



RELATIONSHIP DISCLOSURE DOCUMENT

OCTOBER 2017

**Wellington-Altus Private Wealth Inc. (WAPW)** believes the best way to help you meet your financial goals, and for us to keep serving you as a valued client, is to provide you with the account type(s) and access to investments in a way that best suits your needs. We want to help you manage your wealth and invest in the most comfortable way for you, within the changing environment in which we live. We think we can do this most successfully if we both know what to expect from each other. For this reason, we would like you to have a good understanding of the products and services we offer, the features of your account(s) and how it/they operate(s), and our responsibilities to you.

We also want you to understand how your input through the "Know Your Client" (KYC) form you complete (our Client Account Agreement) is critical to our meeting your expectations. So, we promote active client participation for a mutually successful relationship. We encourage you to:

- *Keep us up to date. "Clients should provide full and accurate information to the firm and the registered individuals acting for the firm. Clients should promptly inform the firm of any change to information that could reasonably result in a change to the types of investments appropriate for them, such as a change to their income, investment objectives, risk tolerance, time horizon or net worth."*
- *Remain informed. "Clients should understand the potential risks and returns on investments. They should carefully review sales literature provided by the firm. Where appropriate, clients should consult professionals, such as a lawyer or an accountant, for legal or tax advice."*
- *Ask us questions. "Clients should ask questions and request information from the firm to resolve questions about their account, transactions or investments, or their relationship with the firm or a registered individual acting for the firm."*
- *Stay on top of your investments. "Clients should pay for securities purchases by the settlement date. They should review all account documentation provided by the firm and regularly review portfolio holdings and performance."*

We will update this Relationship Disclosure Document (the RDD) when there are material changes to it by referring you to our website at [www.wellington-altus.ca](http://www.wellington-altus.ca). If you later have any questions related to the contents of this document, or need to change your KYC information, please contact your Advisor. You will be provided with a copy of the KYC information that we receive from you at the time of account opening and when there are material changes to the information.

## THE SERVICES AND PRODUCTS WELLINGTON-ALTUS OFFERS

Here is a summary of the services and products we offer you:

### Services

WAPW provides four types of accounts, discussed further in the next section. The accounts are:

- Advisory commission-based accounts
- Advice-based accounts
- Managed accounts
- Unified Managed Accounts (UMA)

### Products

We offer the following investment products:

- Cash and cash equivalents
- Fixed income or debt securities
- Equities including warrants
- Investment funds such as mutual funds
- Alternative investments such as options, income trusts, etc.

Your Advisor can explain these investment products to you, as well as how they work, their risks and possible returns, and whether they are appropriate for you. For more information, you can also read plain-language investment explanations in "Investments at a Glance," a booklet prepared by the Canadian Securities Administrators for financial consumers like you.

### New services and products

We will offer additional services and products as they are developed. You can find out about new offerings and whether they are appropriate for you by speaking with your Advisor or reading information included with your statements or in other communications.

### Insurance Products

Some advisors maintain an insurance license and carry on insurance business outside of WAPW through Wellington-Altus Insurance Inc. (WAI), an insurance company licensed under applicable provincial insurance legislation. WAPW is not licensed to provide any insurance services or advice, and has no beneficial interest in WAI or its insurance business (WAI and WAPW are two separate entities). If you are interested in insurance, ask your Advisor if he/she can offer insurance products to you.

## THE ACCOUNTS YOU HAVE AND HOW THEY OPERATE

**We offer our clients one or more of four basic account types. Your advisor will work with you to determine the right account(s) and best services for you.**

### • Commission-based accounts:

Your Advisor is responsible for providing suitable and unbiased investment recommendations to you that meet the standard of

care expected of a trained investment professional, based on the KYC information that you provide to us. You (or your authorized representative) direct(s) all trading and is (are) responsible for all investment decisions in your account.

• **Advice-based accounts:**

Your Advisor is responsible for providing suitable and unbiased investment recommendations to you that meet the standard of care expected of a trained investment professional, based on the KYC information that you provide to us. You (or your authorized representative) direct(s) all trading and is (are) responsible for all investment decisions in your account.

• **Managed accounts:**

These are also referred to as “non-advisory” or “discretionary accounts” where your Advisor independently exercises his or her authority (uses his or her discretion) to make investment decisions within the framework of your overall directions. He or she makes no recommendations to you and you make no decisions, as he or she invests on your behalf.

• **Unified Managed Accounts (UMA):**

A UMA is a unique mix of institutional money managers and ETFs, put together specifically by WAPW for our clients. Your Advisor works with you to determine the appropriate model, based on the KYC information that you provide to us. It is fully managed on a discretionary basis. The portfolio will be actively managed by a Registered Portfolio Manager chosen by your Advisor.

