

SCHEDULE A

45-106 ACCREDITED INVESTOR CERTIFICATE

(for British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec accredited investors)

[INSTRUCTIONS: Please initial the box beside the appropriate category and execute and date this Accredited Investor Schedule. If you are subscribing through a corporation or trust, you must check box "T".]

TO: _____

In connection with the proposed purchase of securities of _____, the undersigned Investor represents and warrants that the Investor is purchasing as principal or as an agent for a disclosed principal and that the Investor or disclosed principal is resident in or subject to the laws of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario or Quebec as applicable, and that he, she or it is an "Accredited Investor" within the meaning of National Instrument 45-106 – Prospectus and Registration Exemptions, and by initialing the appropriate box below, the Investor certifies that he, she or it satisfies ONE of the following categories.

All terms used in this Schedule A that are defined in the Subscription Agreement have the meanings given them in the Subscription Agreement.

- (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, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction,
- (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 [*Note: a person is not eligible under this paragraph if it was created or is being used solely to purchase or hold securities as an accredited investor in reliance upon this paragraph*],
- (n) an investment fund that distributes or has distributed its securities only to
 - (1) a person that is or was an accredited investor at the time of the distribution,
 - (2) 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 their equivalents under securities legislation of an applicable

jurisdiction as specified in sections 8.1 and 8.2 of the NI 45-106, or

- (3) 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 the 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 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 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 [*Note: this is not available in Ontario*],
 - (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
 - (1) an accredited investor, or
 - (2) an exempt purchaser in Alberta or British Columbia after September 14, 2005.

Signature of Accredited Investor

The Investor acknowledges that he, she or it has read and understood the meaning of accredited investor in the Investor's province of residence and the Investor covenants that the Investor has accurately indicated which category of accredited investor applies to the Investor within in the Investor's province of residence.

For an investor which is not an individual, the person signing on behalf of the Investor is either the chief financial officer or another executive officer of the Purchaser.

If the undersigned is acting as trustee or agent of the Investor, the undersigned has due and proper authority to execute this certificate and all other documentation in connection with the purchase of the units on behalf of the Investor and the person signing on behalf of the Investor is an executive officer of the Investor.

Dated X _____, 20____

For Individual Investors

Note: All account holders must sign this Subscription Agreement.

X _____
Signature of Witness

X _____
Signature of Investor

X _____
Name of Witness

X _____
Signature of Joint Investor

For Corporate Investors

Attach Corporate Resolution

X _____
Name of Corporation

By: X _____
Signature of Authorized Signatory

X _____
Name and Title of Authorize Signatory (please print)

SCHEDULE A — RELATED DEFINITIONS:

“**Canadian financial institution**” means

- (a) 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
- (b) 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

- (a) 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,
- (b) 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

- (a) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- (b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

“**EVCC**” means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), and whose business objective is making multiple investments;

“**financial assets**” means

- (a) cash,
- (b) securities, or
- (c) 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;

“**individual**” means a natural person, but does not include a partnership, unincorporated association, unincorporated organization, trust or a natural person in his or her capacity as trustee, executor, administrator or other legal personal representative;

“**instrument**” means *National Instrument 45-106 Prospectus and Registration Exemptions* of the Canadian Securities Administrators;

“**investment fund**” means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

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

“**mutual fund**” means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets, including a separate fund or trust account, of the issuer;

“**non redeemable investment fund**” means an issuer:

- (a) whose primary purpose is to invest money provided by its security-holders,
- (b) that does not invest,
 - (1) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
 - (2) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (c) that is not a mutual fund;

“**officer**” means the chair, any vice chair of the board of directors, the president, any vice president, the secretary, the assistant secretary, the treasurer, the assistant treasurer, and the general manager of a company, and any other person designated an officer or a company by law or similar authority, or any individual acting in a similar capacity on behalf of the issuer;

“**person**” includes

- (a) an individual,
- (b) a corporation,
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

“**Regulator**” includes each Person appointed as the senior securities regulator under the applicable securities laws;

“**related liabilities**” means

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (b) liabilities that are secured by financial assets;

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

“**Securities Legislation**” means, in the case of British Columbia, the *Securities Act* (British Columbia) and the regulations, rules and forms under that Act and the blanket rulings and orders issued by the securities regulatory authority, in the case of Alberta, the *Securities Act* (Alberta) and the regulations and rules under that Act and the blanket rulings and orders issued by the securities regulatory authority, in the case of Saskatchewan, *The Securities Act, 1988* and the regulations and rules under that Act and the blanket rulings and orders issued by the securities regulatory authority, in the case of Manitoba, *The Securities Act* (Manitoba) and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority, in the case of New Brunswick, the *Securities Act* (New Brunswick) and the regulations and rules under that Act and the blanket rulings and orders issued by the securities regulatory authority, in the case of Nova Scotia, the *Securities Act* (Nova Scotia) and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority, in the case of Prince Edward Island, the *Securities Act* (Prince Edward Island) and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority, and in the case of Newfoundland, the *Securities Act* (Newfoundland) and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority;

“**spouse**” means, an individual who,

- (a) is married to another individual and is not living separate and apart within the meaning of *the Divorce Act* (Canada), from the other individual,
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (c) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

“**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

“**VCC**” means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), whose business objective is making multiple investments.

