



**The Canadian Wheat Board  
La Commission canadienne du blé**

# **Information Memorandum Short-Term Promissory Notes**

This information Memorandum has been prepared for use in connection with the sale in Canada of Short-Term Promissory Notes of The Canadian Wheat Board. Under no circumstances is it to be construed as an offering of such Short-Term Promissory Notes for sale in the United States of America, in the territories or possessions thereof, or in any other jurisdiction outside Canada.

This Information Memorandum does not in any way obligate The Canadian Wheat Board to accept an offer to purchase any of the Short-Term Promissory Notes described herein.



**The Canadian Wheat Board  
La Commission canadienne du blé**

**INFORMATION MEMORANDUM**

**SHORT-TERM PROMISSORY NOTES**

**Unconditionally and Irrevocably Guaranteed by the Minister of Finance  
on behalf of Her Majesty in right of Canada**

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September 7, 2000

## **Overview**

The Canadian Wheat Board (the “Issuer” or the “CWB”) was established in 1935 by the Canadian Wheat Board Act, an Act of the Parliament of Canada (the “Act”).

On June 11, 1998, the Parliament of Canada enacted an Act to amend the Canadian Wheat Board Act and to make consequential amendments to other Acts. Under the Act, as amended, the Issuer continued to be a corporation governed by such Act but, effective on December 31, 1998, the Issuer ceased to be an Agent of Her Majesty in right of Canada. All borrowings of the Issuer, both principal and interest are, however, unconditionally and irrevocably guaranteed by Her Majesty in right of Canada.

The corporate objective of the CWB is to “*market in an orderly manner, in interprovincial and export trade, grain grown in Canada*”. Subject to regulations issued under the Act, the CWB is required to sell and dispose of grain acquired by it pursuant to its operations under the Act for such prices as it considers reasonable with the object of “*promoting the sale of grain produced in Canada in world markets*”. Under the Act, the CWB is the only entity in Canada empowered to market for export, and for domestic human consumption, wheat and barley grown in Manitoba, Saskatchewan, Alberta and the Peace River area of British Columbia.

## **Financing Authority and Statutory Guarantee**

Under the Act, as amended, and with the approval of the Minister of Finance, the CWB is empowered “*to borrow money by any means, including the issuing, reissuing, selling and pledging of bonds, debentures, notes and other evidences of indebtedness*” of the CWB. Although payment of principal and interest on such indebtedness will in practice be made directly by the Issuer out of the proceeds of the sale of grain, all borrowings of the CWB are unconditionally and irrevocably guaranteed by the Minister of Finance on behalf of Her Majesty in right of Canada pursuant to the Act as amended. Any amount required to be paid pursuant to the Statutory Guarantee is payable out of, and constitutes a charge on, the Consolidated Revenue Fund of Canada, the aggregate of all public moneys.

## **General Operations**

In each crop year, the CWB receives grain from farmers through the use of primary elevator companies acting as agents of the CWB. Although certain alternatives are available, the CWB’s standard payment scheme is to make an initial payment (the “Initial Payment”) at the time of delivery, which is set and guaranteed by the Government of Canada. If there are increases in the amount of the Initial Payment during the “pool” period, the increase is paid to all producers who sold wheat to the CWB before the increased Initial Payment became effective. The CWB then arranges for the transport, storage and sale of the grain in Canada and abroad. There are four separate accounts or “pools” for each crop year: wheat, durum wheat, barley and designated barley. Any balance remaining on such sales, over the Initial Payments and marketing, financing and administration costs of the Issuer, is distributed to the farmers after the crop year in the form of interim or final payments. Losses over the history of the Issuer have been rare. When losses do occur under the standard payment scheme, they are paid out of monies provided by Parliament.

## *Sales*

Sales of grain are made either for cash or credit. The credit extended to any country under the Credit Grain Sales Program cannot exceed certain limits established for that country by the Government of Canada. Most export sales are made directly by the Issuer to the customer. The Issuer may also sell grain to independent trading companies, which then export the grain under licence from the Issuer. The Issuer establishes prices for its grains on a daily basis, taking into account such factors as total exportable supplies in the world, relative supplies of Canadian grain by type, grade and quality, competitors' prices, foreign exchange rates, subsidies in importing and exporting nations, and variations in ocean freight rates.