## FEE TRANSPARENCY STATEMENT

**Fees paid by WAPW clients come in the form of:**

- i. Fees and commissions for advice and service
- ii. Commissions for order execution
- iii. Fees for administration

Fees for administration are disclosed on the WAPW “Fee Schedule,” which is provided to clients on account opening and when there are changes made to the Fee Schedule. These fees are generally related to expenses charged by third parties for services delivered to WAPW clients. WAPW rebills these expenses with an administration surcharge. WAPW, and or any employee of WAPW, makes no representation and/or warranty in respect of the tax treatment of fees and commissions. However, this Fee Transparency Statement does highlight certain income tax issues, and we strongly recommend each client seek independent tax advice regarding how respective fees may impact their tax situation. The following is neither an exhaustive nor a comprehensive discussion and is not intended to be such. It is intended to provide disclosure so that each client is able to isolate issues that may be of interest to them and seek specific independent professional counsel as to how each issue may impact them.

## TYPES OF FEES FOR FULL-SERVICE ACCOUNTS

**Fees for full-service accounts fall into three categories:**

- i. Transactional commissions
- ii. Embedded fees and commissions
- iii. Fee-based accounts

### **Transactional Commissions**

WAPW charges a commission for each trade made in your account, based on either a flat dollar amount or a percentage of the value of the securities purchased or sold. The commission is negotiated between you and your Advisor before the trade is executed in your account. Clients receive trade confirmations for every transaction. These confirmations show the amount of commission charged. This commission is not directly tax deductible. Generally, the cost of commission is added to the cost base of the security purchased. An additional commission will be charged with the sale of the security. These commission outlays are considered expenses in determining the amount of capital gains or capital loss and are not deducted for tax purposes at that time.

### **Embedded Commissions and Fees**

These fees and commissions do not appear on trade confirmations and they are the least transparent method of payment. The most common of these are the Deferred Sales Commissions (DSCs) on mutual funds and Annual Service Fees on mutual funds.

These fees and commission are fully disclosed to clients in each mutual fund prospectus and are further disclosed as part of each mutual fund’s Management Expense Ratio (MER). A comparison of an F Series versus DSC Series for the same mutual fund quantifies the embedded amount of fees and commissions. If you need assistance in determining this amount, your Advisor will be pleased to assist you.

Since embedded commissions and fees form part of a mutual fund’s MER, these costs are deducted against interest, dividends and capital gains generated by those mutual funds. To the extent that mutual funds generate income in excess of the DSC and Service Fees, the DSC and Service Fees are fully tax deductible by the mutual funds in the current year. You can measure the extent of tax deductibility by reviewing your T3 slips from the mutual fund you own. If you did not receive a T3 slip from the mutual fund then the DSC and Service Fees likely exceeded the income inside the mutual fund. The excess is generally carried forward by the mutual fund and may be available as a deduction against income of the mutual fund at a future time.

In addition to the DSC and Service Fees, New Issues and Principal Trades have embedded commissions. WAPW does not conduct Principal Trading as part of its business model. In an extraordinary circumstance where such a trade may occur, you will be notified via your trade confirmation with the message "Principal." If such an event occurs, please speak with your Advisor to determine the embedded cost. When you buy certain fixed-income products, our Carrying Broker, NBCN Inc., may act as principal. WAPW does not share in any price mark-up charged by NBCN Inc. Embedded New Issue commissions are disclosed in each new issue prospectus. If you are unable to determine the amount of commission disclosed in the prospectus, please speak with your Advisor.

In all cases, New Issues and Principal Trade embedded commissions form part of your tax cost base for such security.

#### **Fee-Based Accounts Fees**

These fees are based on a percentage of the value of an account and might also include discounted commissions or ticket charges per transaction. Please contact your Advisor to determine the best available option for your needs. Fees are generally charged monthly, but may also be charged quarterly or annually, and appear on client statements. Generally speaking, this is a relatively tax-advantaged method of payment; however, there may be potential tax ambiguity for clients to consider.

Your Advisor will not receive any compensation from transaction costs as this fee is meant to cover only the execution costs of transactions for your Account. In addition to the fees you pay to WAPW, WAPW may also receive compensation from third parties such as commissions paid directly to WAPW by the issuer of the securities when WAPW acts as an underwriter of the securities (purchasing securities from the issuer to resell them to the public). These commissions will be described in the prospectus or other securities documents. In the case of restructurings or reorganizations, certain issuers may pay WAPW a solicitation fee to compensate the Advisors for their work in getting investors to vote their proxies. There may be other situations where WAPW receives compensation from a third party on transactions in your Account. We will notify you if such a situation gives rise to a material conflict of interest.

