



NOUR
PRIVATE WEALTH



Relationship Disclosure

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A. RELATIONSHIP DISCLOSURE

1. INTRODUCTION

At Nour Private Wealth Inc. (NPW), we believe that the best way to help you meet your financial goals is by providing you with the account type(s), information, and access to investments that best suit your individual needs. Through this Relationship Disclosure brochure, we would like you to have a good understanding of the features of your account, how it operates, the products and services we offer, and our responsibility to you. This disclosure covers how investment suitability is assessed and how we are compensated for our services. Our advisors are the primary point of contact with our clients. NPW advisors have an obligation to deal with you in an ethical and professional manner. This includes, among other things, keeping your personal information confidential, having written procedures to ensure that you receive a proper level of service and ensuring employee and advisor activities adhere to the applicable regulatory and compliance rules.

2. INFORMATION REQUIREMENTS

Understand the potential risks and returns on investments. Carefully review the sales literature provided by the firm or selected third party providers. Where appropriate, consult professionals, such as a lawyer or an accountant, for legal or tax advice. Ask questions and request information from your NPW advisor to resolve any questions about your account, transactions, investments, relationship with the firm and/or a registered individual acting for the firm. Stay on top of your investments and pay for securities purchases by the settlement date. Make sure you understand your use of margin and the impact such leverage can have on your investments. Review all the account documentation provided by your advisor and the firm as well as regularly review portfolio holdings and performance.

NPW will update this Relationship Disclosure when there are material changes to it as well as send a written copy of the change(s) to all clients and post the change(s) on our website at www.npw.ca. Please contact your NPW advisor should you have questions related to any of the content in this document. At the time of your account opening, or shortly thereafter, you will be provided with a copy of your account application.

3. NOUR PRIVATE WEALTH INC. (NPW)

NPW is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian Investor Protection Fund (CIPF). We are your investment dealer and are an introducing broker on the account. As the introducing broker, we are responsible for, among other things, the supervisory oversight, obtaining KYC information, and determining the suitability of trades. Through our advisors, we provide investment advice and services to retail clients.

4. FIDELITY CLEARING CANADA ULC (FCC)

NPW has entered into an introducing/carrying broker agreement with Fidelity Clearing Canada ULC (FCC) to provide back-office, trade execution, settlement and client reporting services to you. All client accounts are held in custody by FCC. All investments shown on your statement are held by FCC. All trades executed on your behalf are settled by FCC. All funds are deposited and withdrawn through FCC's banking and back-office systems at the direction of NPW. FCC reports all your account's trading activity to you and to NPW daily. FCC is also responsible for tax reporting (except for tax forms relating to mutual fund distributions on non-registered accounts, which will be issued to you directly by mutual fund companies, where applicable). FCC does not give investment advice, determine the suitability of your investments and is not responsible for and does not supervise any investment advice given to you by your NPW advisor. In addition, FCC is under no duty to evaluate the appropriateness, accuracy or quality of any instructions received from you or your NPW advisor. If, under any circumstances, any transaction for your account is not reported to you on the trade confirmation slip or on your monthly statement, it should be reported to your advisor, their branch manager or NPW's compliance department.

As an investment dealer, we will act as a financial intermediary. It is common practice in the investment industry that, at times, we may be the party on the other side of your transaction in acting for ourselves (Principal trading) or another one of our clients. However, our business model is to act primarily as an agent for our clients. We simply facilitate transactions between you and a third party, the other side of the transaction, and we do so through the various stock exchanges we trade on. Through this agency relationship, we have no ownership interest in the securities traded.

Fidelity Clearing Canada ULC is jointly owned by Fidelity Canada Investors LLC (Fidelity Canada) and Fidelity International Limited. Fidelity Canada and FMR LLC, which operates in the United States under the Fidelity Investments brand name, have significant ownership at the shareholder level and have substantial bilateral relationships, including in the clearing and brokerage area. Fidelity Clearing Canada ULC leverages services and expertise from National Financial Services LLC Fidelity Investment U.S. clearing broker-dealer, which has over 3,100 clearing and custody firm clients and is the largest brokerage platform in the United States representing USD 1.6 trillion in assets under administration.