The Issuer has an enviable reputation worldwide. The CWB is the largest wheat and barley marketing agency in the world with annual sales of Cdn\$3-6 billion. The sales are spread out among more than 70 countries around the globe with some countries buying as much as two million tonnes of grain in a year and others less than five hundred tonnes. The CWB's work on behalf of Western Canadian farmers has helped make Canada the world's second-largest wheat exporter.

## **Management**

Under the Act, as amended, the business and affairs of the CWB are directed and managed by a 15-member board of directors, including a President and a Chairperson. The Government of Canada appoints four of the fifteen directors on the recommendation of the Minister responsible for the CWB. Ten directors are elected by the grain producers of western Canada. The Government of Canada, after consulting with the board of directors appoints the President, who becomes the fifteenth member of the board.

## DESCRIPTION OF WHEAT BOARD NOTES

<b>Issuer:</b>	The Canadian Wheat Board
<b>Principal Amount:</b>	The maximum aggregate principal amount of Short-Term Promissory Notes (the “Wheat Board Notes”), together with other short-term borrowings and medium term and longer term notes of the CWB and loans from financial institutions to the CWB, authorised to be outstanding at any one time shall not exceed the amount provided for in the Resolutions of The Canadian Wheat Board Authorising the Issue and Sale of Short Term Promissory Notes in Canada which form part of this Information Memorandum.
<b>Statutory Guarantee:</b>	Payments on the Wheat Board Notes are unconditionally and irrevocably guaranteed by the Minister of Finance (Canada) on behalf of Her Majesty in right of Canada under the terms of the Canadian Wheat Board Act, as amended (the “Statutory Guarantee”) and as such amounts required to be paid pursuant to the Statutory Guarantee are payable out of, and constitute a charge on, the Consolidated Revenue Funds of Canada. The Consolidated Revenue Fund is the aggregate of all public moneys such as tax revenues which are on deposit at the credit of the Receiver General for Canada, the public officer who records and collects public moneys for and on behalf of Canada.
<b>Purpose:</b>	The proceeds from the sale of the Wheat Board Notes will be used for the general corporate purposes of the CWB.
<b>Form of Wheat Board Notes:</b>	The Wheat Board Notes will be issued in the name of the purchaser thereof or in bearer form and will be either interest bearing or issued at a discount to mature at the stated principal amount. The Wheat Board Notes may also be issued in the name of CDS & Co. or other nominee of the Canadian Depository for Securities Limited (a “CDS Note”). A CDS Note shall be in the form of the specimen which appears in this Information Memorandum. Any Notes other than a CDS Note shall be in the same form but (i) the legend “This is a depository note subject to the Depository Bills and Notes Act” shall be deleted and (ii) a reference to “Canadian Imperial Bank of Commerce” in bilingual form shall be inserted in the authentication section under the bilingual reference to “The Canadian Wheat Board”.
<b>Maturities of the Wheat Board Notes:</b>	365 days or less (or 366 days or less if issued in a leap year) from the date of issue.
<b>Authority and Status:</b>	The Wheat Board Notes will constitute direct unconditional obligations of the CWB.

