PMAC
PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA
Advancing Standards™

# Sample Investment Management Agreement

***Notice***
***This sample investment management agreement is intended only to provide general guidance to Portfolio Management Association of Canada ("PMAC") members and is not intended to be and should not be construed or relied upon as legal or other advice. PMAC assumes no liability by providing this sample investment management agreement to its members or any other person or entity. Sections of this investment management agreement in italics may or may not apply in any particular situation. This agreement assumes that the client is an institutional investor – modifications will be necessary if the client is an individual. Users should carefully review the portions in italics to determine applicability.***

***Bolded references to National Instrument 31-103 are intended as guidance only and should be removed from the final version of the Agreement.***

**[Date]**

To:

Dear:

**Re: Investment Management Agreement (the "Agreement") between [Full legal name of PMAC member] (the "Manager") and _____ (the "Client")**
**[– Investment Management Account No: _____]**

The following are the terms under which the Client appoints the Manager as manager of the Client's account with the Manager (the "Account"). The custodian of the Account (the "Custodian") is _____.

## 1. DATE OF APPOINTMENT

1.1 This appointment is effective as of _____ (the "Effective Date").

## 2. OWNERSHIP

2.1 The Account is or will be registered in the name of:

**[*Note: indicate as tenants in common or joint tenancy with right of survivorship where applicable.*]**

Where the Account is registered in the name of more than one individual, the Manager is entitled to accept instructions from any one of such individuals or his or her legal representative without notice to, or the consent of, any other individual.

2.2 With respect to all matters contemplated by this Agreement, the Client confirms that the Manager may receive and act on instructions from _____[*Name*]_____, until the Manager is in receipt of the Client's written instructions to the contrary.

## 3. CONFIDENTIALITY

3.1 The Manager shall treat all information provided to it by the Client regarding the Client and the Account as confidential, and will not disclose such information to third parties unless the Client has provided written permission to the Manager to do so, or unless the Manager is, by law, required or permitted to do so. The Client shall keep confidential any information that it receives from the Manager regarding the Manager's investment strategies and trading practices, except as approved in writing by the Manager, or required by law.

## 4. AUTHORITY

4.1 The Manager will manage the Account with complete discretion, in accordance with the investment policy statement dated _____, which, among other things, outlines the Client's investment needs and objectives, financial circumstances and risk tolerance, and any amendments thereto that have been acknowledged in writing by both the Manager and the Client (collectively, the "Investment Policy"). Without limiting the authority granted above, the Manager is authorized with respect to managing the Account to:

(a) invest, reinvest, maintain in cash or cash equivalents, acquire, dispose of and otherwise manage, all or any part of the assets in the Account;

(b) unless otherwise instructed by the Client, select and place orders with dealers and brokers to purchase, sell and otherwise trade in or deal with assets in the Account and negotiate the applicable terms, commissions and charges with such dealers and brokers;

(c) instruct the Custodian to settle such trades as are directed by the Manager;

(d) unless otherwise directed by the Client**,** instruct the Custodian (i) as to the voting of all proxies received with respect to securities of the Account and execute proxies of voting instruction forms relating to such voting all in accordance with the Manager's policies on voting proxies, and (ii) to take such actions and exercise all such rights and powers incidental or relating to ownership of securities in the Account as require the exercise of discretion and may be exercised by any owner of such securities;

(e) retain third parties, which may include affiliates of the Manager, to perform any of the duties or obligations of the Manager under this Agreement; and

(f) perform any and all other acts as may be in its judgment necessary or appropriate for the management of the Account, or are necessary to enable the Manager to

carry out its obligations under this Agreement without obtaining the prior approval or direction of the Client.

***Note: Sections 13.2 and 13.3 (NI 31-103) obligations on registrants: KYC and suitability. Advisers with managed accounts cannot ask the Client to waive suitability assessment.***

## 5. NON-EXCLUSIVITY

5.1 The services provided by the Manager to the Client are not deemed exclusive. Nothing in this Agreement shall in any way restrict the right of the Manager to provide investment management or other services for any other person or entity [*or to act for its own account*], and the provision of such services for others [*or for its own account*] shall not violate or give rise to any duty or obligation to the Client. [*The Manager will provide the Client with a copy of its personal trading policy upon request.*]

## 6. POOLED FUNDS

6.1 *[The Client understands that the [Name of Pooled Funds] (the "Pooled Funds") are investment funds that the Manager manages and that the Manager appoints the custodian for the Pooled Funds. Currently, the custodian for the Pooled Funds is •. The Manager may, at its sole discretion, change such custodian of the Pooled Funds and, if it does, will notify the Client of such change. The Client acknowledges that the Pooled Funds [may or will] be used to implement all or part of the Investment Policy and consents to the Manager investing some or all of the Assets in the Account in Series • units of the Pooled Funds [as the Manager deems appropriate]*.