Fidelity Investments is one of the largest providers of financial services in the world, with custodian assets of USD 6.8 trillion, including managed assets of USD 2.4 trillion as of December 31, 2017. The firm is one of the largest mutual fund companies in the United States and a leader in workplace retirement savings plans.

5. PRODUCTS AND SERVICES

Our investment products include:

- Cash-like investments
- Guaranteed Investment Certificates (GIC)
- Treasury bills (T-Bills)
- Fixed income debt (Bonds) and debentures, including federal, provincial and corporate debt securities
- Preferred shares
- Equities (stocks) including warrants and rights,
- Investment funds such as mutual funds, exchange-traded funds (ETFs), and pooled funds.
- Alternative investment products, such as options, income trusts, hedge funds, and private placements.

Your advisor can explain these investment products to you, including 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 the “Investments at a Glance” booklet prepared by the Canadian Securities Administrators at www.securities-administrators.ca.

We provide several advisory accounts and fee-based accounts (under the Prestige Investment Program) for its retail clients, such as

- Non-Registered accounts (Cash)
- Margin accounts
- Registered Plans (RRSP, RRIF, TFSA, RESP, RDSP and all types of locked-in plans)
- Options (by qualified advisors only).

We also offer accounts in Nominee Name and Client Name. Investments in Nominee Name are held in FCC’s name as the acting agent for your account. Investments in Client Name accounts are registered in your name directly on the books and records of the fund company maintained by or on behalf of the manager of the fund.

Other Services Offered by Advisors

Your advisor may be involved in a business activity or offer products and services that are unrelated to NPW. These are referred to as “Outside Business Activities” and include any activities conducted outside of the dealer member by an approved person, for which direct or indirect payment, compensation, consideration or other benefit is received or expected.

Outside business activities also include any position of influence or an officer or director or other equivalent position held by a registrant. The most common outside business activities for advisors are the sale of life insurance products and segregated funds. Your advisor may only engage in outside business activities that have been pre-approved by NPW compliance. NPW also provides annual reviews of all outside business activities to ensure compliance with securities regulations.

This document is being provided to you to ensure that you are aware that, in addition to his/her IIROC registration, your advisor may also hold a licence with, and be regulated by, a regulator other than IIROC, or involved in an unregulated outside business activity. It is also important that you understand:

- Your advisor’s “Outside Business Activities” are not the business of NPW.
- NPW makes no representations or warranties and assumes no liability with your advisors outside business activities.
- The remuneration earned by your advisor may vary depending on the products and services purchase.
- Your personal information cannot be shared without your prior written consent or as required by regulation.

The pre-approval of outside business activities is based on conditions. These conditions are:

- That the activity follows any condition set out by the applicable securities commission.
- That NPW has approved the outside business activity and reported it to our regulator.
- That the advisor follows the policies and procedures in place at NPW to ensure continuous service and that potential conflict of interest have been identified and addressed.
- That the occupation is not one which would bring the securities industry into disrepute.

The recent amendments to IIROC’s Dealer Member Rules, which prohibit any personal financial dealing with clients, stipulate that receiving any compensation directly from anyone other than the dealer member for activities conducted on behalf of a client is prohibited. It should be noted, however, that an exception is provided in the case of any compensation received from a client that is in exchange for services provided through an approved outside business activity.

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 visiting our website, speaking with your advisor or reading the information included with your statements or in other communications.

Referral Arrangements

Securities legislation requires every NPW Advisor to inform clients of any referral arrangements where they pay or receive fees for client referrals. To provide products and services suitable to meet the financial planning needs of our clients, NPW may enter into referral arrangements for certain products and services. Referral fees paid to the firm under a referral arrangement will vary depending on the product or service purchased by the client. The referral fee may change at any time depending on the products and services being offered by NPW. Generally, a referral fee will be either a percentage of the account balances, a percentage of revenue generated or a fixed fee. NPW is registered as an investment dealer under securities legislation. Securities legislation requires that a written referral arrangement must be agreed to prior to paying or receiving a referral fee for client referrals. NPW advisors may also be compensated for client referrals. A written disclosure, including information about the calculation of the referral fees and any identified conflict of interest, will be provided to you before you open an account, or any service is provided to you by the person or company receiving the referral. NPW currently has no referral arrangements in place.