- Denominations:** The Wheat Board Notes will be issued in multiples of \$1,000, subject to a minimum of \$100,000, in Canadian or United States currency.
- Rates:** Available upon request.
- Delivery and Settlement:** Wheat Board Notes other than CDS Notes will be issued for delivery upon payment by certified cheque or bank draft payable to the CWB at the principal office of Canadian Imperial Bank of Commerce in any of the cities of Vancouver, Edmonton, Calgary, Regina, Winnipeg, Toronto, Montreal and Halifax (the “delivery points”). CDS Notes will be delivered to a nominee on behalf of the Canadian Depository for Securities Limited (“CDS”) and will in most cases settle within CDS’ Debt Clearing System. In certain cases, the purchaser of CDS Notes will have to make payment to the CWB directly and not through CDS’ Debt Clearing system.
- Payment:** Payment of the Wheat Board Notes other than CDS Notes at maturity will be made on behalf of the CWB upon surrender of the Wheat Board Notes at any delivery point. Payment of CDS Notes at maturity will be made to CDS in accordance with the CDS rules from time to time.
- Eligibility:** As outlined and qualified in the opinion of counsel for the CWB, which opinion forms part of this Information Memorandum, the Wheat Board Notes are eligible as investments under the following Acts:
- (a) *Insurance Companies Act* (Canada)
  - (b) *Trust and Loan Companies Act* (Canada)
  - (c) *Pension Benefits Standards Act, 1985* (Canada)
  - (d) *Loan and Trust Corporations Act* (Ontario)
  - (e) *Pension Benefits Act* (Ontario)
  - (f) *Trustee Act* (Ontario)
  - (g) *Act respecting insurance* (Québec)
  - (h) *Loan and Investment Societies Act* (Québec)
  - (i) *Supplemental Pension Plans Act* (Québec)
  - (j) *Act respecting trust companies and savings companies* (Québec)
  - (k) *Financial Institutions Act* (British Columbia)

- (l) Insurance Act (Alberta)*
- (m) Employment Pension Plans Act (Alberta)*
- (n) Loan and Trust Corporations Act (Alberta)*
- (o) The Pension Benefits Act, 1992 (Saskatchewan)*
- (p) The Saskatchewan Insurance Act*
- (q) The Trustee Act (Saskatchewan)*
- (r) The Insurance Act (Manitoba)*
- (s) The Trustee Act (Manitoba)*
- (t) The Pension Benefits Act (Manitoba)*

## **NOTICE TO RESIDENTS OF NOVA SCOTIA**

### **STATUTORY RIGHTS OF ACTION OR RESCISSION – NOVA SCOTIA**

Section 65 of the Securities Act (Nova Scotia) (the “NS Act”) requires the CWB to notify investors purchasing Wheat Board Notes pursuant to the information memorandum relating thereto dated September 7, 2000 (the “Information Memorandum”) in the Province of Nova Scotia (“Investors”) that they may have the following rights of rescission or damages:

In the event that the Information Memorandum, together with any amendments thereto, or any advertising or sales literature (as defined in the NS Act) delivered to an Investor, contains any untrue statement of material fact or omits to state a material fact necessary in order to make any statement not misleading in light of the circumstances in which it was made (herein called a “Misrepresentation”) and it is a Misrepresentation on the date of investment, an Investor to whom the Information Memorandum and any amendment thereto, or any advertising or sales literature (as defined in the NS Act), has been delivered on behalf of the CWB and who purchases Wheat Board Notes shall be deemed to have relied on such Misrepresentation and such Investor shall have a right of action against the CWB for damages, or so long as such Investor is the owner of such Wheat Board Notes, at his, her or its election, for rescission.

For Investors this right is exercisable if an action is commenced to enforce this right within 120 days after the date on which payment was made for the Wheat Board Notes by the Investor or after the date on which the initial payment for the Wheat Board Notes was made by the Investor, or payments subsequent to the initial payment are made by the Investor pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

These rights are intended to correspond with the rights against a seller of securities provided in Section 138 of the NS Act and the Rules thereto and are subject to defences contained therein such that:

- (a) the CWB will not be held liable if the Investor purchased the Wheat Board Notes with knowledge of the Misrepresentation;
- (b) in any action for damages, the CWB will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Wheat Board Notes as a result of the Misrepresentation relied upon;
- (c) in no case will the amount recoverable by an Investor exceed the price at which the Wheat Board Notes were sold to the Investor; and
- (d) the rights herein conferred are in addition to any other right or remedy available at law to the Investor.

