

RULE 2300 | PRINCIPAL AND AGENT RELATIONSHIPS

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2304. Written agreement between the Dealer Member and its agents

- (1) The *Dealer Member* and the *agent* who conducts *securities related business* must enter into a written agreement.

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- (7) The written agreement must contain the following minimum terms:
 - (i) Compliance with the *applicable laws*

The *agent* and the *Dealer Member* confirm that this agreement does not violate *applicable laws*.
 - (ii) Confirmation of supremacy of *IIROC requirements*

The *agent* and the *Dealer Member* confirm that:

 - (a) this agreement is made in compliance with *IIROC requirements*,
 - (b) if there is an inconsistency between this agreement and any applicable *IIROC requirements*, the *IIROC requirements* will prevail,
 - (c) any inconsistent terms will be deemed severed and deleted,
 - (d) *IIROC* has the authority to regulate and enforce the provisions set out in this agreement, and
 - (e) this agreement will be interpreted and enforced to give full effect to any applicable *IIROC requirements*.
 - (iii) Compliance by the *agent* with *applicable laws, securities laws, and IIROC requirements*
 - (a) The *agent* warrants to the *Dealer Member* that it is appropriately registered or licensed, in good standing and in compliance with all *applicable laws, securities laws* and *IIROC requirements*.
 - (b) The *agent* covenants to comply with all *applicable laws, securities laws* and *IIROC requirements*.
 - (c) The *agent* agrees to be bound by and comply with the warranties and covenants above throughout the term of the agreement.
 - (iv) Conduct of the *agent's* business
 - (a) The *agent* agrees to conduct all business in the *Dealer Member's* name, subject to sections 2281 through 2283 relating to the use of trade names.
 - (b) The *agent* agrees to conduct all *securities related business* activities through the *Dealer Member*.

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(v) Supervision of the *agent* by the *Dealer Member*

The *Dealer Member* agrees to be:

- (a) responsible for the supervision of the *agent's* conduct to provide reasonable assurance of the *agent's* compliance with *IIROC requirements* and the requirements of any other *securities regulatory authority* to which the *Dealer Member* is subject, and
- (b) liable to clients (and other third parties) for the *agent's* conduct as if they were an *employee*.

(vi) Written disclosure to clients

If the *Dealer Member* and the *agent* have agreed that the *agent* will advise the clients directly:

- (a) the list of *securities related business* activities conducted by the *agent* for which the *Dealer Member* is responsible, and
- (b) that the *Dealer Member* is not responsible for any other business activity conducted by the *agent*,

the *Dealer Member* agrees to be responsible for ensuring that the *agent* has done so.

(vii) *Dealer Member* assumes responsibility for clients

(a) In the event that:

- (I) *IIROC* or another *securities regulatory authority* has advised the *Dealer Member* that it has started an investigation relating to allegations of misconduct by the *agent*, or
- (II) the *Dealer Member* has reasonable grounds to believe that the *agent* has contravened or may be contravening one or more *IIROC requirements* or *securities laws*,

the *Dealer Member* may immediately and without notice to the *agent*, assume responsibility for the client to the exclusion of the *agent*.

- (b) The *agent* may not have any dealings or communications with the client as long as the *Dealer Member* has assumed this responsibility.
- (c) The *Dealer Member* may designate another qualified *person* to provide services to the client, and that *person* may receive any *remuneration* that would have been paid to the *agent*.

(viii) Outside ~~business~~ activities

- (a) The *agent* agrees not to conduct any outside ~~business~~ activity without disclosing to and obtaining the written consent of the *Dealer Member*.
- (b) If the *agent* is involved in an outside ~~business~~ activity, the *Dealer Member* agrees to monitor and enforce compliance with the terms of this agreement directly and not through another employer or principal of the *agent*.

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- (c) The *agent* agrees to ensure that the outside ~~business~~ activity will not interfere with the *Dealer Member* or *IIROC* monitoring and enforcing compliance by the *agent* with this agreement or *IIROC requirements*.

