



Election on Disposition of Property by a Partnership to a Taxable Canadian Corporation

- For use by a taxable Canadian corporation and all the members of a partnership, to jointly elect under subsection 85(2) where the partnership has disposed of property to the corporation and has received as consideration shares of any class of the capital stock of the corporation.
- Unless otherwise noted, all legislative references are to the Income Tax Act.
- Mail one copy of the election and related schedules (if any), completed by the partner designated by the partnership, as follows:
 - to the tax centre serving the area of the transferee;
 - on or before the earlier date on which any party to the election has to file an income tax return for the tax year in which the transaction occurred (due date);
 - separately from any other return,
- If you do **not** have an RZ partnership account number, fill out Form RC1, Request for a Business Number and Certain Program Accounts.
- Find your tax centre's address by going to canada.ca/cra-offices.

Do not use this area

Name of partnership (transferor)				Partnership account number							
				R Z							
Address				Postal code							
Tax year of partnership		from	Year	Month	Day	to	Year	Month	Day	Tax services office	
Corporation's name (transferee)				Business number							
2864555 Ontario Inc.				7 7 9 3 8 9 7 0 9 R C 0 0 0 1							
Address				Postal code							
22 Adelaide Street West, Suite 3400, Bay Adelaide Centre, East Tower, Toronto ON				M5H 4E3							
Tax year of corporation		from	Year	Month	Day	to	Year	Month	Day	Tax services office	
			2	0	2	1	0	9	0	2	Toronto Centre
Name of person to contact for more information				Telephone number							

Penalty for late-filed and amended elections

An election that is filed after its due date is subject to a late-filing penalty. You can file form T2058 within three years after its due date if you pay an estimate of the penalty at the time of filing. You can also amend or file form T2058 after the three-year period, but, in addition to the payment of an estimated penalty amount, you must attach a written explanation justifying the changes or reasons for the delay for consideration by the minister.

Calculation of late-filing penalty:

Fair market value (FMV) of property transferred

Agreed amount

Subtotal (FMV minus agreed amount) A

Amount A $\times \frac{1}{4} \times 1\% \times N^*$ B

\$100 $\times N^*$ C

Amount C cannot exceed \$8,000.

Late-filing penalty (amount B or amount C whichever is less)

Amount enclosed

Do not use this area

Make your cheque or money order payable to the Receiver General for Canada. On the back, write: "T2058", the partnership's name (transferor), and its partnership account number.

Unpaid amounts, including late-filing penalties are subject to daily compound interest at a prescribed rate.

* N is the sum of each month or part of a month in the period from the filing due date to the actual date filed.

Information required

On the following page, list, describe, and state the fair market value (FMV) of transferred properties. The description and FMV of the consideration received has to be shown opposite the related property transferred. Where the transferred property is a partnership interest, attach a schedule of the calculation of the adjusted cost base. If there is not enough space on the form, attach schedules giving similar details. You have to designate the order of disposition of each depreciable property. You should have the following materials: schedules supporting this designation; documentation relating to the responses to the questions below; and a brief summary of the method of evaluating the FMV of each property transferred. Do not attach the materials listed, but keep them as we may ask to see them at a later date.

1. Is there a written agreement relating to this transfer? Yes ☒ No ☐
2. Does a price adjustment clause apply to any of the properties? (See Income Tax Folio S4-F3-C1 for details). Yes ☐ No ☒
3. Do any persons other than the members of the partnership own or control, directly or indirectly, any shares of any class of the transferee? Yes ☒ No ☐
4. Does a non-arm's length rollover exist between the partnership(s) and the transferee corporation? Yes ☐ No ☐
- a) Have all or substantially all (90% or more) of all properties of the partnership been transferred to the corporation? Yes ☐ No ☐
5. Are any partners non-residents of Canada? Yes ☐ No ☐
6. Are any of the properties transferred capital properties? Yes ☐ No ☐
- If **yes** to questions 6:
- a) have they been owned continuously since Valuation Day (V-Day)? Yes ☐ No ☐
- b) have they been acquired after V-Day in a transaction considered not to be at arm's length? Yes ☐ No ☐
- c) since V-Day, has the partnership or any person from whom shares were acquired in a non-arm's length transaction received any subsection 83(1) dividends for transferred shares? (If **yes**, attach a schedule and provide details of amounts and dates received). Yes ☐ No ☐
7. Is the agreed amount of any of the transferred properties based on an estimate of fair market value on V-Day? Yes ☐ No ☐
- a) If **yes** to question 7, does a formal documented V-Day value report exist? Yes ☐ No ☐
8. Has an election under subsection 26(7) of the Income Tax Application Rules (form T2076) been filed by or on behalf of the transferor? Yes ☐ No ☐

Where shares of the capital stock of a private corporation are included in the property disposed of, provide the following:

Corporation's name

Peraso Technologies Inc.