The tax deductibility of these fees is discussed in Canada Revenue Agency (CRA) Interpretation bulletin IT-23852. CRA's position is that amounts attributed to order execution and trading commissions are specifically not tax deductible. The portion of the Fee-Based Account charge that is tax deductible is the amount attributable to investment advice and ancillary services as detailed in IT-238R2. WAPW and/ or its employees make no representation or warranty as to the position CRA may take regarding tax deductibility of fees charged.

#### **Interest Charge**

If your account is in a debit position, we will deduct an interest charge from these accounts. The interest rates are available upon request.

#### **Foreign exchange**

Exchange rates are available upon request.

#### **Service Charges and Fees**

Please see our brochure or visit our website at [www.wellington-altus.ca](http://www.wellington-altus.ca)

## HOW WELLINGTON-ALTUS ASSESSES THE SUITABILITY OF YOUR INVESTMENT(S)

Before we provide you with recommendations about which investments to purchase, or if you ask us to buy or sell a security, we will first see if we believe that investment is suitable for you according to our understanding of the KYC information you have given us.

That is why keeping your KYC information up to date and accurate is very important. If your KYC information is not up to date, we might determine that the order you provided to us is not suitable for you in the context of your overall portfolio. In that case, we must advise against proceeding with the order.

The suitability factors that guide us in our decision about an investment's suitability include what we understand to be your current financial situation, investment knowledge, time horizon, risk tolerance, and investment objectives.

#### **Financial situation**

What financial assets (deposits and investments) and liabilities (debt and mortgage) you have and the sources and amounts of your income. We will consider the size of any transaction compared to the overall value of your net financial assets (assets minus liabilities).

#### **Investment knowledge**

To assist your Advisor in describing your level of your investment experience, the following guidelines are set out. It is expected that over a period of time with increasing exposure to various investment products, your level of experience could increase.

##### **• Sophisticated**

You have traded in most types of investment products. This would include knowledge of alternative investments (options, futures and other derivatives, commodities, private equity, hedge funds, etc.), speculative and short selling strategies and an appreciation the risks and rewards involved in trading these securities

##### **• Good**

You have either traded in or have some knowledge of the basic characteristics of investment securities, as well as basic

understanding of the degree of risk and reward inherent in these types of securities.

- **Limited**

You have some investment experience but may not have a full understanding of the basic characteristics of the various types of securities and the degree of risk associated with these securities.

- **Poor/None**

You have very limited or no knowledge of the basic attributes of investment securities.

## TIME HORIZON

The time horizon should be determined by considering when you will need to access some or all of the money in your account(s).

It should be indicated by one of the following ranges:

- Under 3 years
- 3-5 years
- 6-10 years
- 11-20 years
- Over 20 years

## RISK TOLERANCE

Risk tolerance is a function of how comfortable you are with the possibility of losing money on your investments and your ability to withstand those losses. The risk rating of the investments in your accounts should be consistent with your risk tolerance.

- **Low**. You are willing to accept little or no risk to your principal declining in value. This may mean that your returns may not keep pace with inflation. Investments consistent with a low risk tolerance are those with historically below average price volatility and relatively low rates of return. They can usually be redeemed or sold with little or no impact on price and generally include Government of Canada and provincial bonds, as well as investment funds that invest the majority of their assets in these types of investments.
- **Medium**. You are willing to accept some risk to your initial principal and tolerate some volatility to seek higher returns. **You understand you could lose a portion of your money invested.** Investments consistent with a medium risk tolerance have historically demonstrated average price volatility and average rates of return. They can usually be redeemed or sold in a reasonable amount of time with little or no impact on price and generally include quality corporate and foreign bonds, quality large capitalization stocks, and investment funds that invest the majority of their assets in these types of investments.
- **High**. You are willing to accept higher risk to your principal, including higher volatility, to seek higher returns over time, and understand that **you could lose a substantial amount or potentially all of your money invested.** Investments consistent

with a high-risk tolerance have historically demonstrated above-average price volatility and higher rates of return. They generally include most high-yield bonds or those with low credit ratings, most small capitalization stocks, some hedge funds, other alternative investments (which may be complex or otherwise synthetically devised or created products) and other investments which may be considered speculative.

## INVESTMENT OBJECTIVES

Your investment objectives are the financial goals you want to achieve with your investments and are reflected in your target investment mix.

