry practice and custom, the Filer has obtained from Broadridge Financial Solutions Inc. (**Broadridge**) a geographic survey of beneficial holders of Series L Bonds as of April 28, 2015 (**Geographic Report**), which provides information as to the number of beneficial holders of the Series L Bonds held in each jurisdiction of Canada and in the United States. Broadridge advises that its reported information is based on securityholder addresses of record identified in the data files provided to it by the financial intermediaries holding Series L Bonds. Accordingly, insofar as such intermediaries do not accurately or completely respond to the survey, or address information is not representative of residency, the information is imperfect.
13. The Geographic Report covers 99.925% of the outstanding \$100 million principal of Series L Bonds and reports a total of 49 beneficial holders of the bonds residing in the following jurisdictions:
- (a) 22 in Ontario, holding \$53,722,000 principal amount of Series L Bonds;
 - (b) 1 in Alberta, holding \$17,000 principal amount of Series L Bonds;
 - (c) 3 in British Columbia, holding \$5,237,000 principal amount of Series L Bonds;
 - (d) 3 in Manitoba, holding \$28,000,000 principal amount of Series L Bonds;
 - (e) 12 in Québec, holding \$701,000 principal amount of Series L Bonds;
 - (f) 6 in the United States, holding \$11,535,00 principal amount of Series L Bonds;
 - (g) 2 in foreign jurisdictions, holding \$713,000 principal amount of Series L Bonds.
- The Geographic Report was unable to identify the jurisdiction of residence of the holder(s) of the remaining \$75,000 principal amount of Series L Bonds.
14. The Filer has 51 securityholders in total worldwide (2 holders of Common Shares and 49 holders of Series L Bonds).
15. Neither the Supplemental Trust Deed nor the Trust Deed contains any provision requiring the Filer to remain subject to the reporting requirements of the securities laws of Canada nor does it contain any provision requiring ongoing reporting to bondholders once the Filer is no longer subject to reporting requirements under applicable securities law; however, the Filer is required to deliver to the Trustee, at the end of each fiscal year, an annual compliance certificate stating that there exists no condition or event constituting an Event of Default under, and as that term is defined in, the Trust Deed.
16. The Filer will make its audited annual financial statements available on its website within 120 days of its year-end, or earlier if available, for each year in which Series L Bonds remain outstanding and it has provided an undertaking to the Securities Regulatory Authorities to this effect.

17. The Filer applied for a decision to cease to be a reporting issuer in each of the Jurisdictions. If the Exemptive Relief Sought is granted, the Filer will no longer be a reporting issuer or equivalent in any jurisdiction in Canada.
18. The Filer issued a press release on October 30, 2015 announcing that it has applied to the securities regulatory authority in the Jurisdictions for a decision that it is not a reporting issuer in the Jurisdictions and that it will post its audited annual financial statements on its website until the Series L Bonds have been repaid.
19. The Filer has no intention to seek public financing by way of an offering of its securities.
20. No securities of the Filer, including debt securities, are traded in Canada or another country on a market place as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
21. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an issuer is not a Reporting Issuer* because its outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by more than 15 securityholders in a jurisdiction in Canada. The Filer could not surrender its status as a reporting issuer in British Columbia under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because the Filer has more than 50 securityholders.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

Martin Latulippe
Director Continuous Disclosure
Autorité des marchés financiers