***Note: Section 8.6 of NI 31-103 – the ability of a registered adviser to trade in its own pooled funds with its managed account clients without the necessity of being registered as a dealer. Note the conditions to reliance on this exemption.***

## 7. FEES

7.1 (a) Fees for the Manager's investment management services ("Fees") will be calculated [*on the following basis*]:

[or]

[*in accordance with the attached Schedule •, which may be amended with • days notice* [*or without notice*].]

(b) Fees are subject to Goods and Services Tax and any other taxes which may be applicable.

(c) [*In addition to fees, certain operating expenses and other costs, inclusive of Goods and Services Tax, are paid by the Pooled Funds.*]

(d) Fees will be [*calculated on a quarterly basis, based on the market value of the Account at the end of each calendar quarter*] or [*calculated on a daily basis based on the market value of the Account on the end of each calendar quarter*], and will be billed [*at least quarterly*], in arrears. **[*The Client authorizes the Manager, in its sole discretion, to direct the trustee of the Pooled Funds to redeem such number of units of the Pooled Funds, or may sell or redeem other assets in the Account in its sole discretion held in the Client's account as may be required to pay the Manager's fees and remit the proceeds of such sale or redemption to the Manager*.]** By providing this authorization, the Client will be deemed to have provided notice to the Manager to effect such redemption at the time the Manager so directs such redemption to be executed. The Client shall be liable to pay to the Manager any unpaid fees not satisfied by way of redemption of units or the sale or redemption of other assets, as outlined in this paragraph.

(e) *[Notwithstanding paragraph 7.1(a) above, Schedule • applies to the Client's accounts [with the Manager in aggregate] and will remain in effect for a period of • years, commencing on the Effective Date*.]

7.2 *[The management fee disclosed in the [simplified prospectus or offering memorandum] for a Pooled Fund is for the management of the Pooled Fund (including the provision of portfolio advisory services in relation to the securities held by that Pooled Fund). [In the event that a Client whose Account that invests in Series • of a Pooled Fund is charged a higher Fee than that charged to another Client whose account invested in Series • of the same Pooled Fund, the differential is for discretionary portfolio advisory services provided by the Manager*.]

## 8. STANDARD OF CARE

8.1 The Manager shall, in carrying out its obligations under this Agreement, act honestly, in good faith and in the best interests of the Client and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in similar circumstances. Notwithstanding the foregoing, the Client understands and agrees that the Manager does not represent and cannot guarantee performance results for the Account [*or the Pooled Funds*].

8.2 The Client understands that there are risks attached to the Manager's investment of the Account in securities, including various market, currency, economic, political and business risks. The Client agrees that the Manager will not be liable to the Client for any loss that the Client may suffer as a result of the Manager's good faith decisions or actions where the Manager exercises the care, diligence and skill expected of a reasonably prudent portfolio manager.

## 9. INDEMNITY

9.1 The Client will hold harmless and indemnify the Manager, its directors, officers, employees and agents against any and all claims, losses, damages, liabilities and expenses which the Manager may incur if and to the extent that such loss is caused by the Client's or the Client's designees' own actions or omissions or by any inaccuracy or breach by the Client of any of the Client's representations or warranties hereunder.

## 10. STATEMENTS

10.1 The Manager will provide to the Client [, *and/or to such other person(s) as directed by the Client in writing,*] portfolio statements which shall include the date of the transaction, the type of transaction (i.e. purchase, sale or transfer), the name and quantity of the security purchased or sold, the price per security paid or received and the total value of the transaction *[and which shall/may include adjusted cost base, personal rate of return etc. or a sample of which is attached hereto*] for the periods ending March 31, June 30, September 30 and December 31 of each year. [*The Manager will also provide all reporting required for the preparation of income tax returns on a timely basis to the Client [and/or to such other person(s) as directed by the Client in writing*].

