

13 Research

SPI will not issue to the public, participate in, or knowingly allow its name to be used in connection to any research material which:

- contains any untrue statement or omission of a material fact or is otherwise false or misleading;
- contains an unjustified promise of specific results;
- uses unrepresentative statistics to suggest unwarranted or exaggerated conclusions, or fails to identify the material assumptions made in arriving at these conclusions;
- contains any opinion or forecast of future events which is not clearly labelled as such;
- fails to present fairly the potential risks to the client;
- is detrimental to the public or IIROC or its members;
- does not comply with any applicable legislation or the guidelines, policies, or directives of any regulatory authority having jurisdiction.

13.1 Policy

All Directors, Officers and employees (including Research Analysts) of SPI and its subsidiaries are required to comply with these Policies and Procedures at all times. Employees who fail to observe these Policies and Procedures may subject both SPI and themselves to legal liability under applicable securities laws or regulatory rules. Any such violation of these Policies and Procedures may require SPI to take appropriate disciplinary actions, including dismissal of the offending employee. Any questions with respect to the requirements or interpretations of these Policies and Procedures should be directed to the CCO.

These Policies and Procedures may be revised, replaced or supplemented from time to time. Compliance will notify all employees of such updates and it is the responsibility of each employee to review and understand the updated Policy and Procedures.

These Policies and Procedures are based on, and are designed to be responsive to, FINRA's NASD Rule 2711 and IIROC's Rule 3400.

Definitions

For purposes of these Policies and Procedures, the following terms shall be defined as provided.

Account means any account holding public or private equity securities.

Affiliate means an affiliated body corporate, and more specifically;

For the purposes of these Policies and Procedures:

- one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other, or both are subsidiaries of the same body corporate or each of them is controlled by the same person; and
- if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other.

For the purpose of these Policies and Procedures, a body corporate is controlled by a person if:

- securities of that body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are held, other than by way of security only, by or for the benefit of that person; and
- the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate.

For the purpose of these Policies and Procedures, a body corporate is the holding body corporate of another, if that other body corporate is its subsidiary.

For the purpose of these Policies and Procedures, a body corporate is a subsidiary of another body corporate if:

- it is controlled by that other body corporate;
- one or more bodies corporate, each of which is controlled by that other, or
- two or more bodies corporate, each of which is controlled by that other.

Associate when used to indicate a relationship with any persons, means:

- a body corporate of which that person beneficially owns or controls, directly or indirectly, shares or securities currently convertible into shares carrying more than 10% of the voting rights under all circumstances or under any circumstances that have occurred and are continuing, or a currently exercisable option or right to purchase those shares or those convertible securities;
- a partner of that person acting on behalf of the partnership of which they are partners;
- a trust or estate in which that person has a substantial interest or in respect of which he serves as a trustee or in a similar capacity;
- a spouse of that person; or
- a relative of that person or of his spouse, if that relative has the same residence as that person.

Investment Banking Department means any department or division, whether or not identified as such, that performs any investment banking service on behalf of the firm.

Investment Banking Services includes, without limitation, acting as an underwriter or agent in an offering for an issuer; acting as a financial adviser in a merger or acquisition; providing venture capital, equity lines of credit, or serving as placement agent for an issuer.

Member of a Research Analyst's Household means any individual whose principal residence is the same as the Research Analyst's principle residence.

Pro Group means a group comprised of SPI and all of the following persons or companies:

Salman Partners;

- a. an employee of Salman Partners
- b. any Partner, Officer or Director of Salman Partners;
- c. any affiliate of Salman Partners; and
- d. any associated party of any person or company described in paragraphs a) through d) above.

Pro Group Holdings means the aggregate of all shares of each class of voting or equity securities, listed or quoted on a Canadian or American exchange or over-the-counter market, in which the Pro Group holds a beneficial ownership interest, including all shares that the Pro Group has a right to acquire, whether conditional or not, but does not include securities owned by the Pro Group in the course of a distribution under an underwritten offering.

