

UNIFORM GUARANTEE BY MEMBERS AND RELATED MEMBERS

BY

**Guarantee Amount
as % of Regulatory
Capital**

GUARANTORS:

_____	_____
_____	_____
_____	_____

TO

MUTUAL FUND DEALERS ASSOCIATION OF CANADA ("MFDA") on its own behalf and as trustee for the benefit of persons who are Customers of the Members listed above

RECITALS

- (a) the Guarantors are Members of the MFDA and are Related Members of each other for the purposes of the Rules of the MFDA;
- (b) the Rules require that each Guarantor guarantee the debts, liabilities and obligations of each other Guarantor to their respective Customers as Beneficiaries in the amount and the manner provided under this Guarantee;
- (c) the MFDA has agreed to hold as bare trustee the benefit of this Guarantee for the Customers and itself as a Beneficiary and for the MFDA with respect to paragraphs 12 and 13 of this Guarantee;
- (d) the amount of this Guarantee with respect to each Guarantor is intended to be limited to reflect the direct or indirect ownership interest of a Guarantor or a Common Owner in each of the other Guarantors by application of the Guarantee Amount to the Regulatory Capital of each other Guarantor from time to time.

DEFINITIONS

Beneficiaries means the MFDA and the Customers;

Common Owner means the entity(ies) listed on the last page of this Guarantee as acknowledging and consenting to its execution and delivery;

Customer means with respect to any Guarantor, the persons who are or are determined to be eligible for protection by MFDA IPC (pursuant to its objects and any policies adopted from time to time by its Board of Directors) for losses in accounts held by them as customers of the Guarantor at any time when the Guaranteed Liabilities may be enforced by the Beneficiaries. For the purposes of this definition, customers of any Guarantor shall be determined as if the Board of Directors of MFDA IPC had exercised any discretion necessary to entitle the person to MFDA IPC protection. A determination by the Board of Directors of MFDA IPC as to whether a person is eligible for MFDA IPC protection for the purposes of this Guarantee shall be conclusive and binding on the parties;

Guarantee Amount means the percentage of Regulatory Capital shown opposite the name of each Guarantor at the beginning of this Guarantee. The Guarantee Amount applicable to any Guarantor may be amended from time to time by agreement between MFDA and the Guarantor to reflect the direct and indirect ownership of the Guarantor or a Common Owner in each of the other Guarantors;

Guaranteed Liabilities means the obligations, debts and liabilities guaranteed by the Guarantor under this Guarantee as provided under the heading "GUARANTEE";

Guarantor means each of the Members which execute and deliver this Guarantee;

MFDA IPC means the MFDA Investor Protection Corporation/Corporation de protection des investisseurs de l'ACFM, a corporation established under the laws of Canada;

MFQR means, with respect to a Member, a MFDA Financial Questionnaire and Report prescribed from time to time by the MFDA;

Member means a member of the MFDA;

Regulatory Capital means at any time the total financial statement capital of a Guarantor determined in accordance with the MFQR (Line 40, Statement A) and the Rules of the MFDA. In the event the Regulatory Capital of a Guarantor as at the time of demand under this Guarantee cannot, in the sole discretion of the MFDA, be determined accurately or with confidence in a timely manner, the Regulatory Capital of such Guarantor shall be deemed to be the capital employed of the Guarantor calculated according to the information in the MFQR and financial statements most recently filed with or available to the MFDA. Any such calculation made by MFDA in accordance with the notes and instructions to the MFQR and the Rules shall be a final, binding and conclusive determination of the Regulatory Capital of the Guarantor for the purposes of this Guarantee;

Related Member means, with respect to a Guarantor, another Guarantor which is a related member of the first Guarantor for the purposes of the Rules of the MFDA;

Rules means the By-laws, Rules, Policies and Forms of the MFDA.

