



Between Pinnacle Wealth Brokers Inc.  
Hereinafter referred to as "Dealer"

Signed by all three parties

And

\_\_\_\_\_  
Dealing Representative hereinafter referred to as "DR"

And

\_\_\_\_\_  
Referring Party hereinafter referred to as "Referring party"

#### WHEREAS:

- A. Dealer is registered with securities regulators as a dealer in all Canadian Jurisdictions where such registration is required for the purpose of dealing in securities offered under an exemption from the prospectus requirements;
- B. Dealing Representative is an individual duly registered through Dealer to trade in securities offered under an exemption to the prospectus requirements;
- C. Referring Party is not registered with any securities regulator in Canada in any capacity;
- D. Dealer, Dealing Representative and Referring Party wish to document a referral arrangement under which directors, officers, partners, employees and agents (collectively, "Agents") of Referring Party may refer clients to Dealer or Dealing Representative from time to time with respect to Securities that Dealer offers, distributes or promotes.

NOW THEREFORE THIS AGREEMENT WITNESSETH for and in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), it is agreed by and between the parties hereto as follows:

#### INTERPRETATION

##### 1.01 Definitions

In this Agreement, the recitals and the Schedules and in any amendments hereto or thereto, unless the context otherwise requires or unless otherwise defined in any such Schedule or amendment, the following words and phrases shall have the meaning set forth after them:

"**Accounts**" means existing and future accounts opened or to be opened by Dealer and Dealing Representative for Clients;

"**Affiliate**" shall have the meaning given to it in the *Securities Act* (Alberta);

"**Agreement**" means this Referral Agreement and all Schedules and all Instruments supplemental hereto or in amendment or confirmation hereof, and "hereof", "hereto", "herein", "hereunder" and similar expressions mean and refer to this Agreement and not to any particular article, section or clause;

"**Applicable Laws**" means, with respect to any Person, property, transaction, event or other matter, any law, rule, statute, regulation, order, judgment, decree, treaty or other requirement having the force of law in Canada relating or applicable to such Person, property, transaction, event or other matter;

"**Business Day**" means any day that Dealer at its head office in Alberta, the Dealer is open for business and excludes Saturdays, Sundays and Canadian statutory holidays;

"**Agents**" means those Persons who have entered into an "Agent's Agreement" in the form attached hereto as Schedule "E";

"**Referred Clients**" means Clients who have been referred to Dealer or Dealing Representative by Referring Party or Agents for the purpose of opening an Account with Dealer to acquire and hold Securities or who are referred for the purpose of acquiring Securities whether or not such an Account is opened or Securities are acquired. For greater certainty, this excludes any Clients

who have been referred by Referring Party but have advised both Referring Party and Dealing Representative or Dealer in writing that they have ceased their referral relationship with the Referring Party and that they no longer wish Referring Party to receive any compensation under this Agreement;

**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns; “Parties” means every “Party”;

**Person**” is to be broadly interpreted and includes an individual, corporation, partnership, trust, unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government or any executors, administrators or other legal representatives of any individual in such capacity;

**Referable Clients**” mean Clients of Referring Party or Agents who meet the requirements as agreed upon from time to time between Referring Party, Dealing Representative and Dealer;

**Securities**” means any investment product or service, whether or not meeting the definition of a security as found in applicable securities legislation, which Dealer, Dealing Representative or any affiliate offers, promotes or distributes pursuant to Dealer’s product approval process.

### **1.02 Currency**

All dollar amounts referred to in this Agreement are in Canadian funds.

### **1.03 Divisions and Headings**

Articles and section headings are not considered part of this Agreement, are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof and shall not affect the construction or interpretation hereof.

### **1.04 Clause, Section and Schedule References**

Unless the context requires otherwise, references in this Agreement to clauses, sections Or Schedules are to clauses, sections or Schedules of this Agreement.

### **1.05 Gender and Number**

In this Agreement, words importing the singular include the plural and vice versa and words importing genders include all genders.

### **1.06 Obligations as Covenants**

Each obligation of a Party provided herein, even though not expressed as a covenant, shall be considered for all purposes to be a covenant.

### **1.07 Business Days**

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day in Calgary, Alberta, then such payment or action shall be made or taken on the next Business Day.

### **1.08 Amendment**

No amendment of this Agreement will be effective unless made in writing and signed by the Parties, save for amendments to Schedules “A”, “B”, “C”, “D” and “E” which Dealer may amend or alter unilaterally with 30 days’ prior notice to Referring Party.

## **ARTICLE II REFERRALS**

### **2.01 Agreement to Make Referrals**

(1) During the term of this Agreement, subject to the terms and conditions hereof, Referring Party agrees to refer and to cause its directors, officers, partners, employees and agents to refer, Referable Clients to Dealing Representative or Dealer as and when appropriate, and in a diligent, ethical and responsible manner.

(2) During the term of this Agreement, subject to the terms and conditions hereof, Dealing Representative and Dealer agree to provide support and service to Referring Party and Agents in connection with this Agreement and to provide a level of service to Referred Clients who are in the process of acquiring, or who have acquired, Securities which is no less than the level of service provided to other Dealer clients.