6. ACCOUNT RELATIONSHIP

The success of our relationship is very important to us. It is important to know the various roles and responsibilities that you, your advisor and NPW have with respect to your account(s) as well as what you can expect with respect to services and cost. Currently, NPW offers our retail clients commission or fee-based advised accounts.

Your advisor is responsible for providing you with suitable and unbiased investment recommendations to you that meet the standard of care expected of a trained investment professional based on the Know Your Client (KYC) account opening information that you provided to us when your account was opened. It is very important that any changes to your personal circumstances are communicated to your advisor. You (or your authorized representative) direct all trading and are responsible for all investment decisions regarding your account.

What You Can Expect From NPW

NPW's responsibilities to you include:

- providing you with relationship disclosure information
- assessing the suitability of investments in your NPW account(s)
- reporting account activity to you through trade confirmations, account statements and various other requirements mandated by securities laws and regulations
- providing you with fund facts, prospectuses, offering memoranda and/or other product disclosure documents where required by law
- supervising advisors
- handling any complaints regarding its services in a fair and reasonable manner

The success of our relationship is also dependent on your responsibility to:

- provide your advisor with accurate, up-to-date Know Your Client (KYC) client information
- carefully and promptly review all communications from NPW, including trade confirmations and account statements, and promptly inform us of any errors
- actively participate in the account relationship by asking questions and contacting NPW immediately if you are unsatisfied with the handling of the affairs in your account(s)
- review any and all product disclosure documents, including fund facts, prospectuses and offering memoranda, provided to you in connection with the investments you make in your account(s).

“Unknown Address” Accounts

If you move, you are required to inform NPW in writing of your new address. Without a signed written notice of your change of address, we cannot amend our records. If we do not receive notification and the mail is returned, a hold mail will be flagged on the account and it will be restricted to liquidating transactions only. Be reminded that we can only send contract, statements and funds to the address that is recorded in our system. NPW reserves the right to charge a \$50 per month fee plus applicable sales taxes on accounts that have an unknown address. If any account being charged the fee has no cash to cover the payment, a holding will be sold.

7. SUITABILITY AND “KNOW YOUR CLIENT” INFORMATION

NPW and your advisor must assess whether investments in your account(s) are suitable for you. This is accomplished by considering a variety of factors related to your investment goals and personal circumstances. These factors are known in the securities industry as Know Your Client or KYC information and are described further below.

It is important for you to understand how your input through the account application process you complete is critical to help you meet your goals and expectations.

Securities regulators have recommended that we promote active client participation for a mutually successful relationship. Regulatory guidance (National Instrument 31-103: Registration Requirements, Exemptions and Ongoing Registrant Obligations) requires us to ask you to:

Provide full and accurate information to the firm and the registered individuals acting for the firm. Promptly inform your advisor of any change to your information that could reasonably result in a change to the types of investments appropriate for you, such as a change to your income, investment objectives, risk tolerance, time horizon or net worth. Until you provide us with complete and up-to-date (KYC) account information, our regulators restrict us from any account transaction other than liquidating transactions, transfers, payment and deliveries out of funds or securities.

Before we provide you with recommendations as to which investments to purchase, or if you ask us to buy or sell a security, we will first see if we believe the investment is suitable for you according to our understanding of the information you have given us when you completed your account application (KYC) form. That is why keeping this up to date and accurate is very important. We know many people are concerned about sharing some of this information. However, without all the necessary information, we may 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 as to an investment’s suitability include:

Net worth: This is the total of all your assets (e.g. house, investments) less your liabilities (e.g. debt, mortgage).

Annual Income: This is the amount of your annual income from all relevant sources.