SPI may exclude from the Pro Group reporting requirements the holdings of an affiliate or associate of SPI, provided that:

- the affiliate or associate engages in a distinct business or investment activity separately from the business and investment activities of SPI;
- the affiliate or associate has a separate corporate and reporting structure;
- there are adequate controls on information flowing between SPI and the affiliate or associate and SPI maintains a list of such excepted affiliates and/or associates; or

- the holdings of individuals outside the firm that are (in the aggregate) both less than 10,000 shares and of a market value of less than \$25,000.

Public Appearance means any participation in a seminar, forum (including an interactive electronic forum), radio or television interview, or other public speaking activity in which a Research Analyst makes a recommendation or offers an opinion concerning an equity security.

Research Analyst means the associated person who is principally responsible for, and any associated person who reports directly or indirectly to such a Research Analyst in connection with, preparation of the substance of a research report, whether or not any such person has the job title of “research analyst”.

Research Analyst Account means any account in which a Research Analyst or member of the Research Analyst’s household has a financial interest, or over which such analyst has discretion or control.

Research Department means any department or division, whether or not identified as such, that is principally responsible for preparing the substance of a research report on behalf of the firm.

Research Report means any written or electronic communication that SPI has distributed or will distribute to its clients or the general public that contains a Research Analyst’s recommendation concerning the purchase, sale or holding of a security.

Subject Company means the company whose equity securities are the subject of a research report or recommendation in a public appearance.

13.1.1 Restrictions on Investment Banking Department Relationship with Research Development

No Research Analyst may be subject to the supervision or control of any employee of SPI’s Investment Banking Department.

No employee of the Investment Banking Department may review or approve a research report of SPI before its publication.

13.1.2 Restrictions on Communications with the Subject Company

1. Except as provided in bullets (2) and (3) below, a Research Analyst may not submit a Research Report to the Subject Company before its publication.
2. A Research Analyst may submit sections of such a research report to the Subject Company before its publication for review, as necessary only to verify the factual accuracy of information in those sections provided that:
 - a. the sections of the research report submitted to the Subject Company do not contain the research summary (analyst’s opinion), the research rating or the price target;
 - b. a complete draft of the research report is provided to a Co Director of Research or the Compliance Department before any portion of the report is submitted to the Subject Company; and
 - c. if, after submitting any portion of the research report outreach the Subject Company, the Research Analyst intends to change the proposed rating or price target, he/she must first provide written justification to, and receive written authorization from a Co Director of Research for the change. The Research Analyst must retain copies of any draft and the final version of such a research report for three years following publication.

3. The Research Analyst may notify a Subject Company that the analyst intends to change its rating of the Subject Company's securities, provided that the notification occurs on the business day before the analyst announces rating change, after the close of trading in the principle market of the Subject Company's securities.
4. No research analyst may participate in efforts to solicit investment banking business. Accordingly, no research analyst may, among other things, participate in any "pitches" for investment banking business to prospective investment banking clients, or have other communications with companies for the purpose of soliciting investment banking business.
5. A research analyst is prohibited from directly or indirectly:
 - a. participating in a road show related to an investment banking services transaction; and
 - b. engaging in any communication with a current or prospective customer in the presence of investment banking department personnel or company management about an investment banking services transaction.
6. Investment banking department personnel are prohibited from directly or indirectly:
 - a. directing a research analyst to engage in sales or marketing efforts related to an investment banking services transaction; and
 - b. directing a research analyst to engage in any communication with a current or prospective customer about an investment banking services transaction.
7. Any written or oral communication by a research analyst with a current or prospective customer or internal personnel related to an investment banking services transaction must be fair, balanced and not misleading, taking into consideration the overall context in which the communication is made.

13.1.3 Prohibition of Certain Forms of Research Analyst Compensation

SPI will not pay any bonus, salary or other form of compensation, to a Research Analyst that is based upon a specific investment banking service transaction. However, a Research Analyst may receive compensation that is based on the firm's overall revenues, including investment banking revenues.

13.1.4 Prohibition of Promise of Favourable Research

No Officer, Director, employee (including a Research Analyst) or agent of SPI may directly or indirectly offer favourable research, a specific rating or a specific price target, or threaten to change such recommendations to a company as consideration or inducement for a receipt of business or compensation from the company.

13.1.5 Imposition of Quiet Periods

SPI will not publish a research report regarding a Subject Company where the firm acted as manager or co-manager of:

- a. an initial public offering, for 40 calendar days following the date of closing of the offering; or
- b. a secondary offering, for 10 calendar days following the date of closing of the offering.