(3) In connection with this Agreement:

(a) Referring Party and Agents shall refer Referable Clients to Dealing Representative or Dealer who are resident only provinces and territories of Canada listed on Schedule "D";

(b) upon identifying a Referable Client who has expressed an interest in Securities or like investment products and service, the applicable Agent shall, at the request of the Referable Client, refer the Referable Client to Dealing Representative or Dealer as follows:

(i) the Agent shall provide the Referable Client with verbal or written information about Dealer and Dealing Representative, if applicable, but only in such form as may be approved in writing by Dealer from time to time; and

(ii) the Agent, in conjunction with Dealing Representative, shall arrange an initial meeting between the Referable Client and Dealing Representative.

(4) In opening Accounts and promoting, marketing and offering Securities pursuant to this Agreement, Dealing Representative and Dealer shall comply with all Applicable Laws.

Without limiting the foregoing, this shall include provision of a referral disclosure document to a Referable Client in the form of Schedule "E" hereto as it may be amended from time to time. Dealing Representative and Dealer hereby further acknowledge the application of Article 6 hereof with respect to any failure of Dealing Representative or Dealer, as the case may be and based only on several liability laws, to comply with Applicable Laws and this clause 2.01(4).

(5) After the referral described in clause 2.01(3)(b) is made, Dealing Representative and Dealer shall be jointly responsible for the acceptance and servicing of the Client with regard to the Securities. Referring Party acknowledges that the acceptance of a subscription or an Account to acquire Securities pursuant to this Agreement shall be at the ultimate discretion of Dealer and subject to its standard account opening requirements and procedures, as amended from time to time.

(6) Referring Party and Agents shall provide such other services in respect of Referable Clients as Referring Party and Dealer may agree upon from time to time.

(7) Both Parties agree to use their best efforts to support the promotion, marketing and sale of Securities through the referral arrangement described in this Agreement.

(8) Dealing Representative and Dealer will not knowingly enter into a referral arrangement with any Agent of the Referring Party, save and except as for Agents who have completed an Agency Agreement as contemplated in Section 2.03 of this Agreement. In the event that Dealing Representative or Dealer becomes aware that they have entered into a referral arrangement with an Agent, other than in compliance with this Agreement, Dealing Representative or Dealer will terminate such arrangement as promptly as is permissible under such arrangement. Dealer shall have no liability to Referring Party for any claim of any type for damages, costs, expenses or any other form of compensation if Dealing Representative or Dealer complies with the terms of this subsection 2.01(8).

## **2.02 Compliance with Laws**

Dealing Representative and Dealer covenant and agree that they are responsible, personally and on behalf of Affiliates and their respective directors, officers, employees and agents, (in the case of the Dealer) for compliance with all Applicable Laws with respect to the marketing and sale of Securities purchased by Referred Clients. Referring Party covenants and agrees that it is responsible, personally and on behalf of its Affiliates, if any, and their respective directors, officers, partners, employees and agents (including for greater certainty Agents) for compliance with all Applicable Laws with respect to the activities contemplated by this Agreement. Without limiting the foregoing:

(a) it is the obligation of Referring Party to ensure that it, its Affiliates and Agents are permitted under Applicable Laws to accept the compensation agreed to in Section 3.01;

(b) no Agent, other representative or Affiliate of Referring Party will, in connection with this Agreement, provide investment advice or other advice regarding the Securities to a Referable or Referred Client;

(c) it shall be the responsibility of Dealing Representative and Dealer to conduct all necessary know-your-client and anti-money laundering and anti-terrorism inquiries in connection with the Accounts with regard to the Referred Clients; and

(d) each Party will take all reasonable steps to assist the other Party in meeting its respective anti-money laundering obligations including, but not limited to, sharing information to the extent permitted by relevant law to detect, prevent and report any suspected money laundering or other illegitimate activity such as terrorist financing.

**2.03** Referring Party may only appoint an Agent with the specific prior written approval of Dealing Representative or Dealer. All Agents shall execute a standard form agency agreement (“Agency Agreement”) prior to or at the time of appointment, which Agency Agreement may be amended from time to time by Dealer at its sole discretion. A copy of the current form of Referring Party Agency Agreement is attached hereto as Schedule “A”. Referring Party will only compensate duly appointed Agents who have executed the Agency Agreement where such Agency Agreement remains in full force and effect.

**2.04** An original executed copy of the Agency Agreement for each Agent shall be provided to Dealing Representative promptly after execution. No compensation shall be paid in respect of a referral made by an Agent until such time as Dealing Representative is in possession of the original executed copy of the Agency Agreement for the applicable Agent.

### **ARTICLE III COMPENSATION**

#### **3.01 Compensation**

(1) Dealing Representative shall pay to Referring Party compensation for Referred Clients in accordance with Schedule “C” hereto, as it may be amended from time to time. Referring Party may pay a portion or all of such compensation to an Agent. Dealing Representative will pay any portion of the compensation directly to an Agent only upon receipt of an irrevocable direction to do so, executed by the Referring Party in form satisfactory to Dealer and Dealing Representative.