Investment knowledge (Experience): This refers to your understanding of investing, investment products and their associated risks. Your investment knowledge will be assessed and categorized as:

- **Sophisticated:** You have traded in most types of investment vehicles; this would include options, futures, commodities, private placements, short selling strategies, non-brokered issues, private companies, restricted securities and have an understanding of the risks and rewards inherent in these types of securities. You are likely to qualify as an accredited investor.
- **Good:** This would include trading experience and knowledge of the basic characteristics of fixed income securities both debt and preferred shares, common stocks, options, rights and warrants and understanding the various risk involved with the different type of securities.
- **Limited:** You have some experience likely with mutual funds or another managed product. You might have done a small amount of trading in common stocks but may not have a full understanding of the basic characteristics of various investments or the risk associated with them.
- **Poor:** You have little or no investment experience or knowledge of the basic characteristics of investments or the risks associated with them.

Investment objectives: These are the financial goals you want to achieve with the investments in your account(s). Certain investments would not be considered appropriate for certain objectives. Your investment objectives would include earning income, short-term capital gains, medium-term capital gains and long-term capital gains. Your account will be designated as having one or a combination of these objectives, which can be described as follows:

- **Income** – Your main objective is to generate regular income from your investments and you are less concerned with capital appreciation. Investments that will satisfy this objective include bonds and other types of debt securities and dividend-paying equity securities as well as mutual funds that hold these types of investments.
- **Short, medium or long-term capital gains** – Your objective is capital appreciation you do not need to receive regular income from your investments. Investments that may satisfy this objective include equity securities or mutual funds that invest in equity securities. Short-term capital gains are capital gains you expect to realize in approximately three years or less, while medium-term capital gains are capital gains you expect to realize in four to five years. Long-term capital gains are capital gains you expect to realize in six years or more.

Time Horizon/Age: This is when you expect to need your investments, for example, to buy a house, pay for education or fund your retirement. Tax implications of withdrawing minimum amounts will also be considered. The time horizon plays an important role in setting return objectives and defining liquidity constraints.

Risk Tolerance: This is the extent to which you are comfortable with the possibility of losing money on your investments. The risk rating of the investments in your portfolio should be consistent with your risk tolerance. Investment risk levels are described as follows:

- **Low Risk** – I want to preserve my initial principal and I would be uncomfortable if I am losing money. I am not willing to take on much risk. I do understand that there are some inherent risks in all investments. My desire to not have risk means that I am willing to accept situations where my account may not generate much income or returns, and I may not keep pace with inflation. Appropriate assets may include cash, Treasury bills, GICs, Government bonds with short maturities, Bankers Acceptance and money market mutual funds.

- **Medium Risk** – I am willing to accept some risk to my initial principle and tolerate some volatility to achieve higher income and/or returns. I understand that I may lose part of my invested capital and am aware that good companies in bad markets go down. I understand that if I require my funds quickly, losses may be incurred based on current market conditions. Some general examples of medium risk investments would include medium and longer term fixed income debt and preferred securities. Common stocks trading above \$5, some securities between \$3 and \$5 may qualify, issuers that qualify for reduced margin rates or have a good record of paying dividends and most preferred and convertible securities. I understand that risks, markets, economies and corporate situations change, and I should stay informed regarding my investment and keep in contact with my investment advisor.
- **High Risk** – I am willing to accept increased risk with my invested capital, including high volatility to seek higher income and/or returns either over time or in the short term. I understand that I could lose large portions or possibly all my money invested. Some examples include most stock trading under \$5, junior mining, resources, technology securities, as well as new emerging industries and economies. Any private equity or exempt security offered with a prospectus exemption via limited partnership or offering memorandum, any individual flow through securities or non-brokered offering, most TSX Venture listed companies, all Pink sheet and Over the Counter Bulletin Board (OTCBB) traded equities and structured products with options or futures imbedded are considered high risk investments.

Note: In addition, any mutual fund holding securities that individually represent a particularly risky category would be placed in that risk category. The above lists are not to be considered comprehensive.

Investment Portfolio Composition and Risk Level

This relates to how the purchase or sale of a security affects your holdings in or balance of your overall account(s) in terms of allocation of holdings between debt, equity and other classes, and the riskiness of the assets held.