RESOLUTIONS OF THE CANADIAN WHEAT BOARD  
AUTHORIZING THE ISSUE AND SALE OF  
SHORT TERM PROMISSORY NOTES IN CANADA

WHEREAS, pursuant to *The Canadian Wheat Board Act*, as amended by an Act to amend *The Canadian Wheat Board Act* and to make consequential amendments to other Acts, S.C. 1998, c.17, (the "Amended Act") The Canadian Wheat Board (the "CWB") is empowered, subject to the approval of the Minister of Finance, to borrow money by any means, including the issuing, reissuing, selling and pledging of bonds, debentures, notes and other evidences of indebtedness of the CWB;

AND WHEREAS, by resolutions dated, December 31, 1998 (the "Existing Resolutions") the CWB has previously authorized borrowings through the issuance and sale from time to time of unsecured promissory notes (the "Wheat Board Notes"), each of such Wheat Board Notes to be in a denomination which is a multiple of \$1,000, subject to a minimum of \$100,000 in lawful money of Canada or the United States of America, and to have a maturity date of 365 days or less from the date of its issue and other terms and conditions as set out in such resolutions;

AND WHEREAS, certain amendments to *The Canadian Wheat Board Act* relating to the issuance of indebtedness by the CWB and its corporate governance became effective December 31, 1998 (as defined below), including the replacement of the Commissioners of the CWB by a board of directors consisting *inter alia* of a Chairperson and a President;

AND WHEREAS, any debt issued by the CWB prior to December 31, 1998 is a direct obligation of Her Majesty in Right of Canada ("Canada") and any debt issued by the CWB from and after December 31, 1998 will not be a direct obligation of Canada but will be unconditionally and irrevocably guaranteed by the Minister of Finance on behalf of Canada under the terms of the Amended Act.

AND WHEREAS, upon the recommendation of the President and CEO of the CWB, the Board of Directors of the CWB consider it to be expedient and in the best interests of the CWB to continue to borrow money through the issuance and sale of short-term notes;

AND WHEREAS, the Board of Directors of the CWB wishes to make certain amendments to the Existing Resolution and to restate the Existing Resolutions as of the date hereof to reflect all such amendments.

AND WHEREAS, the Minister of Finance, by letter dated July 26, 1999, addressed to the CWB, has approved the short-term borrowing and issuance and sale by the CWB of short-term notes and other evidences of indebtedness;

NOW THEREFORE, it is hereby resolved that:

1. All issues of Wheat Board Notes since December 31, 1998 are hereby ratified.

2. Subject to the continuing approval of the Minister of Finance, and the terms under which such approval is granted, the CWB be and it is hereby authorized to continue to borrow money thereunder by the issue and sale from time to time of Wheat Board Notes, each of such Wheat Board Notes to be in a denomination which is a multiple of \$1,000, subject to a minimum of \$100,000 in lawful money of Canada or the United States of America, and to have a maturity, or an interest rate maturity, of 365 days or less (or 366 days or less if issued in a leap year) from the date of its issue and such other terms and conditions as are determined pursuant to clause 4 hereof.
3. (i) The dealer agreement with the Dealers (as defined therein) dated July 12, 1989 as amended by the amending agreement with the Dealers (as defined therein) dated December 31, 1998 (such agreement as amended or amended and restated from time to time, the "Dealer Agreement") and (ii) the agreements dated July 12, 1989, June 1, 1990, July 22, 1992, October 1, 1998 and December 31, 1998 between the CWB and the Canadian Imperial Bank of Commerce as Issuing and Redemption Agent (such agreements together, as amended or amended and restated from time to time, the "Issuing and Redemption Agent Agreement") are hereby ratified, subject to any amendments made thereto on or after the date hereof pursuant to Clause 4 below.
4. Any two of the following officials of the CWB, namely: the Corporate Secretary, Executive Vice-President, Finance and Treasurer; Vice-President, Finance; Vice-President, Accounting and Corporate Controller, Executive Vice-President, Marketing, Executive Vice-President, Corporate Affairs, Vice-President, Human Resources and the President and CEO of CWB (the "Officers") be and they are hereby authorized and empowered on behalf of the CWB from time to time hereafter to execute, either by manual or facsimile signature, and deliver Wheat Board Notes, and any two of the Officers is authorized and empowered on behalf of the CWB from time to time to:
  - (a) enter into agreements not inconsistent with these resolutions amending or amending and restating the Dealer Agreement;
  - (b) subject to compliance with any requirements of law, directly solicit and receive offers to purchase the Wheat Board Notes and sell the Wheat Board Notes directly to investors;
  - (c) enter into agreements not inconsistent with these resolutions amending or amending and restating the Issuing and Redemption Agent Agreement; and,
  - (d) do and perform all such acts and things and to execute and deliver all such agreements, documents and certificates, and to take all such other steps as may be necessary or advisable or convenient and proper to carry out the intent of these resolutions and to fully perform the provisions of said