(2) Except for the compensation set out in clause 3.01(1), neither Dealing Representative, Dealer nor its Affiliates shall otherwise be liable to Referring Party or Agents for the payment of any remuneration or expenses, except as may subsequently be agreed to in writing between the Parties.

(3) Dealing Representative will calculate the compensation payable as described in clause 3.01(1) in accordance with Schedule “C” hereto. All compensation payments will be paid by Dealing Representative to Referring Party within 15 days of receiving the commission from the Dealer. Dealing Representative and Referring Party may adjust the compensation payable under this Agreement from time to time, at the request of either Party, to the extent there has been an overpayment or underpayment of compensation. The calculation of compensation by Dealing Representative shall be accepted by Dealer, Referring Party and Agents absent manifest error.

#### **3.02 Reporting Compensation**

(1) To permit Dealer to meet its obligations under Securities laws, both Dealing Representative and Referring Party will report to Dealer in the manner set out below, within 10 days of the end of each calendar quarter.

(2) Dealing Representative shall report the compensation payable to Referring Party under this Agreement and in connection with such report shall provide Referring Party and Dealer with:

- a) The names of Referred Clients who have purchased Securities
- b) The Securities purchased and the date and market value of the purchase.
- c) The total Referral Fee paid to the Referring Party
- d) The date the Referral Fee was paid to the Referring Party.

For greater certainty, the form of the report shall be as set out in Schedule "D" to this agreement.

Note that only those transactions for which commission has been received and a referral fee paid at the time of the report need to be included in the report.

(3) Dealing Representative shall provide the Dealer with a list of all Clients referred to all Dealing Representatives of Dealer during the previous quarter, together with an accounting of all referral fees paid by Dealing Representatives under this agreement to the Referring Party, during the reporting period.

(4) Dealer, Dealing Representative and Referring Party agree to maintain complete and accurate records relating to the compensation paid under this Agreement.

(5) Notwithstanding the termination of this Agreement by any Party, Dealing Representative shall continue paying any compensation owing to Referring Party or Agents in respect of any Accounts opened or Securities purchased pursuant to this Agreement as of the effective date of termination, in accordance with clause 3.01(1).

#### **ARTICLE IV CONFIDENTIALITY, NON-DISCLOSURE AND NON-SOLICITATION**

##### **4.01 Confidentiality**

(1) Each Party (the “**Disclosing Party**”) shall regard as confidential and proprietary all of the information communicated to it by the other Party (the “**Receiving Party**”) in connection with this Agreement including, without limitation, the terms of this Agreement.

(2) None of the parties shall, without the prior written consent or the other parties, at any time:

(a) use such information for any purpose other than in connection with the performance of its obligations under this Agreement; or

(b) disclose any portion of such information to third parties, excluding a Party’s Affiliates and their respective employees, agents or subcontractors which are directly performing services for the Party in connection with this Agreement.

(3) The Parties shall cause each of their Affiliates, and their respective employees, agents and subcontractors who have access to such information to comply with the terms and conditions of Article 4 in the same manner as the Party is bound hereby, with each Party remaining responsible for the actions and disclosures of any such Affiliates, and their employees, agents and subcontractors. In addition, except as otherwise provided herein, none of the Parties shall, without the other Parties' prior written consent, disclose to third parties any information or discussions regarding this Agreement. The Parties agree that any breach of Article 4 by a Party, its affiliates and their respective employees, agents and subcontractors shall cause irreparable injury, that the non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, and that the breaching Party waives any requirement for the securing or posting of any bond in connection with such remedy.

(4) Notwithstanding the foregoing, the Parties' obligations pursuant to Article 4 shall not apply to:

(a) information that, at the time of disclosure, is, or after disclosure becomes part of, the public domain other than as a consequence of a Party’s breach;

(b) information that was known or otherwise available to the Receiving Party prior to the disclosure by the Disclosing Party;

(c) information disclosed by a third party to the Receiving Party after the disclosure by the Disclosing Party, if such third party’s disclosure neither violates any obligation of the third party to the Disclosing Party nor is a consequence of the Receiving Party’s breach;

(d) information that a Disclosing Party authorizes, in writing, for release; or

(e) information that is required to be disclosed under operation of law.

(5) Each Party shall provide to the other Party upon request a copy of its policy as regards the collection, storage and use of personal information.

##### **4.02 Non-Disclosure and Non-Solicitation by Dealer**

(1) During the term of this Agreement, neither Dealer nor Dealing Representative shall:

(a) disclose client information obtained by Dealer as a result of the opening or operation of an Account or purchase of Securities pursuant to this Agreement, without the consent of the Referred Client; and

(b) use information obtained by Dealing Representative or Dealer as a result of the opening or operation of an Account or purchase of Securities pursuant to this Agreement, without the prior written consent of Referring Party, to knowingly directly solicit Referred Clients for any purpose other than the servicing of Accounts.