- **Capital Preservation**. You want to preserve your capital or create a source of periodic income.
- **Conservative**. You want to mainly preserve your capital, but have the possibility of growing it minimally.
- **Balanced**. You give equal importance to creating a source of income and growing your capital.
- **Growth**. You want to grow your capital and are willing to lose some (but not all) of your capital.
- **Maximum Growth**. You want to maximize the growth of your capital and are willing to lose some or all of your capital.
- **Speculative**. You want significantly above-market growth and are willing to lose all of your capital.
- **Other**. You have other investment objectives, so your Investment Advisor will determine the appropriate target investment mix with you.

When WAPW recommends an order for you or accepts an order from you or your legal representative, we will review each order or strategy in the context of the KYC suitability factors.

Our understanding of your KYC suitability factors is critical in helping us recommend the proper investment mix for your account(s).

WAPW will assess the suitability of your investments in your account whenever:

- A trade is accepted
- A recommendation is made
- Securities are transferred or deposited into your account
- There is a change in the registered representative handling your account
- There is a material change in your KYC information

If, during the suitability review, we identify any concerns, we will discuss them with you, document our discussion, and, if we are strongly concerned with your decision to proceed with the investment, we may refuse to execute the transaction or to terminate our relationship.

To ensure that the holdings in your account(s) are suitable for you as time passes, we will review the suitability of your investments in your account(s) on an at least annual basis, in managed accounts on an ongoing basis, and when required to address one of the reasons described above.

WAPW will not review the investments held in your account(s) in the event of a major market correction or any other factors not described above. However, your Advisor is ready to discuss the effect of market fluctuations on your portfolio with you when you request.

## REPORTS

**These are reports we will provide to help you monitor your financial assets and their performance as well as the fees and charges you pay us or to third parties through us.**

**Confirmations.** We provide you with written confirmation by post mailed no more than two days after transactions of the details of every purchase, sale, transfer or other relevant transaction details. Please look for and review your confirmation as soon as you receive it.

**Account statements.** We will mail you a quarterly statement for March, June, September and December and for each month in which a transaction occurs.

**Performance.** You can ask your Advisor to provide you with the return on your investments over various periods.

**Fees and charges paid.** Fees are reflected on your statements and/or when you are advised of fees or methods of compensation.

**Future reporting enhancements.** We regularly look at ways to improve the reporting and documents we provide to you, to make them more informative, clear and useful for you and other clients.

## INVESTMENT PERFORMANCE

### BENCHMARKS

Comparing your portfolio's performance to that of an appropriate benchmark is a useful exercise for monitoring purposes.

Benchmark comparisons can help you determine if your investment approach is delivering the desired results, or whether changes might be called for. Investment benchmarks are also helpful for developing realistic expectations about returns your portfolio can generate over the longer term.

Investment benchmarks usually provide a broad measure of the return generated by specific asset classes over a given period. They are often referred to as reference indices, since the most common form of investment benchmarks is an index—such as a stock or bond index. A benchmark must replicate the security or

portfolio you are monitoring as closely as possible for the comparison to be meaningful. Examples of benchmarks would include the S&P/TSX for Canadian stocks, the DEX Universe for Canadian bonds and the S&P 500 for US stocks. For a portfolio composed of securities from several different asset classes, the appropriate benchmark would be a blend of indices weighted according to the particular portfolio's asset mix. For more information about comparing your portfolio's return to a benchmark, please don't hesitate to contact your Advisor.

## COMPLAINT HANDLING PROCEDURES

### Designated Complaints Officer

Complaints must be directed to our Designated Complaints Officer (DCO):

Graham Robson

(204) 220-4024 or

graham.robson@wprivate.ca or

201 Portage Ave, 3rd Floor, Winnipeg, Manitoba R3B 3K6

The DCO will send you an acknowledgement letter within five business days of receiving your complaint. In this acknowledgement letter, the DCO may request additional information in order to investigate your complaint. The DCO will also send you a brochure entitled "An Investor's Guide to Making a Complaint." You will also receive this brochure at the time of opening the account.

The DCO will provide you with a substantive response within ninety (90) calendar days of receiving your complaint.

If the DCO is unable to respond to your complaint within the above time frame, he will provide you with a written explanation.

In his final decision letter, the DCO will provide you with a summary of your complaint: the results of his investigation, an explanation of his final decision, and other options you may have for seeking compensation, if you are not satisfied with his response.

### IIROC and OBSI

If you are dissatisfied with WAPW's final response you have received, you may contact the following organizations:

- **Investment Industry Regulatory Organization of Canada (IIROC) at:** 1-877-442-4322.
- **Ombudsman for Banking Services and Investment (OBSI) at:** 1-888-451-4519.

Or, you may choose to go to Arbitration or pursue legal action.

## CONFLICTS OF INTEREST

### General Description

Actual, potential and perceived conflicts of interest exist in almost all human interactions. Our relationship with you is no different.

