

CONFLICTS OF INTEREST DISCLOSURE

1. DESCRIPTION OF MEMBER FIRM

Highgate Group is what is referred to as an “integrated” investment firm since we provide a broad range wealth management client services and products. We recognize that by definition we are more susceptible to conflicts of interest than many other corporations since we may regularly represent both sides of a transaction, namely, the buyer and the seller.

You can learn more about our firm at www.highgategroup.ca

Highgate Group defines a conflict of interest to include any circumstance where:

- the interests of different parties, such as the interests of a client and those of a registrant, are inconsistent or divergent
- a registrant may be influenced to put their interests ahead of their client’s interests, or
- monetary or non-monetary benefits available to a registrant, or potential detriments to which a registrant may be subject, may compromise the trust that a reasonable client has in their registrant

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

- Conflicts of interest between you (our client) and us,
- Conflicts of interest between you and our other clients, and
- Conflicts of interest between us and our related and associated companies.

2. DESCRIPTION OF MEMBER FIRM

As an investment dealer, we are a financial intermediary. We facilitate transactions between you as our client and a third party on the other side of the transaction through an “agency” trade where we have no ownership interest in the security traded.

3. MANAGEMENT OF CONFLICTS OF INTEREST

When identifying, addressing, and disclosing material conflicts of interests, Highgate Group takes into consideration the following:

- identify existing and reasonably foreseeable material conflicts of interest between a client and the firm or any individual acting on the firm’s behalf,
- address all material conflicts of interest in the best interest of the client,
- avoid material conflicts of interest that cannot be otherwise addressed in the best interest of the client, and
- provide affected clients with disclosure of material conflicts of interest at account opening or in a timely manner if they are identified later.

In general, we deal with and manage relevant conflicts as follows:

Avoidance

This includes avoiding conflicts that are prohibited by law as well as conflicts that cannot effectively be addressed.

Control

We manage acceptable conflicts through means such as physically separating different business functions and restricting the internal exchange of information.

Disclosure

Existing and potential material conflicts of interest situations, where not avoided, will be disclosed to the client as they arise.

4. MORE INFORMATION

Canada has comprehensive and extensive securities regulatory rules and regulations, many of which are directed at protecting 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 on how Canadian securities regulations address conflicts of interest in order to safeguard the investing public.

We document our core values and standards, including general standards for how we deal with conflicts of interest. You should also refer to the Statement of Policies. You can obtain a copy from your advisor on request or from our website at: www.highgategroup.ca.

5. POSSIBLE CONFLICTS AND HOW THEY ARE MANAGED

The following information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. This is an overview of a complex subject. If you ever have any questions or concerns, whether they involve conflicts of interest or anything else, you should never hesitate to ask your advisor for an explanation and more information.

| CONFLICT OF INTEREST | ADDRESS BY | HOW CONFLICTS WILL BE ADDRESSED |
|---|---------------------|---|
| Ongoing Conflict of Interest | | |
| We earn compensation by selling products and services to you for which you pay us. | Disclose Control | <ul style="list-style-type: none"> We will inform you of fees, commissions, and other compensation in advance so that you know what you will be paying. Please see our service fee brochure in our Important Client Information Booklet. We offer a variety of pricing options to choose from. |
| Suitability of Account Type | Control | <ul style="list-style-type: none"> At the time of account opening, all new accounts require the completion of the Client Account Assessment Form. |
| Different products and services have differing levels of compensation. | Disclose | <ul style="list-style-type: none"> Our compensation is disclosed to you, and we offer pricing alternatives intended to reduce the conflicts associated with commission-based pricing. We are required by industry regulations and firm policy only to make “suitable” investment recommendations. |
| | Avoid | <ul style="list-style-type: none"> We may choose not to offer a complex product that carries a high commission. |
| We would like you to use more of our services and buy more of our products. | Avoid | <ul style="list-style-type: none"> We do not engage in “tied selling”, where purchase of one service is conditional on buying another as well, a practice that is prohibited by regulation in any event. |
| | Control | <ul style="list-style-type: none"> We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you. |
| | Control | <ul style="list-style-type: none"> Management has put in place compliance programs to monitor investment advisors to help identify and address concerns. |
| Conflicts related to referral arrangements | Disclose | <ul style="list-style-type: none"> We are required by industry regulations and firm policy to provide a written disclosure to you at the time of referral |
| | Control | <ul style="list-style-type: none"> We have policies and procedures prohibiting recommendations solely for the purpose of the referral fee. Registrants must determine that making the referral is in the client’s best interest |
| Conflict of Interest May Occur | | |
| Our compensation, organizationally and individually, may involve commissions based on sales volume. | Disclose Control | <ul style="list-style-type: none"> We offer fee-based accounts as well as similar products such as no-load mutual funds, which have pricing structures designed to reduce commission incentives. |