(2) In the event that Referring Party terminates this Agreement in accordance with clause 7.02(1)(a), for a period of one (1) year from the effective date of termination, neither Dealer nor Dealing Representative shall cause its Affiliates to, use information obtained by them as a result of the opening or operation of an Account pursuant to this Agreement, without the prior written consent of Referring Party, to knowingly directly solicit Referred Clients for any purpose other than the servicing of Accounts.

(3) During the term of this Agreement, and for a period of one (1) year following its termination, neither Dealer nor Dealing Representative shall, without the prior written consent of Referring Party, directly or indirectly, solicit for employment, offer to

hire, retain, employ or otherwise engage any manager or executive employed or retained by Referring Party with whom they have had contact in connection with this Agreement.

#### **4.03 Non-Solicitation by Referring Party and Agents**

(1) In the event that Dealer terminates this Agreement in accordance with clause 7.01(1)(a), for a period of one (1) year from the effective date of termination, Referring Party shall not, and shall cause its Affiliates not to, knowingly directly market any securities or other investment products or services similar to the Securities, offered by another Person, itself or through an Affiliate, to Referred Clients.

(2) During the term of this Agreement, and for a period of one (1) year following its termination, Referring Party shall not, without the prior written consent of Dealer and Dealing Representative, directly or indirectly, solicit for employment, offer to hire, retain, employ or otherwise engage any manager or executive employed or retained by Dealer or Dealing Representative with whom Referring Party has had contact in connection with this Agreement.

(3) During the term of this Agreement, and for a period of one (1) year following its termination, Referring Party shall not, without the prior written consent of Dealer or Dealing Representative, directly or indirectly, solicit for agency agreement contract, offer to hire, retain, employ or otherwise engage an exempt market issuer or investment product provider with whom Referring Party has had contact in connection with this Agreement.

#### **4.04 Permitted Solicitation**

Clauses 4.02(3) and 4.03(2) do not apply to generalized, non-targeted solicitations through

- (i) the publication of an advertisement or other public announcement, or
- (ii) the use of a recruiting or employment agency to whom the name of an individual employed or engaged by the other Party has not been provided by the Party using the recruiting or employment agency.

### **ARTICLE V REPRESENTATIONS AND WARRANTIES**

#### **5.01 Representations and Warranties of Dealer**

(1) Dealer hereby represents and warrants to Referring Party and its Affiliates, and acknowledges that Referring Party and its Affiliates are relying on such representations and warranties, as follows:

- (a) Dealer is a corporation validly subsisting under the laws of Alberta. Dealer has the corporate power and authority to enter into this Agreement and to receive reports of compensation paid under this Agreement;
- (b) the execution and delivery of this Agreement by Dealer and the performance by Dealer of its obligations hereunder have been approved by all necessary corporate action on the part of Dealer;
- (c) this Agreement constitutes a legal, valid and binding obligation of Dealer, enforceable against Dealer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the rights of creditors generally from time to time in effect and except as such enforceability may be limited by general principles of equity;
- (d) all authorizations, consents, orders or approvals of or registrations or declarations with any governmental or self-regulatory authority required to be obtained, effected or given by Dealer in connection with the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly obtained, effected or given and are in full force and effect;
- (e) the entering into of, and the performance of its obligations under, this Agreement will not result in the violation of, contravene, breach or result in any default under any of the provisions of the constating documents or bylaws of Dealer or of any Applicable Laws or of any indenture or other agreement written or oral, to which Dealer is a party or by which it is bound in connection with its business; and
- (f) Dealer is qualified and registered in those provinces and territories of Canada where Referred Clients are resident.

#### **5.02 Representations and Warranties of Referring Party**

(1) Referring Party hereby represents and warrants to Dealing Representative, Dealer and its affiliates, and acknowledges that Dealing Representative, Dealer and its Affiliates are relying on such representations and warranties, as follows:

- (a) Referring Party is a corporation validly subsisting under the laws of Alberta. Referring Party has the corporate power and authority to enter into this Agreement and to receive compensation under this Agreement or is a Person validly subsisting under the laws of Alberta and the Person has the authority to enter into this Agreement and to receive compensation as provided for in this Agreement;
- (b) the execution and delivery of this Agreement by Referring Party and the performance by Referring Party of its obligations hereunder have been approved by all necessary corporate or other action on the part of Referring Party;

(c) this Agreement constitutes a legal, valid and binding obligation of Referring Party, enforceable against Referring Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the rights of creditors generally from time to time in effect and except as such enforceability may be limited by general principles of equity;

(d) entering into of, and the performance of its obligations under, this Agreement will not result in the violation of, contravene, breach or result in any default under any of the provisions of the constating documents or bylaws of Referring Party or of any indenture or other agreement written or oral, to which Referring Party is a party or by which it is bound in connection with its business;

(e) neither Referring Party, nor any of its directors, officers, partners, employees or agents, as applicable, is the subject of an enquiry or investigation commenced or threatened by any regulatory authority, or any civil action, including any action that places Referring Party's reputation in disrepute;

(f) in the event that Referring Party, or any of its directors, officers, partners, employees or agents, as applicable, is the subject of an enquiry, investigation commenced or threatened by any regulatory authority, and civil action, or places Referring Party's reputation in disrepute, Referring Party will immediately notify Dealer of such an event; and

(g) Referring Party is not a director, officer, partner, employee or agent of any person which the Referring Party knows or believes to have entered into a referral or similar arrangement with Dealer or Dealing Representative.

