

QUESTIONS FOR EXEMPT MARKET DEALERS AND RESTRICTED DEALERS

Certification

This certification must be completed by your ultimate designated person.

- I acknowledge that some questions in the "Exempt Market Dealers and Restricted Dealers" section of the 2022 Risk Assessment Questionnaire were pre-populated with the firm's 2020 responses. I certify that I have reviewed and updated where necessary all pre-populated fields.
- I certify that I have reviewed our responses to the "Exempt Market Dealers and Restricted Dealers" section of the 2022 Risk Assessment Questionnaire completed by our firm. To the best of my knowledge, the responses are complete, accurate, free from any misstatements, and not misleading in any respect.

Name:

Phone number:

Date (YYYY-MM-DD):

Question E1 – Business model

(A) Which of the following business models best describe your dealer activities during the two-year period ending December 31, 2021? Check all that apply.

- a) Service oriented – Mergers and acquisitions: provide assistance in mergers and acquisitions and disposition of securities of corporations; find potential buyers/investors for acquisitions or divestitures
- b) Service oriented – Debt/equity financing: provide advice on capital structuring to raise capital for financing and/or distribute products under private placements; find potential lenders/investors to invest in debt/equity securities
- c) Service oriented – Relationship facilitator: facilitate relationships between investors and registrants, or investors and third parties; do not distribute products
- d) Product distribution – Distribute **prospectus-exempt products**
- e) Facilitate secondary market trading of prospectus-exempt products
- f) Other business activities conducted by the firm for which the firm is compensated – provide details in the comment box below
- g) Have not commenced any business activities. State in the comment box below when you intend to begin business activities and why you are currently registered as a dealer

Describe other business model if f) is selected

Describe when you intend to begin business activities and why you are currently registered as a dealer if g) is selected

Prospectus-exempt products Investment products sold under National Instrument 45-106 (NI 45-106) *Prospectus Exemptions* on the OSC website at <http://www.osc.gov.on.ca/en/15126.htm>

(B) Does your firm currently, or plan to, trade or facilitate trading/sale of investment products in any of the following ways? Check all that apply.

- a) Via an online portal or platform – crowdfunding platform under Multilateral Instrument 45-108 *Crowdfunding* (MI 45-108)
- b) Via an online portal or platform – to sell/distribute/trade a security in reliance on a prospectus exemption under NI 45-106
- c) Via an online portal or platform to facilitate peer-to-peer lending or any other form of matching of borrowers to lenders
- d) None of the above

Refer to OSC website for MI 45-108 http://www.osc.gov.on.ca/en/SecuritiesLaw_mi_20160114_45-108_crowdfunding.htm

Additional comments, if necessary

Question E2 – Investor clients and prospectus exemptions

Fill in the table below in respect of investor clients and capital raised during the two-year period ending December 31, 2021 in each of the following categories. Note that capital raised is the gross amount raised, inclusive of any commissions/fees.

Enter zero in rows that are not applicable to you.

	Number of investor clients	Capital raised
a) Section 2.3 of NI 45-106 – accredited investor exemption		
i) Clients that meet the permitted client definition		
ii) Clients that meet the accredited investor definition but are not permitted clients		
b) Section 2.10 of NI 45-106 - minimum investment of \$150,000		
c) Section 2.4 of NI 45-106 – private issuer exemption		
d) Section 2.5 of NI 45-106 – family, friends and business associates exemption		
e) Section 2.9 of NI 45-106 – offering memorandum exemption:		
i) Non-eligible investor		
ii) Eligible investor – did not receive advice		
iii) Eligible investor – received advice from a registered portfolio manager, investment dealer or exempt market dealer		
f) MI 45-108		
g) Multilateral CSA Notice 45-316 – <i>Start-up Crowdfunding Registration and Prospectus Exemptions</i> – for clients in British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick and Nova Scotia		
h) Other clients and exemptions, including any exemptions granted by the Commission		
Total:		

Permitted client For a definition of permitted client, see section 1.1 of NI 31-103 on the OSC website at: <https://www.osc.ca/en/securities-law/instruments-rules-policies/3/31-103/unofficial-consolidation-national-instrument-31>

Accredited investor and **eligible investor** For a definition of accredited investor and eligible investor, see section 1.1 of NI 45-106. For further information on key capital raising prospectus exemptions in Ontario see the OSC website at: http://www.osc.gov.on.ca/en/SecuritiesLaw_ni_20160128_45-106_key-capital-prospectus-exemptions.htm

Additional comments, if necessary

Question E3 – Investor client residency

Provide the residency of the firm's investor clients, and capital raised from those clients, over the two years ending December 31, 2021 in the table below:
Enter zero in the rows that are not applicable to you.

	Number of investor clients	Capital raised from investors
a) Ontario		
b) In Canada but outside Ontario		
Alberta		
British Columbia		
Quebec		
Other provinces or territories		
c) United States		
d) Europe – list countries of residence below		
e) Asia – list countries of residence below		
f) Other – list countries of residence below		
Total:		

Countries in Europe

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Countries in Asia

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Other countries

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For reference Only

Question E4 – Holding of or access to dealer investor client assets

Check all of the boxes below that apply to your firm's dealer investor client assets. In your response, consider any registered or permitted individuals with access to the assets.

- a) You hold clients' securities certificates for any period of time (e.g. physical possession of share certificates on your premises or at your lawyer's premises)
- b) You receive and hold clients' cash for any period of time (e.g. cash pending investments in a trust account or a cheque made payable to you)
- c) You accept clients' cash from a custodian (e.g. client's money is deposited in a trust account prior to issuing a cheque to the client)
- d) You have, in any capacity, legal ownership of clients' cash or securities
- e) You have, in any capacity, the authority to withdraw funds or securities from client accounts (e.g. under a power of attorney)
- f) You act in the capacity of a trustee or executor for clients
- g) You hold client assets in your firm's name in an omnibus account at a custodian
- h) You have, in any capacity, signing authority on bank accounts for issuers whose securities are distributed by your firm
- i) You use a custodian that is not independent from you and allows you to access client assets
- j) You have access in any other ways not described above – provide details in comment box below
- k) Not applicable – none of the above apply to our firm

Describe your access to investor client assets in ways other than described above

Question E5 – Role of the chief compliance officer

Does your chief compliance officer also act as a dealing representative for your firm?

- a) Yes
- b) No

Additional comments, if necessary

For reference only

Question E6 – Size of dealer activities – revenue

Provide the following information in the table below.

In the table below, do NOT include revenue earned from business that is not directly related to your dealer operations. For example, if you are registered as a portfolio manager or investment fund manager, do not include management fees earned as a portfolio manager or as an investment fund manager on assets under management and do not include performance fees earned as a portfolio manager for surpassing a high-water mark.

Include only revenues for the business activities of your dealer operations during the period. For example, include sales commissions or trailer fees for investment products sold/traded/distributed, success fees for an M&A transaction, the value of warrants/options for an equity financing transaction, fees for soliciting investors to purchase an investment product, and fees for facilitating a secondary market transaction.

Enter zero in the rows below where there was no revenue earned during the period.

	Amount in financial (fiscal) year 2021 (in CAD dollars)	Amount in financial (fiscal) year 2020 (in CAD dollars)
a) Service oriented – Mergers and acquisitions: provide assistance in mergers and acquisitions and disposition of securities of corporations; find potential buyers/investors for acquisitions or divestitures		
b) Service oriented – Debt/equity financing: provide advice on capital structuring to raise capital for financing and/or distribute products under private placements; find potential lenders/investors to invest in debt/equity securities		
c) Service oriented – Relationship facilitator: facilitate relationships between investors and registrants, or investors and third parties; do not distribute securities or products		
d) Distributor of prospectus-exempt products		
e) Facilitating secondary market trading of prospectus-exempt products		
f) Other dealer revenue - provide details below		
Total dealer revenue for the fiscal year ended:		
Firm's net income (loss) for the fiscal year ended:		

Other revenue – describe the nature of these revenues

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For reference only

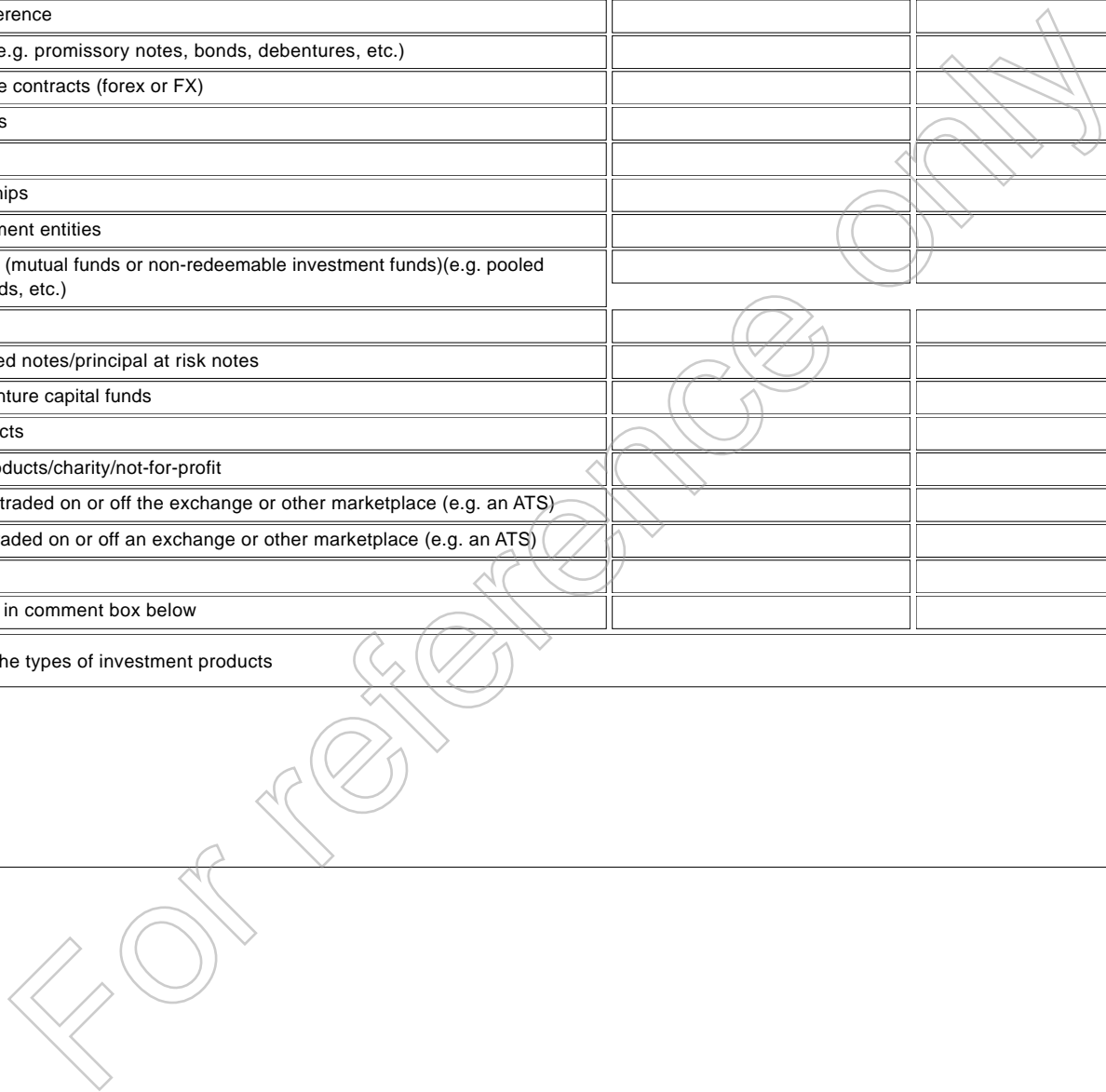
Question E7 – Investment products – types of products

Select the types of investment products you have sold/distributed/traded in the two years ending December 31, 2021, and whether these products are those of your related/connected issuers.

- a) Not applicable – do not sell/distribute/trade investment products
- b) Sell/distribute/trade investment products – provide information in the table below:

Type of investment products	(A) Do you sell/distribute/trade the following types of products?	(B) Are these products of your related/connected issuers?
Asset backed securities		
Blind pools/capital pool companies		
Common or preferred shares		
Contracts for difference		
Debt securities (e.g. promissory notes, bonds, debentures, etc.)		
Foreign exchange contracts (forex or FX)		
Guaranteed debts		
Life settlements		
Limited partnerships		
Mortgage investment entities		
Investment funds (mutual funds or non-redeemable investment funds)(e.g. pooled funds, hedge funds, etc.)		
Other derivatives		
Principal protected notes/principal at risk notes		
Private equity/venture capital funds		
Structured products		
Tax sheltered products/charity/not-for-profit		
Listed securities traded on or off the exchange or other marketplace (e.g. an ATS)		
Debt securities traded on or off an exchange or other marketplace (e.g. an ATS)		
Trusts		
Other – describe in comment box below		

Other – describe the types of investment products



Question E8 – Investment products – types of business or industry of products

Select the types of business/industry of the investment products you have sold/distributed/traded in the two years ending December 31, 2021, and whether these products are those of your related/connected issuers. For investment products in multiple businesses/industries (e.g. pooled funds), select the products' main businesses/industries.

- a) Not applicable – do not sell/distribute/trade investment products
- b) Sell/distribute/trade investment products – provide information in the following table:

Type of business/industry of the investment products	(A) Do you sell/distribute/trade products of the following types of business / industry?	(B) Are these products of your related / connected issuers?
Financials		
Energy		
Materials		
Industrials		
Communication services		
Information technology		
Utilities		
Consumer discretionary		
Consumer staples		
Real estate		
Health care		
Other - describe in comment box below		

Other – describe the business/industry of investment products

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Question E9 – Investment products – types of issuers

If you sell/distribute/trade investment products, which type of issuer products do you sell/distribute/trade? Choose one of the following:

- a) Not applicable – do not sell/distribute/trade investment products
- b) Sell/distribute/trade products of **related/connected issuers** only (i.e. do not sell/distribute/trade products of third party issuers)
- c) Sell/distribute/trade products of third party issuers only (i.e. do not sell/distribute/trade products of related/connected issuers)
- d) Sell/distribute/trade products of both related/connected issuers and third party issuers

Related issuer A person or company is a related issuer of another person or company if:

- 1. the person or company is an **influential securityholder** of the other person or company
- 2. the other person or company is an influential securityholder of the person or company
- 3. each of them is a related issuer of the same third person or company

Influential securityholder This term is defined in section 1.1 of NI 33-105 *Underwriting Conflicts (NI 33-105)*, please refer to the OSC website: http://www.osc.gov.on.ca/documents/en/Securities-Category3/rule_20090918_33-105_unofficial-consolidated.pdf

Connected issuer An issuer where the direct or indirect relationship between the issuer and your firm or an entity related to your firm (or registered individual/permitted individual) would cause a reasonable investor to question the independence of your firm's/registered individuals' activities in connection with a distribution of that issuer. Connected issuer is defined in section 1.1 of NI 33-105, please refer to the OSC website: http://www.osc.gov.on.ca/documents/en/Securities-Category3/rule_20090918_33-105_unofficial-consolidated.pdf

Additional comments, if necessary

Question E10 – Investment products – top 10 third party issuer products

If (a) or (b) in Question E9 was selected, you will not be required to answer this question. If you selected (c) or (d) in Question E9, proceed with responding to this question.

For the third party issuer products that you have sold/distributed/traded, provide details in the table below about the top 10 products for which you raised the most capital and the corresponding revenue in the two years ending December 31, 2021:

Product name of third party issuer	Amount of capital raised	Amount of revenue earned	Type of product	Type of business/industry

Total Capital Raised

Total Revenue Earned

Other types of product – provide the names and describe the nature of the investment products in comment box below

Other business / industry – provide the names and describe the nature of business / industry

Question E11 – Investment products – top 10 related/connected issuer products

If (a) or (c) in Question E9 was selected, you will not be required to answer this question. If you selected (b) or (d) in Question E9, proceed with responding to this question.

For the related/connected issuer products that you have sold/distributed/traded, provide details in the table below about the top 10 products for which you raised the most capital in the two years ending December 31, 2021:

Product name of related/connected issuer	Amount of capital raised	Amount of revenue earned	Type of product	Type of business/industry

Total Capital Raised

Total Revenue Earned

Other types of product – provide the names and describe the nature of the investment products

Other business / industry – provide the names and describe the nature of business / industry

Question E12 – Distribution of related and connected issuers

If (a) or (c) in Question E9 was selected, you will not be required to answer this question. If you selected (b) or (d) in Question E9, proceed with responding to this question.

(A) Do any third party dealers sell/distribute/trade the products of your related/connected issuers?

- a) Yes
- b) No

(B) What percentage of your revenue (generated using your Dealer registration) is derived from selling/distributing/trading products of related/connected issuers?

- a) Less than 25%
- b) 25% but less than 50%
- c) 50% or more
- d) Not applicable – no commission or other form of compensation is earned on the sale/distribution/trade of products of related/connected issuers

Additional comments, if necessary

Question E13 – Delivery of audited financial statements

If you sell/distribute/trade investment products, are issuers' audited financial statements provided to each investor client? Check all that apply.

- a) Not applicable – do not sell/distribute/trade investment products
- b) No – do not provide audited financial statements of issuers to clients
- c) Yes – provide audited financial statements of third party issuers at time of sale
- d) Yes – provide audited financial statements of third party issuers annually to each investor client
- e) Yes – provide audited financial statements of related/connected issuers at time of sale
- f) Yes – provide audited financial statements of related/connected issuers annually to each investor client

Additional comments, if necessary

Question E14 – Loans or advances from issuers

If you sell/distribute/trade investment products, have you, your registered individuals or permitted individuals received loans or advances from the issuers, or affiliates, of these products? Check all that apply.

- a) Not applicable – do not sell/distribute/trade investment products
- b) Yes – received loans or advances from related/connected issuers. Provide names of the related/connected issuers in comment box below.
- c) Yes – received loans or advances from third party issuers or their affiliates. Provide names of the issuers and their affiliates, if applicable, in comment box below
- d) No – have not received loans or advances from related/connected issuers, third party issuers or their affiliates

Received loans or advances from the following related/connected issuers

Received loans or advances from the following third party issuers

Question E15 – Returns of investment products sold

Do you sell/distribute/trade investment products that offer a fixed return (e.g. bonds or notes)? Check all that apply.

- a) Yes – return offered is 12% or more (list names of products in comment box below)
- b) Yes – return offered is at least 8% but less than 12% (list names of products in comment box below)
- c) Yes – return offered is at least 4% but less than 8%
- d) Yes – return offered is less than 4%
- e) Not applicable – do not sell/distribute/trade investment products that offer a fixed return

List of products that offer a return of 12% or more

List of products that offer a return of at least 8% but less than 12%

Question E16 – Sales commissions

What is the range of sales commissions that you receive on investment products sold/distributed/traded? Check all that apply.

- a) None - do not receive a sales commission
- b) Less than 3%
- c) 3% but less than 6%
- d) 6% but less than 11%
- e) 11% or more – list names of issuers in comment box below
- f) Receive other forms of compensation for investment products sold/distributed/traded – describe below
- g) Not applicable – do not sell/distribute/trade investment products

List of issuers that paid sales commissions of 11% or more

Other forms of compensation received for sale of investment products (e.g. success fee, flat fee per subscription, shares/options/warrants) and approximate dollar value

Question E17 – Trailing commissions

What is the range of trailing commissions that you receive on the investment products sold/distributed/traded? Check all that apply.

- a) None – do not receive a trailing commission
- b) Less than 2%
- c) 2% but less than 5%
- d) 5% or more
- e) Not applicable – do not sell/distribute/trade investment products

Additional comments, if necessary

Question E18 – Process for collecting and documenting know your client (KYC) information

How do you collect and document KYC information? Check all that apply.

- a) Collect KYC information in face-to-face meetings with clients and document KYC information in writing
- b) Collect KYC information via other means (e.g. e-mail, telephone, video call) and document KYC information in writing
- c) Collect KYC information on online platform (e.g. website, portal) for clients to enter and/or upload KYC information without directly dealing with a dealing representative
- d) KYC collected by someone, other than a dealing representative, outside of your firm (e.g. financial planner)
- e) KYC collected by someone, other than a dealing representative, within your firm (e.g. administrative staff)
- f) KYC information is collected but is not documented in writing
- g) No formal process for collecting and documenting KYC information
- h) Not applicable – no clients since firm obtained registration

Additional comments, if necessary

Question E19 – Qualification for prospectus exemption

How do you determine whether an investor client qualifies for a prospectus exemption under NI 45-106? Check all that apply.

- a) Self-certification - clients confirm their qualification for a prospectus exemption by checking a box or initialling in a subscription agreement or other document, which also identifies applicable category of the selected exemption
- b) Your firm makes its own written assessment of your client's qualification for a prospectus exemption
- c) There is no process in place to ascertain your client's qualification for a prospectus exemption
- d) Not applicable – do not sell/distribute/trade investment products
- e) Not applicable – sell/distribute/trade securities in reliance on exemptions other than the NI 45-106 prospectus exemptions

For further information on key capital raising prospectus exemptions in Ontario see the OSC website at: http://www.osc.gov.on.ca/en/SecuritiesLaw_ni_20160128_45-106_key-capital-prospectus-exemptions.htm

Additional comments, if necessary

For reference only

Question E20 – Know your product (KYP)

What are the components of your KYP process? Check all that apply.

- a) Not applicable – do not have an investment review process
- b) Do not have an investment review process because we distribute related issuers
- c) Rely on due diligence conducted by, or analyst report or assessment prepared by, another registered firm
- d) Rely on due diligence conducted by, or analyst report or assessment prepared by, the issuer or unregistered third party
- e) Use a list of criteria to accept or reject an investment
- f) Analyze investment products recommended to investor clients (e.g. financial information, risk factors, investment objectives, investment structure and features)
- g) Have professional staff (e.g. CFA, CPA, CA, etc.) with appropriate skills and experience to properly analyze investments for investor clients
- h) Meet with management of the issuer to review corporate structure, corporate strategy, management reputation, experience and business plans
- i) Conduct an on-site visit with management of the issuer
- j) Review and assess any applicable laws or regulations that may apply to the issuer
- k) Review and assess the completeness and adequacy of the documents provided to investors and marketing materials relating to the investment
- l) Assess the existence of any conflicts of interest arising from factors such as the compensation structure and consider how to deal with these issues
- m) Compliance staff review and approve the investment
- n) Perform background check of issuers and their principals (e.g. internet search, cease trade order check, disciplined person check, etc.)
- o) Perform a criminal record check of issuers principals
- p) Analyze issuer's past and expected use of investor proceeds
- q) Assess quality of issuer's underlying operations and risks of the issuer
- r) Analyze issuer's financial statements to understand the issuer's current and expected financial condition, profitability, liquidity, operating cash flow and debt covenants
- s) Understand the fees and costs paid to your firm, issuer and other parties (e.g. commissions, sales charges, trailer fees, management fees, incentive fees, referral fees, embedded fees, executive compensation)
- t) In addition to conducting the initial product due diligence, continue to monitor the financial condition (i.e. ongoing review of financial statements) and progress of the products
- u) Have a training program for employees who recommend investments to investor clients

Additional comments, if necessary

For reference only

Question E21 - Types of documents provided to investor clients

What type of disclosure do you provide to your investor clients about the investment products you sell/distribute/trade and/or the services you provide? Check all that apply.

- a) Offering memoranda
- b) Term sheets
- c) Subscription agreements
- d) Client agreements
- e) Relationship disclosure information/documents
- f) Completed copy of a Risk Acknowledgement Form (i.e. Form 45-106F4, Form 45-106F9 or Form 45-106F12)
- g) Other written material
- h) None of the above but verbal disclosure

Additional comments, if necessary

Question E22 – Age of investor clients

For the two years ending December 31, 2021, provide the percentage of individual investor clients that were 60 years or older to whom you sold/distributed/traded investment products, or to whom you provided services.

%

Additional comments, if necessary

For reference only

For reference only