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| 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 commissions and “trailer fees” on segregated funds and insurance policies. In addition, we may receive a selling commission. | Disclose | <ul style="list-style-type: none"> We disclose to you the situations and type of third-party compensation we may receive. Please refer to other sections of this Important Client Information booklet. Securities regulations require issuers to provide specific disclosure in the offering document (e.g., prospectus) of such arrangements and the compensation we will receive. |
| We are compensated in other ways as a result of the business you may do with us, including uninvested cash deposits with us and foreign exchange spreads when you convert currencies. | Disclose | <ul style="list-style-type: none"> Various forms of other compensation we may receive are disclosed to you. Please refer to other sections of this Important Client Information and our other disclosures to you in that regard. |
| We may need to select which clients will be offered certain securities if availability is limited | Control | <ul style="list-style-type: none"> Individual advisors make the determination based on individual client relationships, suitability and general availability restrictions for certain clients (e.g. Accredited Investors only) |
| Allocating securities from an undersubscribed IPO to the firm’s discretionary retail accounts | Control | <ul style="list-style-type: none"> Highgate Group has policies and procedures that must be adhered to by all employees. Supervisors conduct ongoing account monitoring to ensure no such activity occurs. |
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| When employee accepts a gift from a customer which could compromise or give the impression of compromising his/her independence. | Control/Avoid | <ul style="list-style-type: none"> Highgate Group has an internal gifts and entertainment policy which must be adhered to by all employees. |
| We may have access to commercially sensitive or inside information | Control | <ul style="list-style-type: none"> We may decline to provide a service to avoid insider trading provision in securities legislation. We have specific procedures for responding to conflicts of interests that involve inside information and for complying with insider trading provisions |
| We distribute investment research that is produced by third parties. | Disclose Control | <ul style="list-style-type: none"> We have and follow written procedures under IROC regulations that govern the distribution of third-party research. |
| Your advisor or representative may make permitted personal investments in private companies that manufacture investment products | Control | <ul style="list-style-type: none"> Your advisor or representative must have approved by us any such private investments when they are made. If such personal investments have been approved, your advisor or representative will disclose such an investment to you in writing |
| | Disclosure | <ul style="list-style-type: none"> Industry regulations dictate our best price and best execution obligations to you. |
| Employee uses personal account to deal ahead of large customer order | Avoid Control | <ul style="list-style-type: none"> Highgate Group has strict policies and procedures that are distributed and adhered to by all the firm’s personnel with regards to frontrunning and client priority. |

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| Individuals registered with us may also be registered with another registered firm | Disclose Control Avoid | <ul style="list-style-type: none"> • These relationships are subject to legislative and industry regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm. Such restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. • We have adopted internal policies and procedures that supplement the regulatory requirements, including policies on privacy and confidentiality of information. • We may disclose to you certain outside business activities as required by our regulator. |
| We may permit certain individuals who are registered with us (including your investment advisor or account representative) to be employed by, participate in, or accept compensation from other persons or firms, outside the scope of his/her relationship with us. | Disclose Control Avoid | <ul style="list-style-type: none"> • These relationships are subject to legislative and industry regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm. Such restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. • We have adopted internal policies and procedures that supplement the regulatory requirements, including policies on privacy and confidentiality of information. • We may disclose to you certain outside business activities as required by our regulator. |
| Individuals may serve on a board of directors or take on other activities that could take time or attention away from your account | Avoid | <ul style="list-style-type: none"> • Securities legislation prohibits an individual from serving as a director of another registered firm that is not an affiliate of our firm. |
| | Control | <ul style="list-style-type: none"> • When an advisor or representative sits on a board of directors of a charity or undertakes other community activities in any substantive way, they are subject to regulatory guidance on the disclosure and approval of outside business activities |
| We have discretion or control over transactions in your account if it is a managed account or pooled investment fund | Disclose Avoid Control | <ul style="list-style-type: none"> • Regulations require that we disclose and obtain your specific approval to purchase related and connected securities when we have discretionary power to do so. • We are required by securities legislation to prohibit transactions where the individual advisor may have an interest or have influence or control. • When we have discretionary power to manage your account for you, regulations require that we disclose to you and obtain specific approval to buy securities of either related and connected companies or issuers for whom we are offering securities as syndicate agent. |
| We may sell you securities which we own (called principal trades) and profit by doing so. | Disclose | <ul style="list-style-type: none"> • We will tell you whether we acted as principal or agent for each transaction on the trade confirmation. • In the case of fixed-income securities we are required to provide you with a stated yield to maturity so you can assess the competitiveness of our pricing. |