### **5.03 Representations and Undertakings of Dealing Representative**

(1) Dealing Representative hereby represents and warrants to Dealer and Referring Party and its Affiliates, and acknowledges that Dealer and Referring Party and its Affiliates are relying on such representations and warranties, as follows:

(a) Dealing Representative is a duly registered Dealing Representative under the Securities laws of the jurisdiction in which the Referred Clients reside;

(b) Dealing Representative will accurately and diligently report on referral fees paid in accordance with this agreement and in the form set out in Schedule E to this agreement.

(c) Dealing Representative will deliver and explain to all Referred Clients, before transacting on their behalf, a Referral Arrangement Disclosure in the form attached to Schedule D to this agreement.

(d) this Agreement constitutes a legal, valid and binding obligation of Dealing Representative, enforceable against Dealing Representative in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the rights of creditors generally from time to time in effect and except as such enforceability may be limited by general principles of equity.

### **5.04 Limitation of Authority**

The authority of Referring Party shall extend no further than as stated in this Agreement. For greater certainty, but without limiting the generality of the foregoing, Referring Party shall have no authority to:

(a) enter into any agreements or arrangements which purport to create obligations of or be binding upon Dealer or Dealing Representative unless specifically authorized by Dealer or Dealing Representative in writing or in this Agreement;

(b) incur any liability or debt on behalf of Dealer or Dealing Representative;

(c) grant, make, alter, or discharge any investment, contract, lease or agreement on behalf of Dealer or Dealing Representative;

(d) publish, distribute, broadcast, or circulate advertisements or other materials with respect to Dealer or Dealing Representative, any Affiliate of Dealer or any Securities, unless such materials or acts have been previously authorized by Dealer or Dealing Representative in writing;

(f) institute or defend any legal proceedings on behalf of Dealer or Dealing Representative or any of Dealer's Affiliates; and

(g) engage in any activity that would constitute a "trade" in the Securities under Applicable Laws.

Referring Party hereby specifically acknowledges that Referring Party and Agents have no rights of any kind in and to the "Dealer Group" name (or any other Dealer Group name, logo, symbol, trademark, copyright, representation or derivative thereof) and will use the "Dealer Group" name only as required to carry out a referral in accordance with the provisions hereof.

## **ARTICLE VI**

## INDEMNITY

### 6.01 Indemnity

(1) Each Party agrees to indemnify, defend and hold harmless the other Party, its Affiliates, directors, officers, employees and agents (the “**Indemnified Party**”) from any and all losses, liabilities, damages, actions, claims, expenses and costs (including reasonable legal fees and expenses), whether by way of tort or contract, which result or arise in whole or in part from:

(a) a breach of any duty, obligation, covenant, representation or warranty under this Agreement or any acts or omissions by the indemnifying Party or its employees, agents or subcontractors in the course of its or their performance under this Agreement; or

(b) a claim made by a Person which is not a party to this Agreement against an Indemnified Party, with respect to a breach of any duty, obligation, covenant, representation or warranty under this Agreement or any acts or omissions by the indemnifying Party or its employees, agents or subcontractors in the course of its or their performance under this Agreement; provided that the Indemnified Party gives prompt written notice of the assertion of any such claim to the indemnifying Party, specifying in reasonable detail the circumstances and particulars of such claim. The indemnifying Party shall have 30 calendar days after receipt of such notice of claim to commence the conduct and control, through legal counsel of its own choosing and at its expense, of the settlement or defense thereof. Each Party that is an Indemnified Party agrees to hold, for and on behalf of each Indemnified Party that is not a party hereto all rights to indemnity provided in this Section 6.01.

## ARTICLE VII TERMINATION

### 7.01 Termination by Dealer or Dealing Representative

(1) This Agreement may be terminated by Dealer or Dealing Representative in the following circumstances:

(a) in the event that there has been a material breach of this Agreement by Referring Party or an Agent which is not remedied after 30 days’ prior written notice thereof is given by Dealer;

(b) in the event that, at any time during the term of this Agreement, there is an interpretation of existing Applicable Laws or a new Applicable Law affecting this Agreement, and the Parties cannot mutually agree, acting reasonably, on how or whether to comply with such interpretation or new Applicable Law;

(c) upon at least ninety days’ prior written notice to Referring Party; or

(d) Automatically upon the insolvency or bankruptcy of Referring Party.