However, bullets (a) and (b) do not prevent SPI from publishing a Research Report concerning the effects of significant news or a significant event affecting the Subject Company within such 40 and 10 day periods,

and provided further that a Co Director of Research authorizes publication of such Research Report before it is issued.

13.1.6 Restrictions on Personal Trading by Research Analyst

1. No Research Analyst Account may purchase or receive any securities of an issuer before the issuer's public offering if the issuer is principally engaged in the same types of business as companies that the Research Analyst follows.
2. No Research Analyst Account may purchase or sell any security issued by a company that the Research Analyst follows, or any option on or derivative of such security, for a period beginning 30 calendar days before and ending five calendar days after the publication of a research report concerning the company or a change in the rating or price target of the company's securities; provided that:
 - a. SPI may, by written consent from a Co Director of Research or CCO, permit a Research Analyst to sell securities held by the account that are issued by a company that the Research Analyst follows, within 30 calendar days after the Research Analyst began following the company for the firm;
 - b. SPI may, by written consent from a Co Director of Research or CCO, permit a Research Analyst Account to purchase or sell any security issued by a Subject Company within 30 calendar days before the publication of a research report or change in the rating or price target of the Subject Company's securities, due to significant news or a significant event concerning the Subject Company, provided that a Co Director of Research or CCO pre-approves the research report and any changes in the rating or price target.
3. No Research Analyst Account may purchase or sell any security or any option on or derivative of such a security in a manner inconsistent with the Research Analyst's recommendation as reflected in the most recent research report published by the firm.
4. A Co Director of Research or CCO may authorize a transaction otherwise prohibited by paragraphs 2 and 3 above based upon an unanticipated significant change in the personal financial circumstances of the beneficial owner of the Research Analyst Account, provided that:
 - a. A Co Director of Research or CCO authorizes the transaction before it is entered;
 - b. Each exception is granted in compliance with SPI's policies and procedures that are reasonably designed to ensure that these transactions do not create a conflict of interest between the professional responsibility of the Research Analyst and the personal trading activities of a Research Analyst account;
 - c. A Co Director of Research or CCO maintains written records concerning each transaction and the justification for permitting the transaction, for three years following the date on which the transaction is approved.
5. The prohibition in paragraphs 1 through 3 hereof, do not apply to a purchase or sale of securities of:
 - a. any registered diversified investment company as defined under Section (5)(b)(1) of the Investment Company Act of 1940; or
 - b. any other investment fund over which neither the Research Analyst nor a Member of a Research Analyst's Household has any investment discretion or control, provided that:
 - i. the Research Analyst Accounts collectively own interests representing no more than 1% of the assets of the fund;

- ii. the fund invests no more than 20% of its assets in securities of issuers principally engaged in the same types of business as companies that the Research Analyst follows; and
 - iii. if the investment fund distributes securities in kind to the Research Analyst or Household Member before the issuer's initial public offering, the Research Analyst or Household Member must either divest those securities immediately or the Research Analyst must refrain from participating in the preparation of research reports concerning that issuer.
6. The CCO shall pre-approve all transactions of the Co Directors of Research who oversee Research Analysts to the extent such transactions involve equity securities of subject companies covered by the Research Analysts they oversee. This pre-approval requirement shall apply to all persons (Co Directors of Research, supervisory analyst) who have direct influences or control with respect to the preparation of the substance of research reports or establishing or changing a rating or price target of a subject company's equity securities.

13.2 *Disclosure and Content Requirements*

13.2.1 Ownership and Material Conflicts of Interest

SPI will disclose in Research Reports and a Research Analyst must disclose in all public appearances:

- a. if the Research Analyst or a Member of a Research Analyst's Household has a financial interest in the securities of the Subject Company, and the nature of the financial interest (including, without limitation, whether it consists of any option, right, warrant, future, long or short position);
- b. if, as of the end of the month immediately preceding the date of publication of the Research Report or the Public Appearance (or the end of the second most recent month if the publication date is less than 10 calendar days after the end of the most recent month), SPI or its affiliates beneficially own 1% or more of any class of common equity securities of the Subject Company's computation of beneficial ownership of securities must be based upon the same standards used to compute ownership for the purposes of the reporting requirements under Section 13(d) of the Securities Exchange Act of 1934; and
- c. any other actual, material conflict of interest of the Research Analyst or SPI of which the Research Analyst knows or has reason to know at the time of publication of the Research Report or at the time of the Public Appearance.