For instance, WAPW is a for-profit business and has a responsibility to maximize returns for our shareholders. As well, WAPW has various other stakeholders, all of whom rely on WAPW to operate profitably in order to honour the interest of those stakeholders as expected under the Business Corporations Act (Ontario) and pursuant to securities industry financial compliance regulations. We believe the best way to achieve our goals is to provide you with trusted advice and personalized financial solutions that help you achieve your financial goals. This is the best way to retain your continued patronage and in turn encourage you to recommend our services and products to others.

In addition to our objective of serving your financial goals in alignment with our business interests, Canada has comprehensive and extensive securities rules and regulations, many of which are designated to protect client and investor interests, including dealing with conflicts of interest. We suggest that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators (CSA) and Investment Industry Regulatory Organization of Canada (IIROC) for more information about how Canadian securities regulations address conflicts of interest in order to safeguard the investing public.

## DESCRIPTION OF OUR FIRM

WAPW is what is referred to as an “introducing broker” (IB) investment firm. Our client accounts are held in a custody arrangement with our carrying broker (CB), National Bank Correspondent Network (NBCN), a subsidiary of National Bank of Canada. NBCN executes, settles and reports all of your trade activity to you and provides WAPW with a contractual indemnity assuring you that the investments shown on your statements are held by them as custodian.

If, under any circumstance, any trade activity for your account is not reported on a trade confirmation and your monthly statement, immediately report such omission to our Chief Compliance Officer.

## DESCRIPTION OF ROLE OF AN INVESTMENT DEALER

As an investment dealer, we are a financial intermediary. It is common practice in the brokerage industry that sometimes we may be the party on the other side of the transaction (referred to as a “principal” trade), where we own the security we sell to you or buy the security from you for our own account. However, as an IB, our business model is to act primarily as an agent. We simply facilitate transactions between you as our client and a third party on the other side of the transaction. The nature of an

“agency” trade means that we have no ownership interest in the security traded.

The financial intermediary role we play on behalf of our retail clients is WAPW’s primary line of business.

## GENERAL TYPES OF CONFLICT OF INTEREST

We provide a broad range of services in investment management and retail client services and products. We recognize that by definition some of these activities are more susceptible to conflicts of interest than many other commercial activities, since we may periodically represent both sides of a transaction; namely, the buyer and seller. As an IB, we will have fewer cases of such conflicts of interest than an integrated firm. In fact, our business model to be an IB was largely driven by our deliberate choice to reduce potential conflicts of interest with our retail investing clients.

Nonetheless, conflicts of interest may still arise despite our desire to limit them.

**The general types of conflicts of interest which can arise are:**

- Conflicts of interest between you and us,
- Conflicts of interest between you and other clients, and
- Conflicts of interest between us and our related and associated companies

## MANAGEMENT OF CONFLICTS OF INTEREST

**In general, we deal with and manage relevant conflicts using broad principles, described as follows:**

- **Avoidance:** This includes avoiding conflicts that are prohibited by law as well as conflicts that either cannot effectively be addressed or are difficult to address in practice without the expenditure of substantial human and capital resources. Examples of avoided conflicts are: tied selling, proprietary trading and the provision of proprietary research.
- **Control:** We manage acceptable conflicts through several means, depending on the particular conflict. Management tools may include: (i) internal audit processes to ensure that specific disclosure of conflicts as described in this document, or supplemental disclosure forms, are actually provided to client, either at the time of account opening or prior to the entry of a transaction order, as applicable; (ii) employing a compensation structure within WAPW that does not incentivize Advisors to favour one product over another through differential payout of the gross fees and commissions received by WAPW; (iii) where available and within the context of WAPW supervision Policies and Procedures, use of electronic and manual surveillance to monitor the application of conflict control measures; and (iv)

physically separating different business functions and restricting the internal exchange of information.

- **Disclosure:** The primary method of conflict management is to provide you with disclosure and information about conflicts. This enables you to assess independently their significance when evaluating our recommendations and determining your course of action.

Specific discussions on an issue-by-issue basis about management of conflicts follow. The information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. If you have any questions or concerns, whether they involve conflicts of interest or any other matter, do not hesitate to ask your Advisor for an explanation and more information. If you are not satisfied with the response, you should contact our Chief Compliance Officer.

## MORE INFORMATION

You are encouraged to proactively involve yourself to better understand issues relating to conflicts of interest. Please refer to the websites and publications of the Provincial Securities Commissions as well as the CSA and IIROC websites for more information about how Canadian securities regulations address conflicts of interest to safeguard the investing public.