GUARANTEE

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, including these premises and the eligibility of Customers of Guarantors for protection by MFDA IPC, each Guarantor, severally with each other Guarantor, unconditionally guarantees the due payment and discharge on demand of all of the obligations, debts and liabilities, present and future, direct or indirect, absolute or contingent, which any other Guarantor has incurred or is under, or may incur or be under, to Beneficiaries arising in connection with their respective securities businesses; PROVIDED that the liability of the Guarantor under this Guarantee shall be limited to an amount equal to its Regulatory Capital at the time demand is made hereunder multiplied

by the Guarantee Amount applicable to such Guarantor. In the event that the Guaranteed Liabilities exceed the amount of liability of a Guarantor under this Guarantee and the Guaranteed Liabilities are owed to more than one Beneficiary, the amount paid by the Guarantor to each Beneficiary shall be pro-rated so that the amount payable to a single Beneficiary shall be in the same proportion to the total amount payable to all Beneficiaries that the amount of the Guaranteed Liabilities owed to that Beneficiary is of the total amount of the Guaranteed Liabilities owed to all Beneficiaries.

TERMS OF GUARANTEE

1. This Guarantee shall be a continuing Guarantee of all the Guaranteed Liabilities and shall apply to and secure any ultimate balance due or remaining unpaid to the Beneficiaries; and this Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Beneficiaries.

2. The Beneficiaries shall not be bound to exhaust their recourse against any one or more Guarantors or others or any securities or other guarantees they may at any time hold before being entitled to payment from any Guarantor.

3. Each Guarantor's liability to make a payment under this Guarantee shall arise forthwith after demand for payment has been made in writing on the Guarantor by the MFDA acting on behalf of all of the Beneficiaries. Any demand or notice to a Guarantor made or given under this Guarantee shall be deemed to have been effectually made or given when an envelope containing such demand addressed to the Guarantor is delivered to the registered office of the Guarantor, addressed to its President. A Guarantor's liability shall bear interest from the date of such demand at the annual rate set out in paragraph 4.

4. The rate of interest payable by a Guarantor from the date of a demand for payment under this Guarantee shall be the prime rate designated at the time of demand as the reference annual rate of interest that the principal bank of the MFDA uses to determine rates of interest on Canadian dollar loans to its customers in Canada, PLUS 2% per annum.

5. This Guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Beneficiaries may now or hereafter hold in respect of the Guaranteed Liabilities and the Beneficiaries shall be under no obligation to marshal in favour of any Guarantor any other guarantees or other securities or any moneys or other assets which the Beneficiaries may be entitled to receive or may have a claim upon; and no loss of or in respect of, or unenforceability of, any other guarantees or other securities which the Beneficiaries may at any time hold in respect of the Guaranteed Liabilities, whether occasioned by the fault of the Beneficiaries or otherwise, shall in any way limit or lessen any Guarantor's liability.

6. Without prejudice to or in any way limiting or lessening a Guarantor's liability and without obtaining the consent of, or giving notice to, a Guarantor, the Beneficiaries may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with any person, including a guarantor and any other Guarantor as the Beneficiaries may see fit, and the Beneficiaries may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and Guarantees in such manner as the Beneficiaries may see fit, and the Beneficiaries may apply all moneys received from a Guarantor or others or from securities or guarantees upon such parts of the Guaranteed Liabilities as the Beneficiaries may see fit and change any such application in whole or in part from time to time.

7. Until repayment in full of all the Guaranteed Liabilities, (i) all dividends, compositions, proceeds of securities valued or payments received by the Beneficiaries from the Guarantor of which such Beneficiaries are customers in respect of the Guaranteed Liabilities shall be regarded for all purposes as payments in gross without any right on the part of another Guarantor to claim the benefit thereof in reduction of the latter's liability under this Guarantee; and (ii) no Guarantor shall claim any set-off or counterclaim against any other Guarantor in respect of any liability of such Guarantor to any other Guarantor, claim or prove in the bankruptcy or insolvency of a Guarantor in competition with the Beneficiaries or have any right to be subrogated to the Beneficiaries until such repayment is made in full. Any such liability of a Guarantor to another

Guarantor referred to in clause (ii) shall be held as security for the performance of the guarantee of such Guarantor hereunder.