(2) In the event Dealer or Dealer Representative terminates this Agreement:

(a) under clause 7.01(1)(a), the Parties agree that damages may be claimed by Dealer or Dealing Representative for material breach;

(b) under clauses 7.01(1)(b), 7.01(1)(c) or 7.01(1)(d), the Parties agree that Dealer or Dealing Representative shall not be entitled to damages.

### 7.02 Termination by Referring Party

(1) This Agreement may be terminated by Referring Party in the following circumstances:

(a) in the event that there has been a material breach of this Agreement by Dealer or Dealing Representative which is not remedied after 30 days’ prior written notice thereof is given by Referring Party;

(b) in the event that, at any time during the term of this Agreement, there is an interpretation of existing Applicable Laws or a new Applicable Law affecting this Agreement, and the Parties cannot mutually agree, acting reasonably, on how or whether to comply with such interpretation or new Applicable Law;

(c) upon at least ninety days prior written notice to Dealer and Dealing Representative; or

(d) in the event of the insolvency or bankruptcy of Dealer or Dealing Representative.



(2) In the event Referring Party terminates this Agreement:

(a) under clause 7.02(1)(a), the Parties agree that damages may be claimed by Referring Party for material breach:

(b) under clauses 7.02(1)(b), 7.02(1)(c) or 7.02(1)(d), the Parties agree that Referring Party shall not be entitled to damages.

## ARTICLE VIII

### GENERAL

#### 8.01 Notice

Any notice or other writing required or permitted to be given hereunder or for the purposes hereof shall be sufficiently given if personally delivered to the Party to whom it is given, sent by fax, or mailed, by prepaid registered mail, addressed to such Party:

(1) In the case of notice to Dealer or to its Affiliates addressed as follows:

Pinnacle Wealth Brokers Inc.

Attention: Kathleen Black

Phone: (780) 628-4357

Direct 403-478-2166 Fax (866) 462-3514

(2) In the case of notice to Referring Party or its Subsidiaries addressed as follows:

Attention: •

Phone: •

Facsimile/Email: •

(3) In the case of notice to Dealing Representative addressed as follows:

Attention: •

Phone: •

Email/Facsimile: •

or at such other address as the Party to whom such notice is to be given shall have last notified the Party giving the same in the manner provided in this section. Any notice mailed as aforesaid shall be deemed to have been given and received on the fourth Business Day of uninterrupted postal service next following the date of its mailing. Any notice delivered or sent by fax to the Party to whom it is addressed shall be deemed to have been given and received on the date it is received, provided that if such day is not a Business Day, then the notice shall be deemed to have been given on the Business Day next following such day.

#### 8.02 Further Assurances

Each party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that the other Party may reasonably require, for the purposes of giving effect to this Agreement.

#### 8.03 Independent Contractors

Nothing contained herein shall be deemed or construed to create any partnership or joint venture between Dealer, Dealing Representative and Referring Party. All activities by the Parties under the terms of this Agreement shall be carried out by the Parties as independent contractors and not as agents for or employees of the other.

#### 8.04 Successors and Assigns

This Agreement shall ensure to the benefit of, and be binding on, the Parties, their successors and permitted assigns. No Party shall assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld or delayed.

#### **8.05 No Other Terms**

There are no conditions, warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as specifically set out in this Agreement.

#### **8.06 Waiver**

A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-compliance (whether of the same or any other nature).

#### **8.07 Severability**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

#### **8.08 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable in that province and shall be treated, in all respects, as a contract. The Parties attorn to the non-exclusive jurisdiction of the courts of Alberta.

#### **8.09 Taxes**

In addition to the payment of the fees, charges and other amounts required to be paid under this Agreement, each party shall bear and pay the taxes, levies, duties, customs and similar charges which are levied, assessed and eligible on that Party, by operation of Applicable Laws, as a result of the performance of this Agreement and the payment of fees.

#### **8.10 Force Majeure**

If either Party is prevented from materially complying, either totally or in part, with any of the terms or provisions of this Agreement by reason of fire, flood, storm, strike, lockout or other labour trouble, riot, war, rebellion, accident, failure or delay of any transportation, power or communications system, or other acts of God, then upon written notice to the other Party, the affected provisions and/or requirements of this Agreement shall be suspended during the period of such disability. During such period, the non-disabled Party may seek to have its needs, which would otherwise be met hereunder, met by others without liability to the disabled Party hereunder. The disabled Party shall make all reasonable efforts to remove such disability within 30 calendar days of giving notice of such disability. If the disability continues for more than 10 calendar days after the cessation of the reason for such disability, the non-disabled Party shall have the right to terminate this Agreement without further penalty, and neither Party shall thereafter have any further rights or obligations hereunder, except as set forth in section 8.11.

#### **8.11 Survival**

The provisions of section 3.01, Article 4, and sections 6.01, 8.11 and 8.12 hereof shall survive any termination of this Agreement.