We document our core values, including general standards for how we deal with conflicts of interest in our internal Policies and Procedures. You should refer to the WAPW Statement of Policies that appears on the Client Account Application.

## POSSIBLE CONFLICTS AND HOW THEY ARE MANAGED

Conflict of Interest	Primary Method We Use to Manage the Conflict
We earn compensation by selling products and services to you for which you pay us.	<ul style="list-style-type: none"> <li>• We endeavor to be fully transparent in disclosing fees and commissions, and to fully inform you in advance, when possible, so that you know what you will be paying.</li> <li>• Choice, on a disclosed basis, is your best method to control how you pay us. We offer a wide variety of pricing options to choose from, including traditional transaction commission, and fee-based and embedded fee/commission as disclosed in the Fee Transparency Statement.</li> <li>• Please see our Fee Transparency Statement and Fee Schedule, which are</li> </ul>

	available on our website at <a href="http://wellington-altus.ca">wellington-altus.ca</a> .
We would like you to use more of our internal services and buy more of our internal products.	<ul style="list-style-type: none"> <li>• We do not engage in “tied selling” which requires the purchase of one product or service in order to qualify for the purchase of another product or service.</li> <li>• We have Policies and Procedures prohibiting recommendations solely for the purpose of generating revenue for us without any actual or potential benefit to you.</li> </ul>
We would like you to use more of the services offered by an external organization or group and more of the products offered by an external organization or group.	<ul style="list-style-type: none"> <li>• Referral arrangements with other organizations or groups are disclosed to you and require your prior written consent to implement.</li> <li>• We have Policies and Procedures prohibiting recommendations solely for generating revenue for us without any actual or potential benefit to you.</li> </ul>
Our compensation may involve commissions based on sales volume.  (continued)	<ul style="list-style-type: none"> <li>• We offer fee-based and managed accounts as an alternative to traditional commission accounts</li> <li>• As well, we offer other products such as no load mutual funds, which have pricing structures designed to reduce commissions paid by the client.</li> <li>• We offer competing commission options that may not necessarily be tied to sales volume and that may be more advantageous to certain clients under certain circumstances.</li> </ul>
Different products and services have different levels of compensation.	<ul style="list-style-type: none"> <li>• Our compensation is disclosed to you and we offer pricing alternatives intended to reduce the conflicts associated with commission – based arrangements.</li> <li>• We are required by industry regulations and firm policy only to make suitable investment recommendations consistent with the Client Account Agreement.</li> </ul>
We may receive compensation from securities issuers and other third parties based on their products we sell to you, such as trailer fees on mutual funds and	<ul style="list-style-type: none"> <li>• We disclose to you the situations and types of third-party compensation we may receive. Please refer to the Fee Transparency Statement.</li> </ul>

new issues.	<ul style="list-style-type: none"> <li>• Securities regulations require issuers to provide specific disclosure in the offering document of such arrangements and the compensation we will receive.</li> </ul>
We are compensated in other ways as a result of the business you may do with us, including interest spreads on money that is loaned to you on a margin account and the uninvested cash deposits with us, or administration fees such as registered plan charges.	<ul style="list-style-type: none"> <li>• The amount of other compensation we may receive will vary depending on the disclosed charges you pay for such business, products or services provided to you.</li> <li>• Some services such as foreign exchange are provided directly by our CB, where we do not share in compensation from such service.</li> <li>• Please refer to our other fees and charge disclosure schedules provided to you in that regard.</li> </ul>
We may sell you securities that we own and profit by doing so.	<ul style="list-style-type: none"> <li>• We will tell you whether we acted as principal or agent for each transaction on the trade confirmation for that transaction.</li> <li>• In the case of fixed income securities (which our CB will usually sell as principal), our CB is required to provide you with a stated yield to maturity so you can assess the competitiveness of our pricing.</li> </ul>
We do not sell securities of companies that are related or connected to us.	<ul style="list-style-type: none"> <li>• Should we begin to sell such securities, we are required by regulation to disclose this when we make a recommendation to you.</li> <li>• Should such a transaction occur, we will inform you whether a transaction involved a related or connected security on the trade confirmation.</li> <li>• Our Advisors receive the same commission compensation payout as a percentage of gross revenue, regardless of the product originator.</li> </ul>
We have discretion or control over transactions in your account if it is a managed account.	<ul style="list-style-type: none"> <li>• Regulations require that we disclose and obtain your specific approval to purchase securities of related and connected entities when we have discretionary power to do so.</li> <li>• Regulations require that we</li> </ul>