***Note: Section 14.4 of NI 31-103 prescribes the content of a portfolio statement.***

## 11. LEVERAGE

11.1 *The Manager recommends that the Client borrow money from a financial institution to make contributions to the Account and the Client has or intends to borrow money to make such contributions to the Account. Accordingly, the Client acknowledges that:*

*(a) using borrowed money to finance the purchase of securities, including units of the Pooled Funds, or to make contributions to the Account, involves greater risk than a purchase or a contribution using cash resources only; and*

*(b) the Client's responsibility to repay the loan and pay interest as required by the terms of that loan remains the same even if the value of the securities purchased, or the Account, declines.*

***Note: See section 13.13 of NI 31-103. This section must be included if the Manager is recommending that the Client borrow to make investments. Alternatively, this information could be provided as part of the "relationship disclosure" referred to in section 12.3 of this Agreement.***

## 12. ACKNOWLEDGEMENTS

12.1 Schedule • to this Agreement contains accurate summary information about certain matters about the Manager's business and affairs relating to its management of the Account, including any conflicts of interest that the Manager may have in managing the Account. The Client acknowledges that it has received the information in Schedule • and consents to the Manager's management of the Account in accordance with the policies and matters outlined in Schedule •:

***Sections 13.4-13.11 of NI 31-103***

(a) The Manager's policies regarding the use of the brokerage commissions paid by the Account – ***See the disclosure required by NI 23-102***;

(b) The Manager's policies regarding fair allocation of investment opportunities amongst clients, the Account, and any other discretionary accounts, including the Pooled Funds, managed by the Manager ***– sections 14.3 and 14.10 of NI 31-103***;

(c) *[The "related issuer" status between the Manager and the Pooled Funds and the material relationships between the Manager and other registrants insofar as those relationships affect the Account* ***– sections 13.4 and 13.6 of NI 31-103****;]*

**(d)** *[The details of referral arrangements relating to the Account –* ***section 13.10 of NI 31-103] ;***

*(e)* *[The names of those issuers that are "related issuers" to the Manager and the Pooled Funds, where securities of such issuers may be invested in by the Account –* ***sections 13.4 and 13.6 of NI 31-103****];*

(f) *[The identity of any issuers in which the directors and officers of the Manager or of any associate of the Manager is a partner, officer or director –* ***section 13.5 of NI 31-103****]*.

12.2 In accordance with securities legislation, and if applicable, the Client acknowledges and consents to the Manager making investments for the Account in the issuers, or using the services of related registrants, noted in Schedule • .

12.3 The Client acknowledges receipt of the information set out in Schedule • about the Manager's management of the Account and the relationship that will be entered into between the Manager and the Client once this Agreement is executed. This information is supplemental to the terms of this Agreement and is required to be provided by the Manager under applicable securities laws. ***Intended for relationship disclosure information required by section 14.2 of NI 31-103 – note transition period ends September 28, 2010 – after that date, all clients must have received the required information, some of which will be provided through the terms of this Agreement, with the remainder to be provided in the Schedule.***

## 13. REPRESENTATIONS AND WARRANTIES

13.1 The Client hereby represents and warrants to the Manager that:

(a) The Client has the legal power to enter into the Agreement without notice to, or consent of, any party, and entering into and complying with this Agreement will not result in the breach of any term or condition of any agreement that the Client is a party to;

(b) The Client has full power and authority under the provisions of applicable documents, instruments and legislation governing the assets in the Account and the Client to execute, deliver and perform this Agreement on behalf of itself and the contributions to the Account, and the transactions contemplated by this Agreement are duly authorized by the Client, comply with applicable policies, resolutions, agreements or legislation or other supporting documents and, when entered, will be legal, valid and binding obligations of the Client and the contributions to the Account and are consistent with and permissible for the Client and the contributions to the Account, as applicable;

(c) No option, lien, charge, security or encumbrance exists or will, due to any act or omission of the Client, exist over any of the contributions made to the Account;

(d) The Client is not an insider of any reporting issuer or other issuer whose securities are publicly traded (as those terms are defined under applicable securities legislation) except as set out in Schedule • hereto. The Client shall provide to the Manager from time to time, a current list of public companies in which the Client owns, directly or indirectly, more than 10 percent of any class of equity securities or is otherwise an insider; ***Section 13.2 of NI 31-103***