RULE 2500 | DEALER MEMBER DIRECTORS AND EXECUTIVES, AND APPROVAL OF INDIVIDUALS

2554. The Approved Person's activities outside of the Dealer Member

- (1) An *Approved Person* may have, and continue in, a ~~business or other~~ an activity outside of the *Dealer Member*, if the ~~business or other~~ outside activity:
 - (i) is not contrary to *securities laws* or *IIROC requirements*, and
 - (ii) does not bring the securities industry into disrepute.
- (2) An *Approved Person* may have, and continue in, a ~~business~~ an outside activity ~~outside of the Dealer Member~~, if:
 - (i) the *Approved Person* informs the *Dealer Member* of the outside ~~business~~ activity,
 - (ii) the *Approved Person* obtains the *Dealer Member's* prior approval to engage in the outside ~~business~~ activity,
 - (iii) the *Dealer Member's* policies and procedures specifically address:
 - (a) continuous service to clients, and
 - (b) potential conflicts of interest,and,
 - (iv) the *Dealer Member* notifies *IIROC* of the outside ~~business~~ activity within the time period and manner required by ~~IIROC requirements~~ National Instrument 33-109.
- (3) An *individual* must not act, and a *Dealer Member* must not permit an *individual* to act, as a *Registered Representative*, *Investment Representative*, *Portfolio Manager*, *Associate Portfolio Manager* or *Trader* in a manner that is contrary to section 4.1 of National Instrument 31-103, unless an exemption is granted by the applicable *securities regulatory authority* and such similar exemption request is also filed with and approved by *IIROC*.

RULE 2800 | THE NATIONAL REGISTRATION DATABASE

2801. Introduction

- (1) A Dealer Member must participate in the *National Registration Database* (defined ~~in subsection~~ in subsection 2802(1)).
- (2) A Dealer Member must ensure timely and accurate filings on the *National Registration Database*.

2803. Dealer Member obligations for the National Registration Database

- (1) A Dealer Member must, as prescribed by the applicable *securities laws*:
 - (i) enroll in the *National Registration Database* and pay the enrollment fee to the *securities regulatory authority* in the Dealer Member's principal jurisdiction,
 - (ii) enroll, with the *National Registration Database Administrator*, only one *chief authorized firm representative* responsible for the Dealer Member's *National Registration Database* filings,
 - (iii) notify the *National Registration Database Administrator*, of the appointment of a new *chief authorized firm representative* within seven days of the appointment,
 - (iv) notify the *National Registration Database Administrator*, of any change in name, phone number, fax number or email address of the *chief authorized firm representative* within seven days of the change,
 - (v) maintain only one *National Registration Database account*, and
 - (vi) submit through the *National Registration Database* any change of an *authorized firm representative* who is not the *chief authorized firm representative*, within seven days.
- (2) The following list describes the submission requirements as prescribed by *securities laws*.
 - (i) A Dealer Member must make the following submissions using the *National Registration Database* on the *National Registration Database* form specified, within the time period prescribed by National Instrument 33-109.

Type of submission	Form and timeline for submission
(a) an application for approval of an <i>individual</i> under any <i>IIROC</i> requirement	Form 33-109F4 - Registration of Individuals and Review of Permitted Individuals

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Type of submission	Form and timeline for submission
(b) a notification of any change in the type of business which an <i>Approved Person</i> will conduct	Form 33-109F2 - Change or Surrender of Individual Categories
(c) (I) an application for different or additional approval under <i>IIROC requirements</i> for any <i>Approved Person</i> , (II) a surrender of existing approval	Form 33-109F2 - Change or Surrender of Individual Categories
(d) a report of a change of information regarding an <i>Approved Person</i> previously submitted in Form 33-109F4	Form 33-109F5 - Change of Registration Information , within the time periods and manner prescribed in National Instrument 33-109 and 33-109CP.
(e) an application for an exemption from a proficiency requirement of section 2602 for an <i>Approved Person</i> or applicant for approval	"Apply for an Exemption" submission on the <i>National Registration Database</i>
(f) a notification of <u>by</u> a <i>Dealer Member</i> terminating (I) <u>of the employment end</u> of, or (II) principal or agent relationship with an <u>employee</u> <i>Approved Person</i> <u>status</u>	Form 33-109F1 - Notice of Termination <u>End</u> of Registered Individuals and Individual Registration or Permitted Individuals. <u>Individual Status</u> Items one through four of this form must be filed within 10 days of the cessation date. Item five must be filed within 30 days of cessation date unless the reason for termination under item four is that the individual is deceased.
(g) a notification of a <i>business location</i> opening or closing under section 2202	Form 33- 109F3 - Business locations other than head office , within 10 days of the opening or closing
(h) a notification of change of address, type of location or supervision of any <i>business location</i>	Form 33-109F3 - Business locations other than head office, within 10 days of the change
(i) notification of reinstatement of <i>individual</i> approval.	Form 33-109F7 - Reinstatement of Registered Individuals and Permitted Individuals, within 90 days of the cessation date from the previous sponsoring firm (see

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Type of submission	Form and timeline for submission
	section 2808 for eligible criteria before making this filing).