	disclose and obtain your specific approval to purchase securities from issuers for whom we are offering securities as a syndicate agent when we have discretionary power to do so.
We may need to select which clients will be offered certain securities if availability is limited.	<ul style="list-style-type: none"> <li>• We have a fair allocation policy for managed accounts.</li> <li>• For non-discretionary accounts, individual Advisors make the determination based on individual client relationships as well as risk and suitability considerations.</li> </ul>
We are paid by issuers of securities when we participate in syndicates and sell newly issued securities to you.	<ul style="list-style-type: none"> <li>• WAPW does not participate in "bought deal" syndicates where we are obligated to buy a share of a syndicated new issue and then resell the securities that we own to our clients.</li> <li>• Offering documents provide full disclosure of all relationships we may have with the issuer.</li> <li>• When the offering is a non-brokered Private Placement for sale to accredited investors, WAPW performs no due diligence and has no relationship with the issuer other than a finder's fee and/or commission paid by the issuer.</li> </ul>
If you hold an applicable security, we may be paid by issuers, offerors or others to solicit your proxy or vote in their favor with respect to takeover bids, corporate reorganizations, solicitation of proxies and other corporate actions	<ul style="list-style-type: none"> <li>• Securities regulations require specific disclosure of such arrangements and the compensation we will receive is disclosed</li> <li>• in documents, such as information circulars, takeover bid circulars and issuer bid circulars</li> </ul>
WAPW does not produce its own research on securities. WAPW distributes investment research that is produced by third parties.	<ul style="list-style-type: none"> <li>• Industry regulations provide for formal and required standards of practice to produce and distribute research. Should WAPW begin to produce its own securities research, we will comply with all regulations.</li> <li>• IIROC regulations govern the distribution of third-party research, and WAPW has written Policies and Procedures to address such requirements.</li> </ul>
WAPW does not receive compensation by trading destinations.	<ul style="list-style-type: none"> <li>• Trade destination is a function performed by our CB on our behalf.</li> </ul>

	<ul style="list-style-type: none"> <li>• Industry regulations dictate our best price and best execution obligations to you.</li> <li>• We will disclose to you our ownership interests in marketplaces should such ownership arise. We currently have Policies and Procedures for trade order routing exclusively through our CB for all client accounts.</li> </ul>
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The Securities laws of the Canadian Provinces require securities dealers and advisors, when the trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties, are relayed or connected to them, to do so only in accordance with particular disclosure and other rules. These rules require dealers, and advisors, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal advisor.

**Pursuant to securities law, which required disclosure of relevant relationships with issuers of securities, please be advised:**

1. An employee of WAPW exercises a controlling influence over the management and policies of Aquarius Coatings Inc. (Aquarius) by way of beneficial ownership of securities in combination with one or more persons. As a result, Aquarius may be deemed to be a related issuer of WAPW.
2. Employees of WAPW are directors and/or officers of public and private corporations, which may be deemed to be connected issuers to WAPW, including the following:
  - a. High Liner Foods Inc. Vice-Chairman & Lead Director
  - b. Landmark Global Financial Corp. Chairman & Director
  - c. Metalo Manufacturing Inc. Chairman & Director
  - d. MedX Health Corp. Director
  - e. Solution Inc. Technologies Inc. Director
  - f. Happy Creek Minerals Inc.
3. WAPW may, from time to time, act as an advisor, dealer or underwriter for the above companies. We may also act as agent for clients who buy or sell share units or other forms of securities for the above clients.

**Note: Potential relevant conflicts may arise from:**

- Gifts and entertainment from third parties with which WAPW has active or potential business relationships

- Directorships with other firms or other organizations
- Connections to outside political or charitable activities
- Other outside of WAPW activities
- Interests in the business of a supplier, contractor, competitor, etc.

These types of potential conflicts and any other existing or potential conflicts of interest, where not avoided, are monitored and supervised by WAPW on an internal basis and, appropriate, will be disclosed to clients as they arise.

## BEST EXECUTION AND HANDLING OF ORDERS

With the introduction of multiple marketplaces in Canada, WAPW would like to advise our clients of the policies and procedures that will affect the handling of orders for the purchase and sale of Canadian-listed securities.

Orders on Toronto Stock Exchange ("TSX") and Toronto Stock Exchange Venture ("TSX-V") listed securities may be executed on the TSX, TSX-V and a number of alternative Canadian electronic marketplaces or on a foreign organized regulate market.

WAPW is committed to use all reasonable efforts to ensure our clients achieve the "best execution" of their orders for securities that are quoted or traded on all marketplaces.

If you have any questions regarding this policy, please contact your Advisor.

### 1. Principle Marketplace

Unless advised by WAPW, the Principle Marketplace for all securities listed on the TSX and TSX-V, whether or not the security is trading on another alternate marketplace, will be the TSX and the TSX-V.