(e) The Client is eligible to purchase Series •·units in the Pooled Fund(s) and is an accredited investor as such term is defined in National Instrument 45-106, as such regulation may be amended from time to time. As such, the Client has completed and attached to this Agreement, Schedule • (the "Accredited Investor Schedule"), which forms part of this Agreement. The Client shall promptly notify the Manager, in writing, if the Client ceases to be an accredited investor and further agrees to provide such evidence of its status as the Manager may reasonably request from time to time;

(f) There are no investment restrictions applicable to the Account imposed by law or by the Client except as set forth in the Investment Policy. The Client acknowledges that the Manager will be relying on, and the Client hereby represents the accuracy of, the information provided in the Investment Policy as the Client acknowledges that the Investment Policy will be used in assessing the suitability of the trades made by the Manager on behalf of the Account. The

Client will notify the Manager if any of the information contained in the Investment Policy changes in any material respect;

(g) *If the Client is not an individual* - The Client is validly existing under the laws of [insert name of appropriate province] and Canada as may be applicable and has all necessary power, authority and capacity to enter into this Agreement, to carry out its obligations under this Agreement, to own its assets and to carry on its business as presently conducted;

(h) The execution and delivery of this Agreement and the performance of the obligations contemplated by this Agreement have been duly authorized by all necessary action on the part of Client and this Agreement constitutes a valid and binding obligation of the Client enforceable against it in accordance with its terms;

(i) The Client is not a party to, bound by, affected by, or subject to any indenture, mortgage, lease, agreement, obligation, instrument, charter, by-law, order, judgement, decree, licence, law (including regulations) or governmental authorization that would be violated, breached by, or under which default would occur as a result of the execution and delivery of, or performance of obligations under, this Agreement;

(j) The Client acknowledges that the Manager is required by applicable laws to determine the identity and reputation of the Client and to collect certain information concerning the Client, including the nature of its business and the identity of those who are beneficial owners of, or exercises control or direction over, more than 10 percent of the voting rights attached to the outstanding voting securities of the Client (if the Client is a corporation) or who exercises control over the affairs of the Client (if the Client is a partnership or trust). The Manager may request additional information from time to time and the Client shall provide all such information so requested. The Client hereby represents the accuracy of the information provided in Schedule • and will advise the Manager should any of the information contained in Schedule •change in any material respect; and

(k) The Client agrees to provide such additional documentation as the Manager may reasonably request from time to time.

***Note: See section 13.2 of NI 31-103 (generally).***

13.2 The Manager represents and warrants that:

(a) The Manager performs investment advisory services for various clients and the investment funds (including the Pooled Funds) that it manages. The Manager makes investment decisions for each client's account and for each Pooled Fund dependent on the circumstances, investment objectives and guidelines of the specific client or

the Pooled Fund. The Manager's policy and practice is not to intentionally favour or disfavour any client, class of clients, or investment fund in the allocation of investment opportunities so that over a period of time, such opportunities will be allocated among clients and Pooled Funds on a fair basis.

(b) The Manager, as required by applicable securities laws, will ensure that all investments and recommendations made on behalf of the Account are suitable for the Client in light of the Investment Policy, which includes, among other things, the Client's investment objectives, financial circumstances and risk tolerance.

(c) [*The Manager and its wholly-owned subsidiaries, [Full legal name of Subsidiary]. (Subsidiary "A") and [Full legal name of subsidiary] (Subsidiary "B"), share certain common directors and/or officers. In the Manager's view, there is no reasonable potential for conflict of interest as a result of the Manager, Subsidiary "A" and Subsidiary "B" having certain common directors and/or officers. In the unlikely event of a conflict of interest, the common directors and/or officers will resolve all matters in accordance with their applicable fiduciary and statutory duties. [A further description of Subsidiary "A" and Subsidiary "B" is set out in Schedule • hereto.*]

*(d)* [*The Manager is the manager and principal portfolio adviser of the Pooled Funds and, as principal portfolio adviser, the Manager is responsible for managing the investment portfolios of the Pooled Funds directly or through sub-advisers and for paying the fees for sub-advisers related to the Manager. The Manager:*

*(i) is responsible for the advice provided to the Pooled Funds even if it is provided through a sub-adviser;*

*(ii) has retained [Name of sub-adviser] to act as the sub-adviser for the Pooled Funds and has retained [Name of sub-adviser] to act as the sub-adviser for the [Name] Pooled Fund, the [Name] Pooled Fund, and the type of] assets in [Name(s)] Pooled Funds and*