Accredited Investor Tests

(1) Individual qualification – financial tests

An individual is an “accredited investor” for the purposes of NI 45-106 if he or she satisfies, either alone or with a spouse, any of the financial asset test in paragraph (j), the net income test in paragraph (k) or the net asset test in paragraph (l) of the “accredited investor” definition in section 1.1 of NI 45-106.

These branches of the definition are designed to treat spouses as a single investing unit, so that either spouse qualifies as an “accredited investor” if the combined financial assets, net income or net assets of both spouses exceed the \$1 000 000, \$300 000 or \$5 000 000 thresholds.

If the combined net income of both spouses does not exceed \$300 000, but the net income of one of the spouses exceeds \$200 000, only the spouse whose net income exceeds \$200 000 qualifies as an accredited investor.

(2) Bright-line standards – individuals

The monetary thresholds in the “accredited investor” definition are intended to create “bright-line” standards. Investors who do not satisfy these monetary thresholds do not qualify as accredited investors under the applicable paragraph.

(3) Beneficial ownership of financial assets

Paragraph (j) of the “accredited investor” definition refers to 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. As a general matter, it should not be difficult to determine whether financial assets are beneficially owned by an individual, an individual’s spouse, or both, in any particular instance. However, financial assets held in a trust or in other types of investment vehicles for the benefit of an individual may raise questions as to whether the individual beneficially owns the financial assets in the circumstances. The following factors are indicative of beneficial ownership of financial assets:

- (a) physical or constructive possession of evidence of ownership of the financial asset;
- (b) entitlement to receipt of any income generated by the financial asset;
- (c) risk of loss of the value of the financial asset; and
- (d) the ability to dispose of the financial asset or otherwise deal with it as the individual sees fit.

For example, securities held in a self-directed RRSP, for the sole benefit of an individual are beneficially owned by that individual. In general, financial assets in a spousal RRSP would also be included for the purposes of the threshold test because paragraph (j) takes into account financial assets owned beneficially by a spouse. However, financial assets

held in a group RRSP under which the individual would not have the ability to acquire the financial assets and deal with them directly would not meet these beneficial ownership requirements.

(4) Calculation of purchaser’s net assets

To calculate a purchaser’s net assets under paragraph (l) of the “accredited investor” definition, subtract the purchaser’s total liabilities from the purchaser’s total assets. The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the trade.

(5) Financial statements

The minimum net asset threshold of \$5 000 000 specified in paragraph (m) of the “accredited investor” definition must, in the case of a non-individual entity, be shown on the entity’s “most recently prepared financial statements”. The financial statements must be prepared in accordance with applicable generally accepted accounting principles.

(6) Time for assessing qualification

The financial tests prescribed in the accredited investor definition are to be applied only at the time of the trade. The person is not required to monitor the purchaser’s continuing qualification as an accredited investor after the trade is completed.

(7) Recognition or Designation as an Accredited Investor

Paragraph (v) of the “accredited investor” definition in NI 45-106 contemplates that a person may apply to be recognized or designated as an accredited investor by the securities regulatory authorities or, except in Ontario and Québec, the regulators. The securities regulatory authorities or regulators will consider applications for accredited investor recognition or designation submitted by or on behalf of persons that do not meet any of the other criteria for accredited investor status but nevertheless have the requisite sophistication or financial resources.

The securities regulatory authorities or regulators have not adopted any specific criteria for granting accredited investor recognition or designation to applicants as the securities regulatory authorities or regulators believe that the “accredited investor” definition generally covers all types of persons that do not require the protection of the prospectus requirement

and dealer registration requirement. Accordingly, the securities regulatory authorities or regulators expect that applications for accredited investor recognition or designation will be utilized on a very limited basis. If a securities regulatory authority or regulator considers it appropriate in the circumstances it may grant accredited investor recognition or designation to a person on terms and conditions, including a requirement that the person apply annually for renewal of accredited investor recognition or designation.

Securities legislation in British Columbia and Alberta does not contemplate recognition or designation as an accredited investor. Therefore, until changes are made to the securities legislation of these jurisdictions, applicants in British Columbia and Alberta should apply for designation or recognition as an exempt purchaser.