#### **8.12 Arbitration**

The Parties shall make all reasonable efforts to interpret this Agreement and to resolve any issues arising hereunder by mutual agreement. Failing such agreement, all matters in difference between the Parties in relation to this Agreement shall be referred to the arbitration of a single arbitrator, if the Parties agree upon one, or otherwise to three arbitrators, one to be appointed by each Party and a third to be chosen by the first two named before they enter upon the business of arbitration. The procedures for such arbitration shall be in accordance with the provisions of the *Arbitration Act, 2000* (Alberta) and shall take place in Calgary in the province of Alberta. The award and determination of the arbitrator or arbitrators or any two of the three arbitrators shall be binding and final upon the Parties and their respective successors and assigns with no right of appeal by either Party. The costs of such arbitration shall be shared equally by the Parties.

**8.13 Geographic Limitation**

This Agreement is applicable only to the business and operations of the Parties carried on in Canada and is not intended to and does not apply in any other country.

**8.14 Non-Exclusive Agreement**

All parties acknowledge that each does not have an exclusive arrangement with the other Parties and that the other Parties may have and may in the future enter into referral agreements with other persons for services similar to those provided to it by the other Parties.

**8.15 Counterparts**

This Agreement may be executed in any number of counterparts, 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. Counterparts may be executed either in original or faxed form and the Parties adopt any signatures received by a receiving fax machine as original signatures of the Parties; provided, however, that any Party providing its signature in such manner shall promptly forward to the other Party an original of the signed copy of this Agreement which was so faxed.

**IN WITNESS WHEREOF** the parties have duly executed this Referral Agreement by their respective authorized representatives as of the date first written above.

**Pinnacle Wealth Brokers Inc.**

\_\_\_\_\_

**Date:** \_\_\_\_\_

*Kathleen Black or designate  
CCO VP Risk Pinnacle Wealth Brokers Inc.*

**Referral Party**

Signed By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

*If the Referral Source is a corporation, the signature above indicates that the signatory has the authority to bind the Corporation. If the Referral Source is an individual, a Witness is required:*

**Dealing Representative**

Witness: \_\_\_\_\_

Name of Witness: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule “A”  
Signed by Referral Party**

## **Referring Party Guide**

Referral Agents are not to engage clients in exempt market securities related activities. If you wish to refer a potential client to a registered Dealing Representative, please follow the guide below.

- Please ensure that you have agreed upon a referral fee with Pinnacle, signed the referral agreement and forwarded the agreement and questionnaire to Pinnacle Head Office. If Pinnacle accepts this agreement, we will send you a scanned copy that has been executed by a signing officer of Pinnacle.
- Please ensure that you have the clients’ permission to disclose their contact information to a registered Dealing Representative of Pinnacle and that Pinnacle has the clients’ permission to contact them.

### **Failure to do so is a breach of privacy.**

- Referral Agents should not promote, disclose, or engage in clients with information related to a specific exempt market securities product. Any violation of this could be misleading to the client and be interpreted as facilitating a trade in securities.
- Pinnacle Agents must not disclose any client information to the referral agent without expressed written consent from the client. **Failure to receive permission is a breach of privacy.**
- Referral agents must not participate in any meetings or communication related to marketing, Know-Your-Client, suitability, paperwork or other activities engaged by a registered Dealing Representative. **Any participation is misleading to the client and could be viewed as facilitating a trade in securities.**
- Pinnacle, Dealing Representative and Referral Agent will treat all communications, written or electronic, in the strictest confidence. All client information (including name, address, telephone number, email address, invested amounts) relating to sales effected as a result of the referral will be the property of Pinnacle.
- Pinnacle Dealing representatives make its best effort to pay referral agents the agreed upon fee in a timely fashion.

**I hereby have read, understood and acknowledge that I will abide by the Referral Agent Guide and will not conduct activities that may be in furtherance of a trade of exempt market securities offered through Pinnacle Wealth Brokers.**

Referral Agent Signature \_\_\_\_\_

Name \_\_\_\_\_

Date: \_\_\_\_\_

#### **Privacy**

Pinnacle Wealth Brokers Inc. collects, uses and relies on the information provided in this form (the “Information”) to determine your suitability and qualification for referring investors to Pinnacle. Pinnacle may verify the accuracy and completeness of the Information. Certain Information will be disclosed to the referred client and all information will be available upon request. The Information and records of verification are kept in accordance with Pinnacle’s Privacy Statement, which is available at [www.pinnaclewealthbrokers.com](http://www.pinnaclewealthbrokers.com)

**SCHEDULE "B"**  
**Signed by Dealing Representative**

I \_\_\_\_\_ a Dealing Representative of Pinnacle Wealth Brokers shall pay Referring Party: \_\_\_\_\_% of my commission from proceeds raised due to an introduction made by the Referring Party.

\_\_\_\_\_ Dealing Representative  
\_\_\_\_\_ Date



## SCHEDULE "C"

### Client must sign

### Disclosure Statement of Referral Arrangement

#### TO: INVESTOR

Thank you for your interest in our investment products. This document is to give you notice that a referral arrangement exists between \_\_\_\_\_ (the "**Referral Agent**") and Pinnacle Wealth Brokers Inc. ("**Pinnacle**") and \_\_\_\_\_. (Dealing Representative). Set forth below is a summary description of the referral arrangement, the referral fees and any conflicts of interest that exist between the Agent and Pinnacle.

