

The Agreement defines the parameters under which Canada will continue to review U.S. investment in Canada. The Parties agree that the gross asset threshold for the review by Canada of a direct acquisition by a U.S. investor of a Canadian firm shall be as follows:

on the date of the implementation of the Agreement	Cdn\$ 25 million
1st anniversary of such date	Cdn\$ 50 million
2nd anniversary of such date	Cdn\$ 100 million
3rd anniversary of such date	Cdn\$ 150 million
4th anniversary of such date forward	Cdn\$ 150 million in constant 3rd anniversary year dollars

The Parties further agree that the gross asset threshold for the review of an indirect acquisition by a U.S. investor of a Canadian firm shall be as follows:

on the date of implementation of the Agreement	Cdn\$ 100 million
1st anniversary of such date	Cdn\$ 250 million
2nd anniversary of such date	Cdn\$ 500 million
3rd anniversary of such date forward	no review

Canada also agrees that the thresholds described above will apply to the acquisition by third-country investors of Canadian firms controlled by U.S. investors.