

10.4 Extension of Restrictions

- (1) A related entity of a Participant and a director, officer, partner or employee of the Participant or a related entity of the Participant shall:
 - (a) comply with the provisions of UMIR and any Policies with respect to just and equitable principles of trade, manipulative and deceptive activities, short sales and frontrunning as if references to “Participant” in Rules 2.1, 2.2, 2.3, 3.1 and 4.1 included reference to such person; and
 - (b) in respect of the failure to comply with the provisions of UMIR and the Policies referred to in clause (a), be subject to the practice and procedures and to penalties and remedies set out in this Part.

- (2) A related entity of an Access Person and a director, officer, partner or employee of the Access Person or a related entity of the Access Person shall in respect of trading on a marketplace on behalf of the Access Person or related entity of the Access Person:
 - (a) comply with the provisions of UMIR and any Policies with respect to just and equitable principles of trade, manipulative and deceptive activities and short sales as if references to “Access Person” in Rules 2.1, 2.2 2.3 and 3.1 included reference to such person; and
 - (b) in respect of the failure to comply with the provisions of UMIR and the Policies referred to in clause (a), be subject to the practice and procedures and to the penalties and remedies set out in this Part.

- (3) If, in the opinion of a Market Regulator, a particular person to whom UMIR applies, including any particular person to whom UMIR has been extended in accordance with subsection (1) and (2), has organized their business and affairs for the purpose of avoiding the application of any provision of UMIR, the Market Regulator may designate any person involved in such business and affairs as a person acting in conjunction with the particular person.

- (4) Upon a Market Regulator making a designation in accordance with subsection (3), the Market Regulator shall provide notice of such designation to:
 - (a) the particular person;
 - (b) the designated person;

- (c) each Market Regulator; and
- (d) each applicable securities regulatory authority.

<p>Defined Terms: NI 14 101 section 1.1(3) – “securities regulatory authority”</p> <p>UMIR section 1.1 – “Access Person”, “employee”, “Market Regulator”, “marketplace”, “Participant”, “Policy”, “related entity”, “short sale” and “UMIR”</p> <p>UMIR section 1.2(2) – “person”</p> <p>Regulatory History: Effective April 1, 2005, the applicable securities commissions approved amendments to Rule 10.4 in clause (1) (a) and (2)(a) to add reference to Rule 2.3 and substitute “activities” for “method of trading”.</p> <p>In connection with the recognition of IROC and its adoption of UMIR, the applicable securities commissions approved amendments to Rule 10.4 that came into force on June 1, 2008 to:</p> <ul style="list-style-type: none"> (a) in clause (a) of subsection (1), delete the phrase “these Rules” and substitute the word “UMIR”; (b) in clause (b) of subsection (1), delete the phrase “Rules and” and substitute the phrase “provisions of UMIR and the”; (c) in clause (a) of subsection (2), delete the phrase “these Rules” and substitute the word “UMIR”; and (d) in clause (b) of subsection (2), delete the phrase “Rules and” and substitute the phrase “provisions of UMIR and the”; and (e) replace subsection (3) which previously read as follows: <ul style="list-style-type: none"> (3) If, in the opinion of a Market Regulator, a particular person to whom these Rules apply, including any particular person to whom these Rules have been extended in accordance with subsection (1) and (2), has organized their business and affairs for the purpose of avoiding the application of any provision of these Rules, the Market Regulator may designate any person involved in such business and affairs as a person acting in conjunction with the particular person. <p>Disciplinary Proceedings: Rule 10.4(1)(a) was considered <u>In the Matter of David Avery Little (“Little”)</u> (December 22, 2003) OOS 2003-014. See Disciplinary Proceedings under 2.1.</p> <p>Disciplinary Proceedings: Rule 10.4(1)(a) was considered <u>In the Matter of Gerald Douglas Phillips (“Phillips”)</u> (February 26, 2004) SA 2004-002. See Disciplinary Proceedings under 2.1.</p> <p>Disciplinary Proceedings: Rule 10.4(1)(a) was considered <u>In the Matter of Louis Anthony De Jong (“DeJong”) and Dwayne Barrington Nash (“Nash”)</u> (July 29, 2004) Decision 2004-004. See Disciplinary Proceedings under 2.1.</p> <p>Disciplinary Proceedings: Rule 10.4(1)(a) was considered <u>In the Matter of Glen Grossman (“Grossman”)</u> (July 18, 2005) SA 2005-004. See Disciplinary Proceedings under Rule 2.1.</p> <p>Disciplinary Proceedings: Rule 10.4(1)(a) was considered <u>In the Matter of W. Scott Leckie</u> (July 19, 2005) SA 2005-005. See Disciplinary Proceedings under Rule 2.2.</p> <p>Disciplinary Proceedings: Rule 10.4(1)(a) was considered <u>In the Matter of Ian Macdonald, Edward Boyd, Peter Dennis and David Singh</u> (July 28, 2005) SA 2005-006. See Disciplinary Proceedings under Rule 2.2.</p>