#### REFERRAL ARRANGEMENT

Pinnacle is registered as an exempt market dealer in the provinces of Alberta, British Columbia, Manitoba, Nova Scotia, Saskatchewan, Ontario, Quebec New Brunswick and Newfoundland and Labrador that has been engaged by Exempt Market Securities Issuers (the "**Issuers**") to sell Exempt Market Securities (the "**Securities**") from time to time to certain qualified investors on a private placement basis.

Your Dealing Representative is registered through Pinnacle to trade in securities offered under an exemption to the prospectus requirements under Canadian Securities laws;

The Agent wishes to introduce or identify to Pinnacle from time to time potential qualified investors (a "**Referral**") interested in obtaining securities. The Agent and Pinnacle have entered into a written agreement governing such Referrals (the "**Referral Agreement**").

The Agent has agreed, among other things:

(a) not to make any representations about the business and affairs of Pinnacle or the Issuer other than what is contained in the **Offering Memorandum**;

(b) to act in accordance with the Referral Agreement between the Referral Agent and Pinnacle in a competent, honest, diligent and efficient manner, in good faith and to the best of its ability, with care, skill, prudence and diligence, giving due consideration to customary and usual standards of practice of prudent persons promoting investments comparable to the Securities and distributors of similar financial investment products and services;

(c) to at all times comply with all securities and other laws, rules, regulations, ordinances, policies and guidelines of or applicable to Pinnacle, the offering of the Securities or the Referral Agent, including without limitation, all policies, procedures and legislation governing the collection, use and disclosure of personal information of potential qualified investors by the Referral Agent;

(d) to only act on a Referral in respect of potential qualified investors;

(e) not to tie the provision of its services, including the Referral Agent's trading courses and seminars, educational materials or any other of its services provided to its clients, including any services the Referral Agent may provide to you directly or indirectly, to the establishment of an account with us or to trading in the Securities.

(f) not to provide investment advice or act in furtherance of a trade in securities offered by Pinnacle.

The Referral Agent has no authority to enter into any agreements or arrangements which purport to create obligations of or be binding upon Pinnacle unless specifically authorized by Pinnacle in writing;

(a) incur any liability or debt on behalf of Pinnacle;

(b) grant, make, alter, or discharge any investment, contract, lease or agreement on behalf of Pinnacle;

(c) retain, for any reason, all or part of any investment, deposit or any other moneys collected by the Referral Agent on behalf of Pinnacle; publish, distribute, broadcast, or circulate advertisements with respect to

Pinnacle, the Securities or any of the Issuer's other investment products, unless such materials or acts have been previously authorized by Pinnacle in writing; and  
(d) institute or defend any legal proceedings on behalf of Pinnacle.

### **SECURITIES REGISTRATIONS**

All activities requiring registration resulting from a referral by the Referral Agent to Pinnacle will be provided by Pinnacle and its Dealing Representative.

### **REFERRAL FEES**

Pinnacle and its Dealing Representative agreed to pay to the Referral Agent the fees in respect of the referral of an investor with Pinnacle and opening of a Pinnacle account in accordance with any terms and conditions set out from time to time in the fee by the Referral Agent directly or indirectly related to a Referral.

### **CALCULATION OF FEE**

The Referral Agent is entitled to a referral fee paid by the Dealing Representative and equal to \_\_\_\_\_ % of the Dealing Representative's Commission paid by the issuer of any investment purchased by you.

### **CONFLICTS OF INTEREST**

Pinnacle is not aware of any actual or potential conflicts that may arise and require disclosure, due to this Referral Agreement.

### **ACKNOWLEDGEMENT**

**I/We have read this Disclosure Statement and understand that the Referral Agent is referring me/us to Pinnacle and its Dealing Representative pursuant to a referral arrangement between Pinnacle and its Dealing Representative and the Referral Agent, summarized herein, and that the Referral Agent will receive from the Dealing Representative the referral fee disclosed above.**

### **INDIVIDUAL INVESTOR:**

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

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

### **DEALING REPRESENTATIVE:**

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

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

### **NON-INDIVIDUAL INVESTOR:**

Name of Corporation or other Non-Individual: \_\_\_\_\_

Authorized Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE “D”**

**Dealing Representative’s Report on Referral Fees Paid**

**(To be returned to Pinnacle Wealth quarterly)**

<b>Client</b>	<b>Referring Party</b>	<b>Security Purchased</b>	<b>Amount of Transaction</b>	<b>Date of Transaction</b>	<b>Referral Fee Paid</b>	<b>Date of Payment</b>





**SCHEDULE “E”  
LIST OF CANADIAN JURISDICTIONS**

- Alberta
- British Columbia
- Saskatchewan
- Manitoba
- Nova Scotia
- Ontario
- Quebec
- New Brunswick
- Newfoundland and Labrador