Our understanding of your profile is critical. Some of the above factors are relatively easily answered with a “yes” or “no” or a number. However, some are more complex, particularly your risk tolerance.

The combination of these factors that make up your profile will help us suggest the allocation of your holdings between, for example:

- registered (tax-advantaged) and non-registered accounts;
- debt, equity, mutual fund and other instruments;
- Canadian and foreign investments;
- whether to borrow to invest (margin) rather than paying in cash only;
- terms of specific instruments; and
- the riskiness of both individual securities and the combination of securities in your portfolio.

Below, we provide a summary of the procedures we use to help you understand how we bring all the information you provide to us into decisions as to what investments to recommend to you.

Other Common Risks

Generally, other risks can be classified as market-related or security-specific. Risk factors to which every investor is subject irrespective of their specific investment holdings are market-related risks. These include:

- **Market-Related Risks**
- **Market Risk** – Investments are subject to the risk of a general market decline in response to changing conditions in the domestic or global economy. These market-wide changes can be unpredictable and beyond anyone's ability to forecast.
- **Inflation Risk** – Inflation reduces an individual's future purchasing power and their real investment returns.
- **Interest Rate Risk** – Interest rate changes affect the value of fixed income securities. An increase in interest rates will result in a drop in the market value of a fixed income security.
- **Security-Specific Risks** – Risk factors that can affect the value of a specific investment holding include:
- **Product Risk** – Stocks generally carry a higher level of risk than bonds. Short-term government debt securities are very low risk, with the degree of risk increasing with longer-term government bonds, investment grade corporate bonds and other corporate bonds.
- **Business Risk** – Business specific risk factors can affect a company's profitability. The failure of a new product, labour difficulties, high debt levels and the performance of competing firms are some of the specific risk factors that may contribute to a company's level of business risk.
- **Foreign Exchange Risk** – Foreign exchange rate changes affect the value of investments in companies that buy and sell products/services in foreign countries and are denominated in a foreign currency.
- **Reducing Security-Specific Risk** – Holding a well-diversified portfolio of investments will reduce your security specific risk, for example investing part of the equity portion of a portfolio in shares of companies in different business sectors or based in different countries.

Suitability Process

We use a three-step approach to determine if an investment is suitable for you. Based on discussions with you and your answers provided on the account application form (KYC), we determine whether you are a risk-averse client, somewhat risk-tolerant or can accept higher losses in the search for higher gains. We consider investments as low, medium or high risk. For example, a GIC is low risk, whereas borrowing to invest in stock from companies in developing countries is very high risk. We consider other relevant factors, for example, if you are risk-averse, but have a reasonable number of financial assets and you want to invest a small amount of your overall account in a new issue of a start-up company run by someone you know and whose business acumen you respect, we would tell you that while the specific investment is not suitable for you, it might be acceptable if you can "afford" to lose some money, even that entire investment. A somewhat unsuitable investment that is small in proportion to the total portfolio may be acceptable if you are comfortable with the risk. If, when you place an order, what you would like to invest in is not consistent with what your profile suggests to us, we may advise against proceeding with the order and ask you to sign a letter recognizing we advised against it, we may accept the order if the amount is not material or require a review to update your account information based on your changing objectives and risk tolerances. Delays in processing the order may occur and NPW reserves the right to reject any order deemed unsuitable at its discretion.

Suitability Review Timing

When accepting each of your orders or recommending a security or strategy to you, your advisor will review each order or strategy in the context of the six KYC suitability factors described above.

NPW will also conduct a suitability determination when:

1. securities are deposited or transferred to your account/(s);
2. the advisor responsible for the account changes; and/or
3. there has been a material change in your personal or financial circumstances or objectives and a change notice or account KYC update has been received.

If, during the suitability determination, we identify any concerns, we will discuss them with your advisor who will discuss the situation with you. We may be required by our regulators or good business practice to document our discussions and, if we are strongly concerned with your decision to maintain unsuitable investments or proceed with unsuitable strategies, we may refuse to execute the transaction and or terminate our relationship by restricting your account to liquidating transaction only and requesting you to transfer your account to another dealer.

To ensure that the position(s) held in your account or accounts is/are suitable for you as time passes, we will review the suitability of the investments in your account(s) and your holdings altogether:

1. when required due to one of the reasons described hereinabove;
2. on a selective post-trade basis by the branch managers and/or the compliance department.

Given the long-term nature of investing for most clients, we do not automatically review the suitability of the investments held in your account(s) when there are market fluctuations, even large fluctuations. Changes in individual investments caused by market or management fluctuations may also result in changes to the suitability determination. Upon your request, your advisor is ready to discuss the effect of market fluctuation as well as any impact or change in your investments. We encourage you to speak with your advisor, especially if you expect to need to convert your assets to cash soon (for example, for a major purchase such as a house), or if you want to change your objectives when you retire and in the case of other major changes to your KYC account profile.

8. CONFLICTS OF INTEREST

A conflict of interest may arise in circumstances where the interests of different parties (such as you and your advisor) are inconsistent or divergent. Actual, potential and perceived conflicts of interest arise where an action or decision by someone has the effect of benefiting others at that person's expense. Such conflicts exist in almost all human interactions and, as we are an intermediary, acting for both buyers and sellers, conflicts will arise from time to time:

- between you and our firm as well as between you and your advisor;
- between you and our other clients: we act for many clients and must allocate investment opportunities fairly among all of them, so as not to intentionally favour one client over another;
- between us and our related or associated companies.

We have policies and procedures in place to address the handling of conflicts of interest.

- **We avoid** conflicts prohibited by law as well as conflicts that we cannot effectively control.

In situations that we do not or cannot avoid, where our interests may compete with yours, your interest is always given priority by our acting in one of two ways:

- **We control** or manage acceptable conflicts by attempting to physically separate different business functions, restricting the internal exchange of information in person or through systems, reducing the possibility of one part of our organization unsuitably influencing another, removing the financial incentive of an employee to favour a particular product or service over another that may be more suitable, and setting up and testing our operational review and approval processes.
- **We disclose** information about any remaining conflicts to you so that, when you evaluate our recommendations and actions, you can assess independently if conflicts are significant for you.

To help you understand and assess material potential and actual conflicts of interest, we have prepared a more detailed explanation of typical conflicts with examples of what we do in the case of any material ones, which can be found at www.npw.ca. If you have any questions or concerns, regardless of whether they involve conflicts of interest or anything else, please ask your advisor for an explanation and more information.

9. OPERATION OF YOUR ACCOUNT(S)

The operation of your NPW account(s) is governed by the terms included in the New Account Application and the Client Account Agreement. Depending on the type of account you have or the program in which you are enrolled, your account will also be governed by the terms of the Margin Account Agreement for margin accounts and the Prestige Investment Program application for the Prestige Investment Program. If you have a registered account, your registered plan will be governed by the Declaration of Trust attached to the registered plan application form. All applicable agreements and contracts will be provided to you upon the opening of your account(s).

You are responsible for carefully reading and ensuring you understand and agree to all account opening documentation and subsequent account related documentation, prior to signing.

10. ACCOUNT REPORTING

Trade Confirmations

You are provided with written confirmation, by post mailed no later than two days after any transaction has been completed with the details of every purchase or sale. Please look for and review your confirmation as soon as you receive it. It should also be retained to assist with Income Tax filing. Should you have any questions regarding the transaction, call your advisor immediately.

Account Statements

You will receive your brokerage statements directly from our carrying broker FCC monthly if there has been activity in your account. Otherwise, statements will be sent on a quarterly basis for the months of March, June, September and December.

Every statement sent by FCC/NPW provides an independent confirmation of your holdings. Your account statement confirms all the account activity, including the purchases and sales of securities, contributions and withdrawals, dividends, interest earned paid transfers, and any other transactions that occurred in your account over the previous period.

These statements are deemed to have been acknowledged as correct, being approved by the client, unless we have received written notice to the contrary within fifteen days after it has been sent to the client.