Wheat Board Notes, the Dealer Agreement and the Issuing and Redemption Agent Agreement;

and the signatures of such Officers in the manner aforesaid to the Wheat Board Notes and such other agreements and documentation shall be conclusive evidence of the due authorization thereof. Subject to clause 2 hereof, Wheat Board Notes may be in such amounts and contain such terms (including maturity dates and rates of interest or discount) as may be determined by any one of the Officers or by any person designated in writing from time to time by any two of the Officers to make such determination.

5. Subject to the receipt from time to time by the CWB of any required approval of the Minister of Finance and the compliance by the CWB with any conditions set forth therein, the authorization to borrow money referred to in clause 2 hereof shall be a continuing authorization.
6. Any Wheat Board Note executed by the CWB in accordance with the provisions of the foregoing (and authenticated by a person authorized to do so as Issuing and Redemption Agent of the CWB) shall constitute a valid and binding obligation of the CWB enforceable in accordance with its terms notwithstanding in the case of execution of any Wheat Board Note by facsimile signature that the signing officer has ceased at the time of execution and delivery of such Note to hold office, and, in the case of execution of such Wheat Board Note by manual or facsimile signature that, at any time after execution of such Wheat Board Note, any individual duly authorized to execute, authenticate or countersign, as the case may be, the same may cease to hold the office or position held by such person at the time he executed, countersigned or authenticated such Wheat Board Note. The authentication or countersigning, as the case may be, by such duly authorized individual shall be conclusive evidence that such Wheat Board Note has been issued and delivered and that the borrowing of the CWB effected through such Wheat Board Note does not exceed any limit set out in any approval of the Minister of Finance as to aggregate principal amount of loans and other borrowings which are authorized to be outstanding.
7. In addition, any Wheat Board Note existing on the date hereof which has been executed by facsimile signature in accordance with the Existing Resolutions shall, when authenticated by a person authorized to do so as Issuing and Redemption Agent of the CWB, constitute a valid and binding obligation of the CWB enforceable in accordance with its terms, notwithstanding that any of the signing officers are not authorized under clause 4 above to execute Wheat Board Notes at the time of delivery of such Wheat Board Note or that at any time after execution of such Wheat Board Note, any individual duly authorized to execute Wheat Board Note under the Existing Resolutions or any individual authorized to authenticate or countersign, as the case may be, the same may cease to hold the office or position held by such person at the time he/she executed, countersigned or authenticated such Wheat Board Note. The authentication or countersigning, as the case may be, by such duly authorized individual shall be conclusive

evidence that such Wheat Board Note has been issued and delivered and that the borrowing effected through such Wheat Board Note does not exceed any limit set out in any approval of the Minister of Finance as to aggregate principal amount of loans or other borrowings which are authorized to be outstanding.

8. The CWB hereby consents to and approves the preparation, issue and distribution from time to time, of one or more forms of an Information Memorandum in both English and French in connection with the aforesaid Wheat Board Notes, and amendments thereto or replacements thereof, not inconsistent with these resolutions as may be approved by any two of the Officers, such approval to be conclusively evidenced by the distribution of any Information Memorandum or amendment thereto, as the case may be.

The undersigned, the Corporate Secretary of the CWB, hereby certifies that the foregoing is a true and correct copy of resolutions duly passed by the board of directors of the CWB at a meeting duly called and held on the 14<sup>th</sup> day of July and that such resolutions remain in full force and effect unamended as of the date hereof.

