

APPENDIX B

MEMBER AGREEMENT REGARDING AGENTS

TO: INVESTMENT DEALERS ASSOCIATION OF CANADA (the "IDA")

RECITALS:

A. The Member is a member of the IDA and has agreed to be bound by its Constitution, By-laws, Regulations, Policies and Forms ("**IDA Rules**").

B. By-law 39.4(o) of the IDA requires the Member to enter into this Agreement, which is in addition to, and does not replace or modify, the IDA Rules or any agreement between the IDA and the Member.

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member agrees that:

1. The Member shall ensure that each of its agents (as defined in By-law 39.3(b)) complies with all laws, legislation and regulations of any governmental entity that are applicable to such agent and all by-laws, rulings, policies, rules, regulations, orders and directions of any self-regulatory organization or similar authority that are applicable to such agent (collectively, "**Applicable Laws**"), as if such agent is an employee of the Member.
2. The Member shall enter into an agreement with each agent of the Member, in accordance with By-law 39.4(n) of the IDA, pursuant to which the agent agrees to comply with all Applicable Laws.
3. The Member shall administer and comply with all IDA Rules as if each agent of the Member is an employee of the Member and, without limitation, shall be responsible for and shall supervise the conduct of each agent in respect of its business, including compliance with Applicable Laws as if such agent is an employee of the Member.
4. The Member or the agent of the Member shall make written disclosure to the client advising the client of the business activity included in or excluded from the securities related business (as defined in By-law 39) that the Member conducts and that any other business activity conducted by the agent is not the responsibility of the Member but is the responsibility of the agent alone. The disclosure to new clients shall be provided at the time an account is opened for a client. The disclosure to existing clients shall be provided simultaneously with the language set out in Paragraph 7 within 6 months of the effective date of By-law 39.
5. Where the written disclosure described in Paragraph 4 is made by the agent, the Member shall ensure that the agent provides the disclosure directly to the client.
6. At the time an account is opened for a client, the Member shall include the following language in the New Client Application Form:

Your investment adviser may be an employee or an agent of [Member firm]. In either case, [Member firm] will be irrevocably liable to you, and will continue to be liable to you for the acts and omissions of your investment adviser relating to [Member firm's] business as if the investment adviser were an employee of [Member firm]. By continuing to deal with our firm you accept our offer of indemnity.

7. For existing client accounts that were opened with the Member on or before the effective date of By-law 39, the Member shall deliver to clients a document that includes the language as set out in Paragraph 6.
8. This Agreement shall be governed by the laws of the [applicable province or territory] and the laws of Canada applicable in the [applicable province or territory].
9. This Agreement shall enure to the benefit of, and shall be binding upon, the parties hereto and their successors and permitted assigns, provided that the Member may not assign its rights and obligations hereunder without the prior written consent of the IDA.

DATED as of the ____ day of _____, _____.

[MEMBER]

Name:
Title: