

**INSTRUCTIONS TO SUBSCRIPTION AGREEMENT FOR PREFERRED SHARES OF**

**YOUR COMPANY**  
(the “Corporation”)

**PLEASE MAKE SURE THAT YOUR SUBSCRIPTION INCLUDES:**

1. A signed copy of this Subscription Agreement; and
2. A cheque or bank draft in an amount equal to the Aggregate Subscription Amount, payable to “YOUR COMPANY”; and
  - If the subscriber is an Individual Accredited Investor, two (2) copies of the Accredited Investor Risk Acknowledgement attached to this Subscription Agreement as Schedule “A” (please initial as indicated); or
  - If the subscriber is a Non-Individual Accredited Investor, the Representation Letter in the form attached to this Subscription Agreement as Schedule “B” (please initial Appendix A as indicated).

**PLEASE DELIVER YOUR SUBSCRIPTION TO:**

**YOUR COMPANY.**  
**ADDRESS**  
Email: **TBD**

**SUBSCRIPTION AGREEMENT**  
**YOUR COMPANY** (the “Corporation”)

The undersigned (hereinafter referred to as the “Subscriber”) hereby irrevocably subscribes for and agrees to purchase the number of Preferred Shares (the “Preferred Shares”) of the Corporation, for the Aggregate Subscription Amount set forth below, representing a subscription price of \$TBD per Preferred Share, subject to the terms and conditions set forth in “Terms and Conditions of Subscription for Preferred Shares of YOUR COMPANY” attached hereto (together with this page and the attached Schedules and Appendices, the “Subscription Agreement”).

Subscription funds must be delivered by bank draft or cheque made payable to “YOUR COMPANY” at INSERT ADDRESS.

\_\_\_\_\_  
 (Name of Subscriber - please print)

By: \_\_\_\_\_  
 (Authorized Signature)

\_\_\_\_\_  
 (If Subscriber not an individual, Name and Official Capacity or Title)

\_\_\_\_\_  
 (Social Insurance Number or Corporate Tax Number)

\_\_\_\_\_  
 Date of Execution

\_\_\_\_\_  
 (Subscriber’s Address – LINE ONE)

\_\_\_\_\_  
 (Subscriber’s Address – LINE TWO)

\_\_\_\_\_  
 (Telephone Number)

\_\_\_\_\_  
 (E-Mail Address)

Number of Preferred Shares: \_\_\_\_\_

Aggregate Subscription Amount: \$ \_\_\_\_\_

**Insider Status**

Is the Subscriber an “Insider” of the Corporation as defined by applicable securities laws in the jurisdiction of residence of the Subscriber?

YES  NO

**Registrant Status**

Is the Subscriber a “Registrant” as defined by applicable securities laws in the jurisdiction of residence of the Subscriber?

YES  NO

**Register the Preferred Shares as set forth below:**

\_\_\_\_\_  
 (Name)

\_\_\_\_\_  
 (Account reference, if applicable)

\_\_\_\_\_  
 (Address)

\_\_\_\_\_  
 (Address)

**Deliver the Preferred Shares as set forth below:**

\_\_\_\_\_  
 (Name)

\_\_\_\_\_  
 (Contact Name)

\_\_\_\_\_  
 (Address)

\_\_\_\_\_  
 (Address)

**FOR OFFICE USE ONLY**

**ACCEPTANCE:** The Corporation hereby accepts the above subscription on the terms and conditions contained in this Subscription Agreement.

**YOUR COMPANY** Date : \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_ Certificate No. Issued: \_\_\_\_\_

**Terms and Conditions of Subscription for Preferred Shares of  
YOUR COMPANY**

**1. Definitions:**

In this Agreement:

- a) **“Agreement”** or **“Subscription Agreement”** means this subscription agreement as may be amended from time to time;
- b) **“Aggregate Subscription Amount”** means those funds received by the Corporation with respect to the Preferred Shares subscribed for under this Agreement;
- c) **“Business Day”** means a day on which Canadian chartered banks are open for the transaction of regular business in the Province of **TBD**;
- d) **“Closing”** means the one or more closing(s) of the purchase and sale of the Preferred Shares;
- e) **“Closing Date”** means the date on which an initial Closing of the sale of the Preferred takes place, or such other date or dates designated by the Corporation;
- f) **“Corporation”** means **YOUR COMPANY**, a private **TBD** corporation;
- g) **“NI 45-106”** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;
- h) **“Offering”** means the offering of up to **{TBD}** Preferred Shares by the Corporation on the terms and conditions set out herein;
- i) **“Offering Jurisdictions”** means all Provinces and Territories of Canada;
- j) **“Person”** means an individual, a firm, a limited partnership, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;
- k) **“Preferred Shares”** means the Preferred **(TBD)** shares being offered by the Corporation on the terms set out in Schedule “C” hereto;
- l) **“Securities Laws”** means the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the applicable securities regulatory authority or applicable securities regulatory authorities of, the Offering Jurisdictions;
- m) **“Subscriber”** means the signatory herein;
- n) **“Subscription Price”** means \$**{TBD}** per Preferred Share; and
- o) **“Tax Act”** means the *Income Tax Act* (Canada), as amended, re-enacted or replaced from time to time.

**2. Acknowledgements of Subscriber**

The Subscriber acknowledges that:

- a) this subscription for Preferred Shares is subject to compliance with all relevant securities law requirements;
- b) it is aware that the offer made by this subscription is irrevocable and requires acceptance by the Corporation and will not become an agreement between the Subscriber and the Corporation until accepted by the Corporation;
- c) it is making the investment entirely at his/her/its own risk;
- d) no securities commission or regulator or similar regulatory authority has evaluated or endorsed the merits of the Preferred Shares and there is no government or other insurance covering the Preferred Shares;
- e) there are restrictions on his/her/its ability to resell the Preferred Shares and it is his/her/its responsibility to find out what those restrictions are and to comply with them before selling the Preferred Shares;
- f) the offering of the Preferred Shares by the Corporation is not underwritten;
- g) no governmental authority, regulatory body, stock exchange or other entity in Canada has either reviewed this Subscription Agreement, or any other documents which the Corporation has provided or made available to the Subscriber, or made any finding or determination as to the merits of this investment, and no such agencies, governmental authorities, regulatory bodies, stock exchanges or other entities have made any recommendation or endorsement with respect to the Preferred Shares;
- h) the sale of the Preferred Shares has not been qualified for distribution under the securities legislation of any province or other jurisdiction, by way of prospectus or otherwise, and that the Subscriber is purchasing the Preferred Shares pursuant to exemptions or orders contained in or issued under securities legislation and the Subscriber will not have the right to most of the civil remedies established by securities legislation; and

- i) the officers and directors of the Corporation will be involved directly in the selling of the Preferred Shares under this Offering. The officers and directors of the Corporation will not receive any commissions or fees for affecting such sales. **TBD**

### 3. Representations and Warranties of the Subscriber

#### A. General

By executing this Agreement, the Subscriber represents, warrants and covenants to the Corporation (and acknowledges that the Corporation and their legal counsel are relying thereon) that the Subscriber:

- a) understands that there is no market for the Preferred Shares, that no market may develop, and that the Corporation is not a “reporting issuer”, as defined under Securities Laws, and resale of the Preferred Shares is restricted;
- b) is purchasing the Preferred Shares as principal for his/her/its own account, not for the benefit of any other Person, and not with a view to resale or distribution;
- c) if an individual, has attained the age of majority and is legally competent to execute this subscription and to take all actions required pursuant to its terms;
- d) if a limited partnership, is duly incorporated and organized, is a valid and subsisting limited partnership and has the full corporate right, power and authority to execute and deliver this Agreement;
- e) if he/she/it is a resident of an Offering Jurisdiction and cannot otherwise satisfy any of the requirements set forth in this section 3, he/she/it is acquiring the Preferred Shares pursuant to and in compliance with an exemption from the prospectus requirements of the Securities Laws of the jurisdiction in which he/she/it resides and will provide the Corporation, on request, whether before or after the Closing Date, with evidence of such compliance;
- f) is capable of assessing the proposed investment in the Preferred Shares as a result of his financial or investment experience or as a result of advice received from a registered Person other than the Corporation or an affiliate thereof and he is able to bear the economic loss of the investment in the Preferred Shares;
- g) is not a U.S. Person (as that term is defined in Rule 902 of Regulation S under the *Securities Act* of 1933, as amended, of the United States of America) and is not and will not be purchasing Preferred Shares for the account or benefit of any U.S. Person and did not execute or deliver this Agreement in the United States of America;
- h) acknowledges that no agency, governmental authority, securities commission, regulator or similar regulatory body, stock exchange or other entity has reviewed, passed on or made any finding or determination as to the merit for investment of the Preferred Shares nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to the Preferred Shares;
- i) acknowledges that the Corporation has advised the Subscriber that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell the Preferred Shares through a Person registered to sell securities under the Securities Laws and, as a consequence of acquiring securities pursuant to this exemption,
  - (i) certain protections, rights and remedies provided by the Securities Laws, may not be available to the Subscriber, or others for whom he is contracting hereunder,
  - (ii) the Subscriber, or others for whom he is contracting hereunder, may not receive information that would otherwise be required to be given under the Securities Laws, and
  - (iii) the Corporation is relieved from certain obligations that would otherwise apply under the Securities Laws of the Offering Jurisdictions;
- j) acknowledges that except as set out in this Agreement, no Person has made to the Subscriber any written or oral representation:
  - (i) that any Person will resell or repurchase any of the Preferred Shares;
  - (ii) that any Person will refund the purchase price of the Preferred Shares;
  - (iii) as to the future price or value of any of the Preferred Shares; or
  - (iv) that any of the Preferred Shares will be listed and posted for trading on a stock exchange or that application has been made to list and post any of the Preferred Shares for trading on a stock exchange;
- k) acknowledges that he/she/it is a resident of the Offering Jurisdictions as set forth in this Subscription Agreement under “Subscriber’s Address”;

- l) acknowledges that this Agreement has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber;
- m) acknowledges that if required by applicable securities legislation, policy or order, or securities commission, regulator or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings, and other documents with respect to the issue of Preferred Shares that may be required;
- n) acknowledges that he/she/it on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, understands and acknowledges that the Preferred Shares will be subject to certain resale restrictions under applicable Securities Laws and the Subscriber (on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder) agrees to comply with such restrictions. **In particular, the Subscriber further understands and acknowledges that the Corporation is not a reporting issuer in any Province or Territory of Canada and, therefore, the Preferred Shares will be subject to a statutory hold period which will be of an indefinite period (i.e., will not commence to be reduced) unless and until such time as the Corporation becomes a reporting issuer in a Canadian jurisdiction, and during such statutory hold period, none of the Preferred Shares may be resold except pursuant to a statutory exemption or a discretionary ruling issued by the securities commission in the Subscriber's Province of residence.** Subscribers are advised to consult their own legal advisors in this regard. The Subscriber (on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder) acknowledges that it has been advised to consult its own legal advisors with respect to applicable resale restrictions and that it is solely responsible for complying with such restrictions (and the Corporation is not in any manner responsible for ensuring compliance by the Subscriber with such restrictions).
- o) is not a "non-resident" of Canada as that term is defined in the Tax Act;
- p) is able to bear the economic risk of loss of his investment and has the investment acumen to assess the securities being offered hereunder because of the Subscriber's net worth and investment experience;
- q) has had the opportunity to consult his/her/its own independent professional advisors with respect to the income tax consequences of purchasing the Preferred Shares; and
- r) acknowledges that none of the Preferred Shares are being purchased by the Subscriber with knowledge of any material fact about the Corporation that has not been generally disclosed.

**B. Offering Jurisdictions**

If the Subscriber is resident in, or are otherwise subject to the Securities Laws of the Offering Jurisdictions, then:

- a) he/she/it is either:
  - (i) purchasing the Preferred Shares as principal for his/her/its own account and not for the benefit of any other Person and he/she/it has a NI 45-106 prospectus exemption available to him/her/it as set out in Schedule "A" or Schedule "B" as applicable; or
  - (ii) subscribing for the Preferred Shares as agent for a beneficial principal disclosed on the execution page of this Agreement, and he/she/it is not an agent or trustee and each disclosed principal for whom he/she/it is acting has a NI 45-106 prospectus exemption available to him/her/it as set out in Schedule "A" or Schedule "B" as applicable and is purchasing as principal for his/her/its own account and not for the benefit of any other Person; and
  - (iii) he/she/it has concurrently executed and delivered the Risk Acknowledgment in the form attached hereto as Schedule "A" or the Representation Letter in the form attached hereto as Schedule "B", as applicable.
- b) the provisions of paragraph (a) of this subsection 3-B will be true and correct both as of the date of execution of this Agreement and as of the Closing Date; and
- c) the Subscriber acknowledges and consents to the release by the Corporation of certain information regarding the subscription, including the Subscriber's name, address, telephone number and registration instructions, the number of Preferred Shares purchased, the number of Preferred Shares held, his status as a Subscriber as represented in Schedule "A" or Schedule "B" as applicable and, if applicable, information regarding the beneficial ownership of the Subscriber or his principal, in compliance with the Securities Laws or as otherwise required by the law of the Corporation and for the purposes of arranging for the preparation of the certificates representing the Preferred Shares.

#### 4. Legends

The Subscriber is aware of the attributes and characteristics of the Preferred Shares, the risks relating to an investment therein and of the fact that the Subscriber may not be able to resell the Preferred Shares, except in accordance with limited exemptions under applicable securities legislation and regulatory policy, and the Subscriber understands and confirms that it has been advised that that any certificates representing the Preferred Shares will bear the following legend indicating that the resale of such securities is restricted:

*“Unless permitted under securities legislation, the holder of this security must not trade this security before the date that is 4 months and a day after the date the issuer becomes a reporting issuer in any province or territory.”*

and the Subscriber further agrees that it is the Subscriber’s responsibility to comply with such restrictions before selling the Preferred Shares;

#### 5. Representations and Warranties of the Corporation

##### A. General

The Corporation represents and warrants to and for the benefit of the Subscriber (and acknowledges that the Subscriber is relying thereon) that:

- a) the Corporation has been duly formed and is validly subsisting under the laws of the Province of **TBD**;
- b) the Corporation has the full corporate right, power and authority to execute and deliver this Agreement and to authorize the issuance of the Preferred Shares to the Subscriber;
- c) all necessary corporate action will have been taken by the relevant Closing Date to authorize the issue and sale of, and the delivery of certificates representing, the Preferred Shares;
- d) this Agreement constitutes a binding obligation of the Corporation enforceable in accordance with its terms; and
- e) the execution and delivery of, and the performance of the terms of the Agreement by the Corporation, including the issue of the Preferred Shares described herein do not constitute a breach of, or default under, the constating documents of the Corporation or any law, regulation, order or ruling applicable to the Corporation or any agreement, contract or indenture to which the Corporation is a party or by which it is bound.

#### 6. General Terms

The initial Closing of the Preferred Shares will be completed at the offices of the Corporation in **TBD** at such time as the Corporation may determine.

7. The Subscriber agrees to deliver to the Corporation prior to the Closing Date:

- a) this duly completed and executed Agreement and all Schedules and Appendices as applicable thereto;
- b) a cheque or bank draft payable to **“YOUR COMPANY”** for the Aggregate Subscription Amount; and
- c) such other documents as may be requested as contemplated by paragraph 3 hereof.

8. This Agreement shall be governed by and construed in accordance with the laws of the Province of **TBD** and the laws of Canada applicable therein.

9. This Agreement shall be subject to the approval of all securities and regulatory authorities having jurisdiction.

10. This Agreement may be executed in any number of counterparts and by facsimile/email, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

11. The Subscriber agrees that the Corporation will not be liable for any misrepresentation if the Subscriber purchased Preferred Shares with knowledge of the misrepresentation; and in any event, in an action for damages, the Corporation is not liable for all or any portion of such damages that do not represent the depreciation in value of Preferred Shares as a result of the misrepresentation relied upon.

12. The Subscriber agrees that in no case shall the Corporation be liable for an amount recoverable as a result of a breach of the representations and warranties in this Agreement in excess of the price at which the Preferred Shares were sold to the Subscriber.

13. The Subscriber acknowledges that pursuant to anti-spam legislation that may be in force in the jurisdiction in which the Subscriber is resident, the implied or express consent of the Subscriber may be required to receive commercial electronic messages from the Corporation, and the Subscriber hereby consents to the receipt of e-mail, or any other form of commercial electronic message, from the Corporation or any of its designated affiliates, for the purposes of general communication with the Subscriber, or for any other purpose as communicated by the Corporation.
14. The Subscriber hereby consents to the collection, use and disclosure by the Corporation and its authorized agents and representatives of the Subscriber's personal information set forth herein ("**Personal Information**") to enable the Corporation to fulfill its regulatory and reporting requirements and recognizes that this disclosure may result in the disclosure of some or all of the Personal Information becoming public information and, without limiting the foregoing, consents to the disclosure of such Personal Information to the Corporation's authorized agents and representatives, securities commissions and/or other regulatory agencies in any jurisdiction in which the rules and requirements of such body may require such reporting, or as may be required or permitted by law.
15. In order to permit the Corporation to comply with the requirements of Personal Information Protection and Electronic Documents Act ("**PIPEDA**"), the Subscriber expressly consents to the disclosure by the Corporation in any submission or filing that the Corporation may be required to make with any applicable regulatory authority of any Personal Information.
16. The funds representing the aggregate Subscription Amount which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) Terrorist Financing Act (the "**PCMLTFA**") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the name of the Subscriber and other information relating to this Subscription Agreement and the subscription of the Subscriber hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge:
  - (i) none of the subscription funds to be provided by the Subscriber:
    1. have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or
    2. are being tendered on behalf of a Person or entity who has not been identified to the Subscriber; and
  - (ii) it shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and provide the Corporation with appropriate information in connection therewith.
17. Time is of the essence hereof.
18. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
19. The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby.
20. In this Subscription Agreement (including attachments), references to "\$" or "Cdn. \$" are to Canadian dollars.

## SCHEDULE "A"

**Form 45-106F9**  
**Form for Individual Accredited Investors**

**WARNING!**

**This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

| <b>SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER</b>  |                      |
|--|----------------------|
| <b>1. About your investment</b>  |                      |
| Type of securities: Preferred Shares   | Issuer: YOUR COMPANY |
| Purchased from: YOUR COMPANY   |                      |
| <b>SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER</b>  |                      |
| <b>2. Risk acknowledgement</b>   |                      |
| This investment is risky. Initial that you understand that:  | <b>Your initials</b> |
| <b>Risk of loss</b> – You could lose your entire investment of \$ _____. [ <i>Instruction: Insert the total dollar amount of the investment.</i> ]   |                      |
| <b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.   |                      |
| <b>Lack of information</b> – You may receive little or no information about your investment.   |                      |
| <b>Lack of advice</b> – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to <a href="http://www.aretheyregistered.ca">www.aretheyregistered.ca</a> .                                  |                      |
| <b>3. Accredited investor status</b>   |                      |
| You must meet at least <b>one</b> of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria. |                      |
| • Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)  | <b>Your initials</b> |
| • Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.   |                      |
| • Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.   |                      |
| • Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)  |                      |
| <b>4. Your name and signature</b>  |                      |
| By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.  |                      |
| First and last name (please print):  |                      |
| Signature:   | Date:                |



| SECTION 5 TO BE COMPLETED BY THE SALESPERSON  |        |
|---|--------|
| <b>5. Salesperson information</b>   |        |
| First and last name of salesperson (please print):  |        |
| Telephone:  | Email: |
| Name of firm (if registered):   |        |
| SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER  |        |
| <b>6. For more information about this investment</b>  |        |
| YOUR COMPANY<br>ADDRESS<br>Email: TBD   |        |
| For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at <a href="http://www.securities-administrators.ca">www.securities-administrators.ca</a> . |        |

Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.

## SCHEDULE "A"

**Form 45-106F9**  
**Form for Individual Accredited Investors**

**WARNING!**

**This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

| <b>SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER</b>  |                      |
|--|----------------------|
| <b>1. About your investment</b>  |                      |
| Type of securities: Preferred Shares   | Issuer: YOUR COMPANY |
| Purchased from: YOUR COMPANY   |                      |
| <b>SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER</b>  |                      |
| <b>2. Risk acknowledgement</b>   |                      |
| This investment is risky. Initial that you understand that:  | <b>Your initials</b> |
| <b>Risk of loss</b> – You could lose your entire investment of \$ _____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>   |                      |
| <b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.   |                      |
| <b>Lack of information</b> – You may receive little or no information about your investment.   |                      |
| <b>Lack of advice</b> – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to <a href="http://www.aretheyregistered.ca">www.aretheyregistered.ca</a> .                                  |                      |
| <b>3. Accredited investor status</b>   |                      |
| You must meet at least <b>one</b> of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria. | <b>Your initials</b> |
| • Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)  |                      |
| • Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.   |                      |
| • Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.   |                      |
| • Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)  |                      |
| <b>4. Your name and signature</b>  |                      |
| By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.  |                      |
| First and last name (please print):  |                      |
| Signature:   | Date:                |

| SECTION 5 TO BE COMPLETED BY THE SALESPERSON  |        |
|---|--------|
| <b>5. Salesperson information</b>   |        |
| First and last name of salesperson (please print):  |        |
| Telephone:  | Email: |
| Name of firm (if registered):   |        |
| <b>SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER</b>   |        |
| <b>6. For more information about this investment</b>  |        |
| YOUR COMPANY<br>ADDRESS<br>Email: TBD   |        |
| For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at <a href="http://www.securities-administrators.ca">www.securities-administrators.ca</a> . |        |

Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.

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**SCHEDULE “B”**


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**ACCREDITED INVESTOR REPRESENTATION LETTER FOR NON-INDIVIDUAL ACCREDITED INVESTORS**
**TO: YOUR COMPANY (the “Corporation”)**

In connection with the purchase of the Preferred shares (the “**Preferred Shares**”) of the Corporation by the undersigned subscriber (the “**Subscriber**” for the purposes of this Schedule “B”), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is resident in the jurisdiction as set forth on the face page of this Subscription Agreement or is subject to the securities laws of such jurisdiction;
2. The Subscriber is purchasing the Preferred Shares as principal for its own account and not for the benefit of any other person;
3. The Subscriber is an “accredited investor” within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in Appendix A to this Accredited Investor Representation Letter;
4. The Subscriber was not created or used solely to purchase or hold securities pursuant to an exemption available under NI 45-106; and
5. Upon execution of this Schedule “B” by the Subscriber, this Schedule “B” shall be incorporated into and form a part of the Subscription Agreement.

The statements made in this Accredited Investor Representation Letter are true and accurate as of the date of signing and will be true and accurate as of the Closing Date. If any such representations and warranties shall cease to be true and accurate at any time prior to Closing, the Subscriber will promptly notify the Corporation.

Dated: \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Print name of Subscriber

Per: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name of Signatory (if different from Subscriber)

\_\_\_\_\_  
Title

**IMPORTANT: PLEASE MARK THE CATEGORY OR CATEGORIES IN APPENDIX A  
ON THE NEXT PAGE THAT DESCRIBES THE INVESTOR**

## APPENDIX A

## TO SCHEDULE "B"

**NOTE: THE INVESTOR MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.**

Accredited Investor - (defined in National Instrument 45-106) means:

| <u>YOUR INITIALS</u> |   |
|----------------------|---|
|                      | (d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,  |
|                      | (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),   |
|                      | (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador),   |
|                      | (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000,   |
|                      | (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000,   |
|                      | (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,   |
|                      | (q) a person acting on behalf of a fully managed account managed by that person, if that person 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,  |
|                      | (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,  |
|                      | (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, or  |

For the purposes hereof:

- (a) **"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;
- (b) **"foreign jurisdiction"** means a country other than Canada or a political subdivision of a country other than Canada;
- (c) **"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;
- (d) **"jurisdiction"** means a province or territory of Canada except when used in the term foreign jurisdiction;
- (e) **"local jurisdiction"** means the jurisdiction in which the Canadian securities regulatory authority is situate;
- (f) **"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; and
- (g) **"regulator"** means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction.

**All monetary references are in Canadian Dollars**

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SCHEDULE "C"

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Rights of all Classes of Shares of the Corporation - TBD

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