DATED the 7<sup>th</sup> day of September, 2000.



Corporate Secretary

# THE CANADIAN WHEAT BOARD

## EXTRACT FROM THE CANADIAN WHEAT BOARD ACT, AS AMENDED WITH RESPECT TO BORROWING AND STATUTORY GUARANTEE

### Section 6(1)

“The Corporation possesses the following powers:

(c.01) subject to section 19, to borrow money by any means, including the issuing, reissuing, selling and pledging of bonds, debentures, notes and other evidences of indebtedness of the Corporation;”

### Section 19(3), (4) and (5)

“(3) The Corporation shall submit annually to the Minister of Finance for approval a plan indicating the amount of money that the Corporation intends to borrow in the coming crop year for the purposes of carrying out its corporate plan.

(4) The Corporation shall not undertake any borrowings described in the borrowing plan approved under subsection (3) unless the Minister of Finance has approved the time, terms and conditions of the borrowings.

(5) The repayment with interest, if any, of money borrowed by the Corporation in accordance with the terms and conditions approved under subsection (4) is guaranteed by the Minister of Finance on behalf of Her Majesty.”



The Canadian Wheat Board  
La Commission canadienne du blé

CERTIFICATE OF INCUMBENCY and SIGNATURES OF OFFICERS

<u>Office</u>	<u>Name</u>	<u>Signature</u>
President and Chief Executive Officer Greg Arason		
Executive Vice-President, Marketing Adrian C. Measner		
Executive Vice-President, Corporate Affairs Gordon Miles		
Executive Vice-President, Finance and Treasurer Gordon Menzie		
General Counsel and Corporate Secretary Margaret D. Redmond		
Vice-President, Finance Larry J. Nentwig		
Vice-President, Accounting and Corporate Controller Keith W. McMahon		
Vice-President, Human Resources Laurel Repski		

We, the undersigned, Executive Vice-President, Finance and Treasurer and General Counsel and Corporate Secretary, of The Canadian Wheat Board (the "CWB") do hereby certify that the persons named above have been appointed and have qualified as Signing Officers of the CWB to the offices set opposite their respective names, that such persons are now holding the offices set opposite their respective names and are acting as such Officers and that the signature set opposite each name is a true specimen of the signature of such Signing Officer.

Dated the 7<sup>th</sup> day of September, 2000

Gordon Menzie  
Executive Vice-President,  
Finance and Treasurer

Margaret D. Redmond  
General Counsel and Corporate Secretary

June, 2000

# OGILVY RENAULT

GENERAL PARTNERSHIP

CANADIAN BARRISTERS & SOLICITORS

38 CHARTERHOUSE SQUARE  
LONDON EC1M 6EQ  
ENGLAND  
TELEPHONE: 0207-600 9005  
FAX: 0207-600 9006  
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September 7, 2000

The Canadian Wheat Board  
423 Main Street  
P.O. Box 816  
Winnipeg, Manitoba  
Canada R3C 2P5

Dear Sirs

**Re: Short-Term Promissory Notes**

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We have acted as counsel for The Canadian Wheat Board (the "CWB") in connection with the proposed issue and sale from time to time within the provinces of Canada of its unsecured promissory notes (the "Wheat Board Notes"), each having a maturity date of 365 days or less (or 366 days or less if issued in a leap year) from its date of issue and a denomination in multiples of \$1,000, subject to a minimum of \$100,000, in Canadian or United States currency, all in accordance with the terms of an Information Memorandum of the CWB dated September 7, 2000 (the "Information Memorandum"). This opinion is referred to in and forms part of the Information Memorandum and as such may be delivered to the purchasers or prospective purchasers of the Wheat Board Notes. We understand that the CWB has retained or proposes to retain securities dealers as agents to effect the sale of the Wheat Board Notes and this opinion may be relied upon by such securities dealers.