13.2.2 Receipt of Compensation

SPI will disclose in research reports:

1. If the Research Analyst principally responsible for the preparation of the report received compensation:
 - i. That is based upon (among other factors) SPI's total Investment Banking Services revenues;
 - ii. Or from the subject company in the past 12 months.
2. If the firm or its affiliates:
 - i. managed or co-managed a public offering of securities for the Subject Company in the past 24 months;
 - ii. received compensation for Investment Banking Services from the Subject Company in the past 24 months; or
 - iii. expects to receive or intends to seek compensation for Investment Banking Services from the Subject Company in the next three months.

A Research Analyst must disclose in Public Appearances if the analyst knows or has reason to know that the Subject Company is a client of the firm or one of its affiliates. In such cases, the research Analyst also must disclose the types of services provided to the subject company, if known by the research analyst.

13.2.3 Position as Officer or Director

SPI will disclose in Research Reports and a Research Analyst must disclose in Public Appearances, if the Research Analyst or a Member of the Research Analyst's Household serves as an Officer, Director or advisory board member of the Subject Company.

13.2.4 Disclosures in Research Reports Covering Six or More Companies

If SPI distributes a Research Report covering six or more Subject Companies, for the purposes of the disclosures required in section 13.2.8, such a Research Report will direct the reader to our Website to review our Policies and Procedures in respect of such disclosure.

13.2.5 Disclosure of Underwriting Liability

SPI must disclose in any Research Report or similar document making a recommendation with regard to a security whether the dealer or any of its Officers or Directors has:

- assumed an underwriting liability with respect to the securities, within the past 24 months;
- provided financial advice to the issuer for consideration within the past 24 months; or
- expects to receive any fees as a result of the recommended action.

As of February, 2011, the disclosure as it appears in the Research Reports is as follows:

Salman Partners Inc. Disclosure

In accordance with NASD Rule 2711 and IDA Policy No. 11, Salman Partners Inc. ("Salman Partners") refers the reader to our website (www.salmanpartners.com) for our firm's specific disclosures, policies and procedures in respect of research analysts and research reports. Salman Partners hereby confirms that as of the date of this report:

- (i) the research analyst(s) referenced herein and any member of the research analyst's household, or an individual directly involved in the preparation of this report, (does/does not) hold a financial interest in the securities of the company in this report;
- (ii) the Pro Group holdings of the firm, whether long or short, (do/do not) exceed 1% of the outstanding securities of any class of securities of the company mentioned in this report;
- (iii) the research analyst(s) who prepared this report receives compensation that is based, in part, upon the firm's overall investment banking revenues;
- (iv) Salman Partners Inc., including some or all of its officers, directors and employees, (have/have not) provided services, including investment banking services to the company/companies herein during the past 24 months and may receive or may seek compensation for investment banking services from any company/companies herein within the next 3 months;
- (v) Salman Partners Inc. does not make a market in the company's/companies' securities within the appropriate security laws;
- (vi) no officer, director, employee or research analyst of the firm or a member of the research analyst's household is an officer, director or employee of the company/companies, nor does any officer, director, employee or research analyst of the firm or a member of the research analyst's household serve in any advisory capacity to the company/companies; and
- (vii) other than what is disclosed above, Salman Partners Inc. is not aware of any actual, material conflicts of interest for the research analyst, of which the research analyst knows or has reason to know in the preparation of this report.
- (viii) an analyst/associate (has/has not) visited some or all of the issuers' material operations. Payment or reimbursement (has/has not) been received, in part or in whole, from the issuer(s) for travel costs in the past 12 months.
- (ix) Analyst Certification: The views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect the personal views of the

analyst(s) covering the subject securities. No part of the analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations.