- (ii) Before filing a notice of change of business type under sub-clause 2803(2)(i)(b) above, a *Dealer Member* must notify *IIROC* through the *National Registration Database* that either:
 - (a) the *Approved Person* has completed the necessary proficiency requirements under section 2602(3) to undertake the type of business, or
 - (b) the *Approved Person* has been granted an exemption from the proficiency requirements under sections 2625 through 2628.

2807. ~~Termination~~Cessation of Approved Person status

- (1) A *Dealer Member* must notify *IIROC* of the ~~termination~~cessation of an *individual's status as an Approved Person*, within the time period and the manner prescribed in National Instrument 33-109.
- (2) Approval of an *individual* will ~~be suspended by IIROC~~end if:
 - (i) the *individual* ceases to be an *Approved Person* with a *Dealer Member*, or
 - (ii) the approved agency relationship with a *Dealer Member* is terminated.
- (3) A *Dealer Member* must, ~~within 10 days of~~upon receiving a request from an *individual* that was its former *Approved Person*, provide to the *individual* a copy of the Form 33-109F1 that the *Dealer Member* submitted under subsection 2807(1) in respect of that *individual*, within time period prescribed by National Instrument 33-109.
- (4) If a *Dealer Member* completed and submitted the information in item five of Form 33-109F1 in respect of an *individual* who made a request under subsection 2807(3) and that information was not included in the initial copy provided to the *individual*, the *Dealer Member* must provide to that *individual* a further copy of the completed Form 33-109F1, including the information in item five, within the ~~latter of:~~
 - (i) ~~10 days after the request by the individual under subsection 2807(3), and~~
 - (ii) ~~10 days after the submission pursuant to subsection 4.2(2)(b) of~~time period prescribed by National Instrument ~~33-109~~33-109.

2808. Reinstatement of ~~suspended~~ Approved Persons

- (1) ~~The approval of an~~An individual may be reinstated in the same *Approved Person* ~~suspended under subsection 2807(2) will be reinstated by IIROC on the date the Dealer Member submits~~category or categories by submitting a completed Form 33-109F7 ~~if:~~
 - (i) ~~Form 33-109F7 is submitted within 90 days of the cessation date,~~

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~~(ii) — there has been no change to the information previously submitted in respect of regulatory, criminal, civil and financial disclosure (items 13 [other than 13.3(a)], 14, 15 and 16 of Form 33-109F4 respectively),~~

~~(iii) — the *individual's* employment or agency relationship with the former sponsoring *Dealer Member* did not end because the *individual* resigned voluntarily, was asked by the *Dealer Member* to resign or was dismissed, following an allegation against the *individual* of any of the following:~~

~~(a) — criminal activity,~~

~~(b) — a breach of securities laws, or~~

~~(c) — a breach of the rules of an *SRO*,~~

~~(iv) — the *individual* is seeking reinstatement with a sponsoring firm in one or more of the same categories in which the *individual* was approved on the cessation date, and~~

~~(v) — the new *Dealer Member* is registered in the same category (or subset thereof) of registration in which the *individual's* former *Dealer Member* was registered, provided the conditions in Form 33-109F7 and National Instrument 33-109 are satisfied.~~

RULE 3100 | DEALING WITH CLIENTS

3115. Personal financial dealings

- (1) An *employee* or *Approved Person* of a *Dealer Member* must not, directly or indirectly, engage in any personal financial dealings with clients.
- (2) Personal financial dealings include, but are not limited to, the following types of dealings:
 - (i) Accepting any consideration
 - (a) Except as described in paragraphs 3115(2)(i)(a)(I) and 3115(2)(i)(a)(II) accepting any consideration, including *remuneration*, gratuity or benefit, from any *person* other than the *Dealer Member* for any activities conducted on behalf of a client.
 - (I) Consideration that is non-monetary, of minimal value, and infrequent such that it will not cause a reasonable person to question whether it created a conflict of interest or otherwise improperly influenced the *Dealer Member* or its *employees* would not be considered to be consideration for the purposes of sub-clause 3115(2)(i)(a).

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- (II) Compensation received from a client in exchange for services provided through an approved outside ~~business~~ activity would not be considered to be consideration for the purpose of sub-clause 3115(2)(i)(a).

RULE 3600 | COMMUNICATIONS WITH THE PUBLIC

3623. Outside ~~business~~ activities

- (1) A *Dealer Member* must pre-approve an *analyst's* outside ~~business~~ activities.