*(iii) [Describe any other required or pertinent relationships.]]*

(e) *When placing orders with brokers and dealers, the Manager shall seek to obtain best execution for the Account in accordance with the Manager's policy on best execution and applicable laws. In the event that the Client directs the Manager at any time in writing to use a particular broker or dealer to effect transactions for the Account, the Client acknowledges that commission rates may not necessarily be as favourable as the Manager may have otherwise been able to obtain from a broker or dealer selected by the Manager. The Manager may enter arrangements involving the use of brokerage commissions generated by the Account (or "soft dollars") with dealers and brokers or other third parties in the course of providing services under*

*this Agreement. Such arrangements will only be entered in accordance with the Manager's policies regarding the use of the brokerage commissions paid by the Account [attached hereto as Schedule •]. The Manager shall, in seeking best execution and entering arrangements involving the use of brokerage commissions, comply with all applicable laws, including National Instrument 23-101 and National Instrument 23-102, [and the CFA Institute's Soft Dollars Standards and •]. The Manager may amend its policies with respect to best execution and arrangements involving the use of brokerage commissions at any time without notice to the Client [but will provide a copy of its policies to the Client on request*].

(f) [*Describe or list any other codes of conduct or similar documents that the Manager or the* [•] *is bound to or agrees to comply with*].

***Note: Best execution is regulated by National Instrument 23-101 and use of brokerage commissions (soft dollars) is regulated by National Instrument 23-102.***

## 14. ASSIGNMENT AND AMENDMENT

14.1 No assignment of this Agreement or any part thereof shall be made by either party without the written consent of the other party.
***See section 14.11 of NI 31-103.***

14.2 The parties may at any time, and from time to time, amend this Agreement. Any amendment, unless specifically provided for to the contrary herein, shall only be effective if made in writing and signed by the Manager and the Client.

## 15. TERMINATION

15.1 This Agreement may be terminated by either party upon • days' written notice [*save where a party is in material breach, in which circumstance the other party may terminate the Agreement immediately [with • days written notice or without] notice*].

15.2 The Client's death, disability or physical or mental incompetence will not automatically terminate or change the terms of this Agreement. If not prohibited by law, the Client's personal representative, guardian, committee, attorney-in-fact, or other authorized representative may agree to amend the terms of this Agreement, as provided in paragraph 14.2, or terminate this Agreement as provided in paragraph 15.1.

## 16. ENTIRE AGREEMENT

16.1 This Agreement, [*including the Schedules hereto*], sets forth the entire understanding of the parties and is intended to be the complete and exclusive statement of the terms thereof. This Agreement supersedes and cancels any and all prior agreements between the parties, whether written or oral, relating to the management of the Account.

16.2 If, at any time subsequent to the date hereof, any provision of this Agreement is held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon, and shall not impair, the enforceability of any other provision of this agreement. Notwithstanding anything in this agreement or any amendment hereof to the contrary, no provision of this Agreement shall be construed so as to violate the requirements of applicable law.

16.3 The confidentiality and indemnity provisions in paragraphs 3.1 and 9.1 respectively shall survive the termination of this Agreement.

## 17. ENUREMENT

17.1 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

## 18. GOVERNING LAW

18.1 This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of [*insert name of appropriate province*] and the federal laws of Canada applicable therein. Each party irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of • in respect of any action or proceeding relating in any way to this Agreement. A final judgment in any such action or proceeding may be enforced in other jurisdictions by suit on the judgment or in any other manner specified by law and shall not be re-litigated on the merits.

## 19. NOTICES

19.1 Any notice, statement, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a "Notice") shall be in writing and shall be sufficiently given if delivered (whether in person, by post, by courier service or other personal method of delivery), or if transmitted by facsimile or other electronic means of communication:

(a) in the case of a Notice to the Manager at:

**[Insert Address]**
Attention: ●
Fax: ●

(b) in the case of a Notice to the Client at:

**[Insert Address]**

Attention: ●
Fax: ●

19.2 Any Notice delivered or transmitted to a party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day.

19.3. Any party may, from time to time, change its address by giving Notice to the other party in accordance with the provisions of this Section.

**20. <u>LANGUAGE</u>**

20.1 The parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, be drawn up in the English language only. Les parties aux presentes conferment leur volonte que cette convention, de meme que tous les documents, y compris tout avis, cedules et autorisations s'y rattachant, soient rediges en anglais seulement.