The TSX and TSX-V operate between 9:30 a.m. (EST) and 4:00 p.m. (EST), Monday through Friday, not including statutory holidays in Ontario. All references to time in this policy are in EST.

### 2. Hours of Operation for Trading in Listed Canadian Securities

WAPW advisors, trading staff and systems will be available for order execution during Principle Marketplace hours. Staff may be available outside of Principle Marketplace hours; however, WAPW will not guarantee order taking and/or trade execution outside of the hours of 9:30 a.m. to 4:00 p.m. EST.

### 3. Trade Routing

Orders received will be routed as follows:

- a. An order received prior to Principle Marketplace opening (9:30 a.m. EST) will be entered on the Principle Marketplace for execution on the opening. Orders received prior to the Principle Marketplace opening will not be routed to an alternative marketplace;
- b. An order received after the Principle Marketplace close (4:00 p.m. EST) will be entered to the pre-openings of the Principle Marketplace on the following business day. Orders received after the Principle Marketplace close will not be routed to an alternative marketplace;
- c. An order received during the Principle Marketplace operating hours will be entered into the best market at the time of entry. The "best market" is the marketplace with the best bid (buy price) or ask (sell price), or where WAPW feels the order has the highest probability of being executed. This may be any marketplace that WAPW has access to and/or can access for the purpose of best execution;
- d. Any portion of an order that cannot be immediately filled will be entered on the Principle Marketplace and will remain in the Principle Marketplace order book until the order is filled, expired, changed or cancelled; and
- e. Changes to an outstanding order, or portion of an outstanding order, will be handled the same as a new order received and will be treated according to routing conditions (c) and (d) above.

#### 4. Order Execution

Certain types of orders have specific handling implications in a multiple marketplace environment.

##### a. Day Orders

A Day Order is an order to trade that expires if it is not executed the day that it is booked to the marketplace. Day Orders will be handled in accordance with the "Standard Order Routing Conditions." All Day Orders expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains effective, unless otherwise agreed to between the client and the Investment Advisor.

##### b. Good Till Cancelled (Open) Orders

Open Orders are orders that will remain valid until a specified date of expiry. These orders will be entered in the Principle Marketplace if they are not immediately executable on an alternative marketplace at the time of entry. The order will remain in the Principle Marketplace until executed or expiry, whichever comes first.

##### c. Market Orders

A Market Order is an order to buy or sell a security at whatever prices are available in the marketplace to help

ensure a complete fulfill. Upon entry to the marketplace, these orders require immediate completion. Market Orders will be handled in accordance with the "Standard Order Routing Conditions." These orders will expire, if not filled in full, on the marketplace where the last portion of the order remains live, at the close of the marketplace.

##### d. Limit Orders

A Limit Order is an order for a security at a specific minimum sale price or a maximum purchase price that is not to be exceeded. Limit Orders will be handled in accordance with the "Standard Order Routing Conditions." The order will expire if not filled in full, upon the close of the marketplace where the last portion of the order remains live.

##### e. Special Terms Orders

Special Terms Orders are orders with specific terms that are not executable in the regular marketplace. Special Terms Orders will only post to the Special Terms Market of the Principle Marketplace, unless they are immediately executable on an alternative marketplace at the time of entry. Special Terms Orders will expire at the close of the Principle Marketplace.

##### f. Stop Loss Orders

Stop Loss Orders are orders that become limit orders when a board lot is traded at, or superior to, the stop loss price on the marketplace in which the order has been booked. These orders will only be directed to the Principle Marketplace and will remain there until the order is executed or expires, whichever comes first.

#### 5. Extenuating Circumstances

In the event of technical or other issues that limit WAPW's access to specific marketplaces, or limit access to routing automation, any order received will be directed to either the Principle Marketplace or an alternative marketplace as circumstances warrant and as determined by WAPW.

#### 6. Disclosure of Marketplace

An order executed on one or more marketplaces or alternative marketplace will generally be reported to the client using separate confirmation slips for each marketplace on which the order was filled. The marketplace on which the order was filled will generally be identified by name on the confirmation slip.

#### 7. Amendments

Changes to this policy may be made at the discretion of WAPW.

## CHECKLIST OF DOCUMENTS PROVIDED TO YOU

On account opening, you will be provided with a copy of:

Client Account Agreement

Relationship Disclosure Document

Service Charges and Fees

How IIROC Protects Investors brochure

Understanding your Investment Portfolio Statement

Strip Bond Brochure

Guide to making a complaint

CIPF Brochure

Introducing Carrying Broker Disclosure Statement

Options Agreement (if applicable)