For purposes of our research report, our rating system is defined as follows:

Top Pick	A recommendation to purchase a stock which represents the best risk/reward ratio within an analyst's coverage list. The analyst expects to realize a minimum 12-month return of 10%, and also has positive near-term catalysts.
Buy	A recommendation to purchase the stock at the current price.
Hold	A recommendation to maintain one's current position in the company, given the current share price and the outlook for the company, sector or underlying commodity.
Sell	A recommendation to reduce one's share position, either in part or in whole.
Speculative Buy	A recommendation to purchase shares in a company which is considered speculative because of the risk associated with owning shares. This added risk can be attributed to the company's size, financial stability, liquidity, the outlook for a commodity or commodities or other factors beyond Salman Partners' control. Suitable for risk-tolerant investors only.
Under Review	Salman Partners is in the process of an update based on recently released information. The analyst's recommendation and target price may or may not change upon completion of analysis.

Distribution of Ratings - to be updated monthly within 10 days of the beginning of the month and provided in each published research report.

A 12-month 'Investment Banking History' Breakdown to be updated monthly within 10 days of the beginning of the month according to the most recent recommendation and provided in each published research report.

13.2.6 Disclosure Required by Other Provisions

SPI and its Research Analysts must provide disclosure in Research Reports and Public Appearances that is required by the applicable law or regulation, including NASD Rule 2210, and the antifraud provisions of the federal securities laws.

13.2.7 Meanings of Ratings

SPI will define in its research reports the meaning of each rating used in its rating system. The definition of each rating will be consistent with its plain meaning.

13.2.8 Distribution of Ratings

- SPI will disclose in each Research Report the percentage of all securities rated by SPI, "buy," "hold," "sell," "speculative buy," or "under review" rating.
- In each research report, SPI will disclose the percentage of subject companies within each of these five categories for whom the member has provided Investment Banking Services within the previous 24 months.
- The information that is disclosed under bullets (a) and (b) above, must be current as of the end of the most recent calendar quarter (or the second most recent calendar quarter if the publication date is less than 15 calendar days after the most recent calendar quarter) and must reflect the distribution of the most recent ratings issued by the firm for all subject companies, unless the most recent rating was issued more than 12 months ago.

13.2.9 Price Chart

SPI will present in any Research Report concerning an equity security on which the firm has assigned any rating for at least one year, a line graph of the security's daily closing prices for the period that the firm has assigned any rating or for a three-year period, whichever is shorter. The line graph must:

- a. indicate the dates on which the firm assigned or changed each rating or price target;
- b. depict each rating and price target assigned or changed on those dates; and
- c. be current as of the end of the most recent calendar quarter (or the second most recent calendar quarter if the publication date is less than 15 calendar days after the most recent calendar quarter).

SPI maintains and publishes its current financial estimates and recommendations on securities followed and revisit such estimates and recommendations within a reasonable time following the release of material information by the issuer or the occurrence of other relevant events.

13.2.10 Price Targets

SPI will disclose in Research Reports the valuation methods used to determine a price target. Price targets must have a reasonable basis and must be accompanied by disclosure concerning the risks that may impede achievement of the price target.

13.2.11 Market Making

SPI will disclose in Research Reports if it was making a market in the Subject Company's securities at the time that the research report was published.

13.2.12 Prominence of Disclosure

The Disclosures required by section 13.2 Disclosure and Content Requirements, will be referenced as to their location on the front page of each research report. The disclosure will read as follows:

Disclaimer Note: In accordance with NASD Rule 2711 and IDA Policy No. 11, Salman Partners Inc. refers the reader to the end of our research report for our firm's specific disclosures, policies and procedures in respect of research analysts and research reports. This report is distributed in the U.S. by Salman Partners (USA) Inc. and was prepared by its Canadian Broker Dealer affiliate, Salman Partners Inc. Please refer to the end of this report for the disclosure statements, including the Analyst's Certification. Analysts employed by non-U.S. affiliates are not registered pursuant to NASD rules.

13.3 *Dissemination of Research Reports*

SPI will prominently disclose in any research report its policy and procedures regarding the dissemination of research. This would include to whom research is available (e.g. clients only); how research is disseminated (e.g. electronically and/or in printed form); and whether all recipients receive the research at the same time.