If the foregoing terms are in accordance with your understanding, please sign both copies of this Agreement and return one copy to the attention of _____.

Yours very truly,

**[Full legal name of Manager]**

| | |
|---|---|
| Per: _____ | Per: _____ |
| Print Name: _____ | Print Name: _____ |
| Title: _____ | Title: _____ |

I/We hereby agree to the foregoing terms as of the _____ day of _____, 20___.

**For Corporate Clients:**

**[NAME OF CORPORATE CLIENT]**

**NAME OF SIGNING OFFICER**:

_____

(Print first, middle & last name)

Title:_____

Signature:_____

**For Individual Clients:**

| | |
|---|---|
| **NAME OF WITNESS**<br>(Print first, middle & last name) | **CLIENT'S SIGNATURE**<br>(Print first, middle & last name) |
| Signature | Signature |

***Note: If this Agreement is to be used by a member of a SRO, or is affiliated with an organization that requires certain terms and conditions in agreements with clients or disclosure of compliance with certain practices, codes of conduct (or similar documents), consideration must be given to ensuring compliance with such requirements.***

## SCHEDULES

**A.** **[•]**

**B.** **[•]**

**C.** **[•]**

**D.** **[Accredited Investor Schedule]**

**E.** **[•]**

## SCHEDULE [●]

## ACCREDITED INVESTOR CERTIFICATION

(Section **[13.1(d)]**)

This Accredited Investor Schedule is referred to in, and forms part of, the Investment Management Agreement of the Client in connection with the potential investment in Pooled Funds by the Account. All defined terms not defined in this Schedule are defined in the Investment Management Agreement.

As part of the Investment Management Agreement of the Client, the Client covenants, represents and warrants to the Pooled Funds and the Manager that the Client is an accredited investor because the Client is:

(Please initial the box beside the appropriate category and execute and date this Schedule)

☐ (a) a Canadian financial institution, or a Schedule III bank,

☐ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),

☐ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) a person registered under the securities legislation of a jurisdiction as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),

☐ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction as a representative of a person referred to in paragraph (d),

☐ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,

☐ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,

☐ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,

☐ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada,

☐ (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000,

☐ (k) an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,

☐ (l) an individual who, either alone or with a spouse, has net assets of at least $5,000,000,

☐ (m) a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements,

☐ (n) an investment fund that distributes or has distributed its securities only to

(i) a person that is or was an accredited investor at the time of the distribution,

(ii) a person that acquires or acquired securities with an aggregate value of not less than $150,000 under certain minimum purchase or additional investment exemptions specified in sections 2.10 and 2.19 of NI 45-106, or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under the investment fund reinvestment exemption specified in section 2.18 of NI 45-106,

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction and (ii) in Ontario, is purchasing a security that is not a security of an investment fund;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,

☐ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser, or

☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor.

**Related Definitions:**

"**Canadian financial institution**" means

(i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that *Act*, or

(ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

"**company**" means any corporation, incorporated association, incorporated syndicate or other incorporated organization;

**"Control"**

A person (first person) is considered to control another person (second person) if

(i) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the

first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,

(ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or

the second person is a limited partnership and the general partner of the limited partnership is the first person.

"**director**" means

(i) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

"**eligibility adviser**" means

(i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and

(ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not

(1) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and

(2) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

"**financial assets**" means

(i) cash,

(ii) securities, or

(iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"**foreign jurisdiction**" means a country other than Canada or a political subdivision of a country other than Canada;

"**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"**investment fund**" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an employee venture capital corporation and a venture capital corporation;

"**jurisdiction**" means a province or territory of Canada except when used in the term foreign jurisdiction;

"**person**" includes

(i) an individual,

(ii) a corporation,

(iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

"**related liabilities**" means

(i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(ii) liabilities that are secured by financial assets;

"**Schedule III bank**" means an authorized foreign bank named in Schedule III of the Bank Act (Canada); and

"**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

**Signature of Client**

The Client acknowledges that it has read and understood the meaning of accredited investor and the Client covenants that it has accurately indicated which category of accredited investor the Client falls within in.

Dated this_____ day of _____, 20____.

_____
Name of [*Client/Corporation/Trust/Pension/Other Entity*]

| | |
|---|---|
| _____ | _____ |
| By: Signature | Name and Title of Authorized Signatory (please print) |