

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 activities

- (a) The *agent* agrees not to conduct any outside activity without disclosing to and obtaining the written consent of the *Dealer Member*.
- (b) If the *agent* is involved in an outside 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*.
- (c) The *agent* agrees to ensure that the outside activity will not interfere with the *Dealer Member* or *IIROC* monitoring and enforcing compliance by the *agent* with this agreement or *IIROC requirements*.

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

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

- (1) An *Approved Person* may have, and continue in, an activity outside of the *Dealer Member*, if the 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, an outside activity, if:
 - (i) the *Approved Person* informs the *Dealer Member* of the outside activity,
 - (ii) the *Approved Person* obtains the *Dealer Member's* prior approval to engage in the outside 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 activity within the time period and manner required by 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*.

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RULE 2800 | THE NATIONAL REGISTRATION DATABASE

2801. Introduction

- (1) A *Dealer Member* must participate in the *National Registration Database* (defined 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
(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
(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</i> requirements for any <i>Approved Person</i> , (II) a surrender of existing approval	Form 33-109F2 - Change or Surrender of Individual Categories

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Type of submission	Form
(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
(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 by a <i>Dealer Member</i> of the end of an employee <i>Approved Person</i> status	Form 33-109F1 - Notice of End of Individual Registration or Permitted Individual Status
(g) a notification of a <i>business location</i> opening or closing under section 2202	Form 33- 109F3 - Business locations other than head office
(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
(i) notification of reinstatement of <i>individual</i> approval.	Form 33-109F7 - Reinstatement of Registered Individuals and Permitted Individuals (see 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.

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2807. Cessation of Approved Person status

- (1) A *Dealer Member* must notify IIROC of the 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 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, 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 time period prescribed by National Instrument 33-109.

2808. Reinstatement of Approved Persons

- (1) An *individual* may be reinstated in the same *Approved Person* category or categories by submitting a completed Form 33-109F7, 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).
 - (II) Compensation received from a client in exchange for services provided through an approved outside activity would not be considered to be consideration for the purpose of sub-clause 3115(2)(i)(a).

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RULE 3600 | COMMUNICATIONS WITH THE PUBLIC

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3623. Outside activities

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

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