For the purposes of this opinion, we have examined the *Canadian Wheat Board Act* as amended by *An Act to amend the Canadian Wheat Board Act and to make consequential amendments to other Acts*, S.C. 1998, c.17 (the "Act") and have considered such questions of law and have examined such other statutes, regulations, certificates and other documents as we have considered necessary or appropriate, including the resolutions of the Board of Directors of the CWB enacted on July 14, 2000 authorising the borrowing of money from time to time by the issue and sale of the Wheat Board Notes (the "Resolutions"), the written approval of the Minister of Finance dated July 25, 2000 as required by subsection 6(1)(c.01) of the Act, and the amended and restated issuing and redemption agent agreement (the

OGILVY RENAULT  
MONTREAL OTTAWA  
QUEBEC CITY TORONTO

SWABEY OGILVY RENAULT  
PATENT AND TRADE-MARK AGENTS  
MONTREAL OTTAWA

A LIST OF PARTNERS' NAMES IS AVAILABLE AT THE LONDON, ENGLAND OFFICE

“Agency Agreement”) dated as of September 7, 2000 between the CWB and Canadian Imperial Bank of Commerce (“CIBC”) wherein the CWB has appointed CIBC as its agent to countersign or authenticate and deliver Wheat Board Notes.

In the foregoing examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed or photostatic copies.

We are qualified to render opinions only with respect to the laws of the provinces of Ontario and Québec and with respect to the laws of Canada applicable therein. Where the laws of the provinces of Canada other than Ontario and Québec are relevant to the opinions hereinafter expressed, we have sought the opinions of counsel in such provinces and, in particular, we have relied, without independent examination, upon such opinions as to the qualification of the Wheat Board Notes in such provinces as dealt with in paragraph 4 below, and as to the qualification of the Wheat Board Notes for investment under certain provincial statutes as dealt with in subparagraphs (k) through (t) of paragraph 6 below. In addition, we have assumed that the blank spaces appearing in the form of the Wheat Board Notes will be completed prior to issuance in a manner consistent with the terms of the Information Memorandum.

The opinion in paragraph 4 is subject to the following assumptions:

- (i) that at the time of distribution of the Wheat Board Notes the CWB is not in default of any requirement of the Securities Act, 1998 (Saskatchewan), the Regulations thereunder or any decision of the Saskatchewan Securities Commission;
- (ii) in relation to Wheat Board Notes sold in British Columbia, that the CWB is not a reporting issuer, as that term is defined in the Securities Act (British Columbia), and that no person will be acting as an adviser, as defined under the Securities Act (British Columbia), in connection with the distribution of the Wheat Board Notes unless that person is registered in accordance with the regulations under the Securities Act (British Columbia);
- (iii) in relation to the ability of the CWB to sell Wheat Board Notes directly in Ontario and Newfoundland, that the CWB is not a “market intermediary” as defined in the regulations under the Securities Act (Ontario) and the Securities Act (Newfoundland), respectively;
- (iv) in relation to Wheat Board Notes sold in Manitoba, that any person or company that offers and sells the Wheat Board Notes in Manitoba and holds a restricted registration under the Securities Act (Manitoba) is authorized to trade in the Wheat Board Notes pursuant to such restricted registration; and
- (v) that the only disclosure document delivered to subscribers in the Province of Quebec is the Information Memorandum

Based and relying upon and subject to the foregoing, we are of the opinion that as of the date hereof:

1. The CWB has been duly established and validly exists as a body corporate created by the Parliament of Canada by virtue of the Act.
2. All necessary corporate action has been taken by the CWB to authorise the creation, execution, issuance and sale of the Wheat Board Notes.
3. Provided that the conditions set forth in the Resolutions are complied with (including that the Minister of Finance extends his approval from time to time as required by the Act and that terms under which such approval is granted are complied with), Wheat Board Notes issued in the form of the specimen Wheat Board Note contained in the Information Memorandum and signed either manually or by facsimile signature by the officers of the CWB authorised for such purpose in the Resolutions, and when duly authenticated on behalf of the CWB by a person authorised to do so by CIBC under the Agency Agreements (or by such other Canadian financial institution with which the CWB may from time to time enter into an agreement for that purpose) and delivered by or on behalf of the CWB for value, will constitute legal, valid and binding obligations of the CWB unconditionally and irrevocably guaranteed by the Minister of Finance on behalf of Her Majesty in right of Canada under the terms of the Act.
4. The CWB may, either directly or through agents offer and sell the Wheat Board Notes to the public in the provinces of Canada without qualification or registration of the Wheat Board Notes, without registration by the CWB and without filing any prospectus or other documents relating to the Wheat Board Notes under the provisions of any law of any province of Canada, provided that (i) in respect of sales in Nova Scotia, the Information Memorandum is accompanied by the description of the right of action granted by the Securities Act (Nova Scotia) to purchasers in Nova Scotia who purchase Wheat Board Notes in reliance upon a misrepresentation, which description is currently contained in the Information Memorandum, (ii) in respect of sales in Ontario and Newfoundland, any of such agents is not a "market intermediary" (as defined in the applicable legislation) or is otherwise qualified under applicable legislation in the relevant province, and (iii) in respect of sales in the Province of Quebec a copy of the Information Memorandum has been filed with the Quebec Securities Commission, which is the case, and such agents are qualified under the Securities Act (Quebec).
5. The creation, issuance or sale of the Wheat Board Notes will not result in a breach of any of the terms and conditions or provisions of, or constitute a default under, the Act.
6. Assuming their due execution, countersignature or authentication and delivery, subject to compliance with prudent investment standards and general investment provisions and restrictions of the following statutes (and, where applicable, the regulations thereunder) and, where applicable, subject to the satisfaction of additional requirements relating to investment or lending policies and goals and, where

applicable, without resort to the so-called “basket” provisions, the Wheat Board Notes will not be precluded as investments for:

- (a) companies, foreign companies or societies governed by the *Insurance Companies Act* (Canada);
- (b) companies registered under the *Trust and Loan Companies Act* (Canada);
- (c) pension plans governed by the *Pension Benefits Standards Act, 1985* (Canada);
- (d) loan corporations or trust corporations registered under the *Loan and Trust Corporations Act* (Ontario);
- (e) pension funds registered under the *Pension Benefits Act* (Ontario);
- (f) trustees subject to the *Trustee Act* (Ontario);
- (g) insurers, as defined in *An Act respecting insurance* (Québec), incorporated under the laws of the Province of Québec;
- (h) institutions, corporations or loan and investment societies licensed under the *Loan and Investment Societies Act* (Québec);
- (i) insured plans as defined in the *Supplemental Pension Plans Act* (Québec);
- (j) trust companies or savings companies incorporated under the laws of the Province of Québec and governed by *An Act respecting trust companies and savings companies* (Québec);
- (k) financial institutions, as defined in the *Financial Institutions Act* (British Columbia);
- (l) insurance companies subject to the *Insurance Act* (Alberta);
- (m) pension plans governed by the *Employment Pension Plans Act* (Alberta);
- (n) corporations incorporated or continued under the *Loan and Trust Corporations Act* (Alberta);
- (o) pension plans registered under *The Pension Benefits Act, 1992* (Saskatchewan);
- (p) insurance companies subject to *The Saskatchewan Insurance Act*;
- (q) trustees subject to *The Trustee Act* (Saskatchewan);

- (r) insurers subject to *The Insurance Act* (Manitoba);
  - (s) trustees whose investment powers are governed by *The Trustee Act* (Manitoba);
  - (t) pension plans subject to *The Pension Benefits Act* (Manitoba).
7. The use of a bilingual version of each of the Information Memorandum and specimen Wheat Board Note in connection with the sale of the Wheat Board Notes to purchasers in the Province of Québec will not contravene the Charter of the French Language (Québec) nor the Securities Act (Québec), except that the distribution of the Information Memorandum in a public place would require a separate French version thereof.
8. The French texts of the Information Memorandum and the specimen Note are in all material respects complete and proper translations of the respective English texts thereof and the said English and French texts are not susceptible of materially different interpretations with respect to any material matter contained therein.

Yours truly,



**The Canadian Wheat Board**

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