8. This Guarantee shall not be discharged or otherwise affected by any change in the name of a Guarantor, or in the objects, capital structure or constitution of a Guarantor, or by the sale of a Guarantor's business or any part thereof or by a Guarantor being amalgamated with a corporation, but shall, notwithstanding any such event, continue to apply to all Guaranteed Liabilities whether incurred before or after such event. In the case of a Guarantor being amalgamated with a corporation, this Guarantee shall apply to the liabilities of the resulting corporation as Guaranteed Liabilities, and the term "Guarantor" shall include each such resulting corporation.

9. All cash balances and securities received by a Guarantor pursuant to dealings between the Beneficiary and such Guarantor in the course of the Guarantor's business from or on behalf of the Beneficiaries but before the Beneficiaries have received notice of a Disability (as defined below), shall be deemed to form part of the Guaranteed Liabilities. For the purposes of this paragraph 9 a "Disability" in respect of a Guarantor shall mean any lack of or limitation in its legal power, capacity or authority, the Guarantor not being a legal or suable entity or any irregularity, defect or informality under which the Guarantor receives cash balances, securities or other property.

10. Each Guarantor by giving 60 days' notice in writing to the MFDA may terminate its further liability under this Guarantee in respect of Guaranteed Liabilities of a Guarantor incurred or arising after the expiration of such 60 days, but not in respect of any Guaranteed Liabilities incurred or arising before the expiration of such 60 days even though not then matured. Notwithstanding receipt of any such notice the Beneficiaries may fulfil any requirements of a Guarantor based on agreements express or implied made prior to the expiration of such 60 days and any resulting Guaranteed Liabilities shall be covered by this Guarantee.

11. This Guarantee embodies all the agreements between the parties relative to the Guarantee and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied in this Guarantee. It is specifically

agreed that the Beneficiaries shall not be bound by any representations or promises made by any Guarantor to any other Guarantor. It is further agreed that each Guarantor shall be entitled to rely upon the authority of the MFDA to represent and act for and on behalf of all Beneficiaries in connection with the giving of notice of default and making of demand on the Guarantor and to receive, on behalf of all Beneficiaries, any payment under this Guarantee in respect of the Guaranteed Liabilities, which payment shall be a sufficient discharge, to the same extent, of the Guarantor's liability under this Guarantee to the Beneficiaries. Possession of this instrument by the MFDA shall be conclusive evidence against any Guarantor that the instrument was not delivered to any Beneficiary in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with.

12. The failure by a Guarantor to comply with the Rules of the MFDA for any reason or in any circumstances shall not discharge, affect or amend in any way the obligations of a Guarantor under this Guarantee or be raised as a defence by a Guarantor on the basis that the risk to the Guarantor has changed or for any other reason.

13. The MFDA shall hold and be deemed to hold the benefit of the covenants of each Guarantor in trust for the Beneficiaries according to their respective interests. Each Guarantor acknowledges that any Customer or the MFDA may enforce such covenants directly against the Guarantor as if entered into by such Customer itself. The MFDA shall be under no obligation or responsibility of any kind or character to any Customer or person claiming through a Customer in respect of this Guarantee and, in particular, shall have no obligation, responsibility or duty to see that any covenant herein is carried out and fulfilled or to take any action for the enforcement of this Guarantee.

14. The provisions of any part or section of this Guarantee are independent of and severable from the provisions of any other part or section.

15. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to constitute one and the same document.

16. This Guarantee shall be governed in all respects by the laws of the Province of Ontario.

17. This Guarantee shall enure to the benefit of the Beneficiaries, each Guarantor and their respective successors and assigns and shall be binding upon each Guarantor, the MFDA and their respective successors and assigns.

THIS GUARANTEE has been executed and delivered by the Guarantors and the MFDA by their duly authorized representatives as of the _____ day of _____, 20__.

[Name of Guarantor]

[Name of Guarantor]

By: _____
Name and title of representative

By: _____
Name and title of representative

By: _____
Name and title of representative

By: _____
Name and title of representative

Mutual Fund Dealers Association of Canada/
Association canadienne des courtiers de fonds mutuels

By: _____
Name and title of representative

By: _____
Name and title of representative

The undersigned, a shareholder or owner, directly or indirectly, of each Guarantor, acknowledges and consents to the execution and delivery of this Guarantee by the Guarantors.

Dated: _____, 20__