As of Feb 2011, the disclosure in respect of dissemination is as follows:

Upon approval by the research department and once published in final form, Salman Partners Inc. disseminates its research to all institutional clients simultaneously in electronic form. The firm subsequently disseminates this research in hard copy to those clients who have requested to be on the firm's distribution list. In addition, Salman Partners Inc. posts its research on the Salman Partners Inc. website and on certain paid research services with which a contract of dissemination has been arranged. Access to these websites is provided using a password

provided by the administrator and is limit to Salman Partners Inc.'s institutional clients. Reproduction of this report in part or in whole without permission is prohibited. All rights reserved. Salman Partners Inc.

13.4 Dissemination of “Traders Notes”

SPI circulates “traders notes” from time to time to its clients via email. These time-sensitive emails include general discussions regarding companies about whom we may have published, or may soon publish, a research report.

- If the traders note comes out after the SPI published research, then it must reference the original report with disclosures. No pre-approval of the traders’ notes, in this instance, is required. Compliance will sample the notes for appropriate disclosures.
- If the traders note comes out *prior* to any published research (excluding reference price targets or pricing specifics), it must be approved by a PDO/supervisory analyst of the firm prior to dissemination.

13.5 Restrictions on Publishing Research Reports and Public Appearances

1. SPI will not publish or otherwise distribute a research report and no research analyst will make a public appearance regarding a subject company for which SPI acted as lead or co-lead of:
 - a. An initial public offering, for 40 calendar days following the date of the offering; or
 - b. A secondary offering, for 10 calendar days following the date of the offering; provided that:
 - i. (1)(a) and (1)(b) above will not prevent SPI from publishing or otherwise distributing a research report, or prevent a research analyst from making a public appearance, concerning the effects of significant news or a significant event on the subject company within such 40 and 10 day periods, and provided further that a Co Director of Research and CCO authorize the publication of that research report before it is issued or authorized the public appearance before it is made; and
 - ii. (1)(b) will not prevent SPI from publishing or otherwise distributing a research report regarding a subject company with highly liquid securities as published by IIROC, and will not prevent a research analyst from making a public appearance concerning such a company.
2. For the purposes of (1) above, the term “date of the offering” refers to the later of the effective date of the registration statement or the first date on which the security was bona fide offered to the public.

13.6 Termination of Research Reports

If SPI terminates its research coverage of a subject company, a notice of termination is required. The firm will issue a final research report on the company using the means of dissemination equivalent to those it ordinary uses to provide the customer with its research reports. The final report must be comparable in scope and detail to prior research reports and must include a final recommendation or rating unless it is impractical to produce a comparable report (that is, departure of the analyst or if SPI terminates coverage of the industry or sector). If it is impractical to produce a final recommendation or rating, SPI will disclose the firm’s rationale for terminating coverage in the final research report.

13.7 Supervisory Procedures

SPI will adopt and implement written supervisory procedures reasonably designed to ensure that the firm and its employees comply with the provisions of NASD Rule 2711 and IIROC Rule 3400:

- in respect of IIROC Rule 3400, SPI must obtain an annual certification from the head of the research department and CEO stating that the firm's Research Analysts are familiar with and have complied with the CFA's Code of Ethics and Standards of Professional Conduct (or the Canadian equivalent), whether they are CFA charterholders or not
- Note: SPI distributes its research via its subsidiary Salman Partners (USA) Inc. SPI appropriately complies with the relevant NASD Rule 2711 of FINRA and annually Salman Partners (USA) Inc. attests to FINRA regarding Rule 2711(d)(2).

13.8 Supervisory Analyst

The firm has appointed Jayson Moss as supervisory analyst responsible for reviewing and approving research reports. Mr. Moss is a CFA charter holder and is Vice President and Co Director of Research of SPI.

13.9 Pre Approval of Research Reports prior to Publication/Dissemination

Research Analysts must complete the Analysts Declaration form for each research report that he/she has prepared or worked on to compliance for approval prior to publication re: disclosures. Evidence of approval is maintained physically.

All research reports are approved by a Co Director of Research prior to publication/dissemination. Note: the supervisory analyst cannot approve his own reports. All reports are approved the same day they are published/disseminated net of all changes. The firm will maintain evidence of such pre approval for 7 years, including both the draft and final copies of the report along with the Co Director of Research's signature and date on the final copy of said report.