Business number

8 0 1 6 7 1 2 1 5 R C 0 0 0 1

Paid-up capital of shares transferred (under the Income Tax Act)

Description of shares received

Number of shares transferor received	Class of shares	Redemption value per share	Paid-up capital (under the Income Tax Act)	Voting or non-voting	Are the shares redeemable at the holder's option?	
	Exchangeable Shares	1 Common Share of MoSys (which represents on a consolidated basis, the business of MoSys and Peraso) plus all declared and unpaid dividends	Determined under s.85(2.1) of the ITA	Non-voting	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
					Yes <input type="checkbox"/>	No <input type="checkbox"/>
					Yes <input type="checkbox"/>	No <input type="checkbox"/>
					Yes <input type="checkbox"/>	No <input type="checkbox"/>
					Yes <input type="checkbox"/>	No <input type="checkbox"/>

Informative notes

- The rules for section 85 elections are complex. Essential information is contained in Information Circular IC76-19, Income Tax Folio S4-F3-C1, Interpretation Bulletins IT-291 and IT-378.
- Complete all the information areas and answer all questions. If this form is incomplete, we may consider the election invalid and subsequent submissions may be subject to a late-filing penalty.
- If the agreed amount exceeds the adjusted cost base of the property in the election, you must report the difference as a capital gain, as income or a combination of both, whichever applies.

Information on the property disposed of and consideration received

Date of sale or transfer of all properties listed below:

(For properties sold or transferred on different dates, use a separate form T2058.)

Year	Month	Day
2 0 2	1 1 2	1 7

Property disposed of		Elected amount limits (note 1)		B Agreed amount (cannot be zero)	Amount to be reported B minus A (if greater than 0, see note 4)	Consideration received		Fair market value
		Description	Fair market value			Non-share Description	Share Number and class	
Capital property excluding depreciable property	(Brief legal)		(note 2)					
	Common shares of							
	Peraso Technologies Inc.					Ancillary Rights		
Depreciable property	(Description and prescribed class)		(note 3)					
Inventory excluding real property	(Kind)		(cost amount)					
Resource property	(Brief legal)		nil					
			nil					
			nil					
Security or debt obligation property	(Description)		(cost amount)					
Specified Debt Obligation (For financial institutions only)			(cost amount)					

Note 1: Read Interpretation Bulletin IT-291 for an explanation of the limits.**Note 2:** Adjusted cost base (subject to adjustment under section 53).**Note 3:** The lesser of undepreciated capital cost of all property of the class and the cost of the property.**Note 4:** This amount is to be reported either as a capital gain or as income, whichever applies. Also, in the case of depreciable property, a portion of the amount may have to be reported as a capital gain while another portion of the amount may have to be reported as income.

Election and certification

The corporation and all members of the partnership hereby jointly elect under subsection 85(2) in respect of the property specified, and certify that the information given in this election, and in any documents attached, is true, correct and complete to the best of their knowledge.

_____		_____ and _____	
Date		Signature of authorized officer of corporation	
		Position or office	
1	Social insurance, trust account or business number	Name of partner, authorized person or authorized officer	Partner's tax services office
	Signature of partner, authorized person or authorized officer	Position of office of authorized person or authorized officer	Date
2	Social insurance, trust account or business number	Name of partner	Partner's tax services office
	Signature of partner, authorized person, or authorized officer		Date
3	Social insurance, trust or business number	Name of partner	Partner's tax services office
	Signature of partner, authorized person, or authorized officer		Date

The election form must be signed by all partners, or by a person authorized in writing by all partners to sign for them, and by an authorized officer of the transferee. A person who is authorized to sign for all the partners should complete area 1 above, and attach a copy of the authorizing agreement. If space is insufficient, attach "Election and certification" giving similar details. Attach a list containing the name, social insurance number, trust account number, or business number of each partner. If a member of the partnership is itself a partnership, attach a list showing the name, social insurance number, trust account number, or business number of each member of that partnership. Also, indicate the fiscal period of the partnership.

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at canada.ca/cra-info-source.