Note: These statements also list your current holdings and the net value of your portfolio as if you had closed all the positions as of the date on the statement. The value of most securities you hold is calculated and collected by FCC from sources and are believed to be accurate; NPW takes no responsibility regarding the accurateness of these valuations, but the firm does randomly check security pricing monthly. In the case of securities that

have ceased trading, where the company is bankrupt, in the instance of thinly traded securities and of Canadian Controlled Private Corporations (CCPC), where external valuations are usually required at the owner's cost, and the costs can be significant, we may use N/A or the previously posted value.

Report on Client Positions Held Outside of the Dealer Member

NPW must send a quarterly Report on client positions held outside of the Dealer Member (hereinafter referred to as "outside holdings") to each retail customer who, at the end of the quarter, holds outside of NPW, either in book-based client name or physical client name, one or more security positions:

- In securities issued by a scholarship plan, a mutual fund or an investment fund that is a labour-sponsored investment fund corporation, or labour-sponsored venture capital corporation, under the legislation of a jurisdiction of Canada and the dealer or advisor is the dealer or advisor of record for the client on the records of the issuer of the security or the records of the issuer's investment fund manager; and
- In any other security on which the Dealer Member receives continuing compensation payments related to the client's ownership of the security from the issuer of the security, the investment fund manager of the issuer or any other party.

The report must include all the following information about the client's outside holdings at the end of the period for which the report is made:

The name and quantity of each security position and for each security position where the market value is determinable:

- The market value;
- The total market value; and
- If applicable, the notification required pursuant to clause 200.1(c)(ii);

Where the market value is not determinable, the notification required pursuant to clause 200.1(c)(iii). The report must also include for each security position:

- Where the cost is determinable, either the cost or the total cost; and
- Where the cost is not determinable, the notification required pursuant to clause 200.1(b)(iii);

Moreover, a notation setting out the definitions of the calculation methodologies used to calculate the individual position cost information included in the statement, provided that the individual position cost information included in the statement is calculated using:

- (a) The "book cost" calculation methodology, the definition language set out in subsection 200.1(a) or language that is substantially similar must be used as the notation; and
- (b) The "original cost" calculation methodology, the definition language set out in subsection 200.1(e) or language that is substantially similar must be used as the notation;

The total market value of all the security positions, the total cost of all the security positions and the name of the party that holds or controls each security position and a description of the way it is held. In the case of clients with any outside holdings which might be subject to a deferred sales charge if they are sold, a notation identifying each security position that might be subject to a deferred sales charge and the report must indicate that the client's outside holdings are not covered by the Canadian Investor Protection Fund and whether the securities are covered under any other investor protection fund approved or recognized by a Canadian securities regulatory authority and, if they are, the name of the fund.

Account Fees and Charges Report

Fees and charges are reflected on your statements and you have been advised on our fees schedule. You received a copy of our fee schedule when you opened your account with NPW. We will send a fee/charge report to each retail client at the end of the year. The report will include a discussion of the operating charges which might be applicable to the client's account, the total amount of each type of operating charge related to the client's account paid by the client during the period covered by the report, the aggregate total amount of all the operating charges related to the client's account paid by the client during the period covered by the report, the total amount of each type of transaction charge related to the purchase or sale of securities paid by the client during the period covered by the report, and the aggregate total amount of all transaction charges related to the client's account paid by the client during the period covered by the report.

If we purchased or sold debt securities for the client during the period of the report, either of the following:

- The total amount of any markups, markdowns, commissions or other fees or charges the we applied on the purchases or sales of debt securities;
- The total amount of any commissions charged to the client by us on the purchases or sales of debt securities and, if the we applied markups, markdowns or other fees or charges other than commissions on the purchases or sales of debt securities, the following notification or a notification that is substantially similar:

"For debt securities purchased or sold for you during the period covered by this report, NPW remuneration was added to the price you paid (in the case of a purchase) or deducted from the price your received (in the case of a sale). This amount was in addition to any commissions you were charged."

The total amount of each type of payment, other than trailing commissions, that is made to the NPW or any of its registered individuals by a securities issuer or another registrant in relation to services provided to the client during the period covered by the report, accompanied by an explanation of each type of payment and if the NPW received trailing commissions related to securities owned by the client during the period covered by the report, the following notification or a notification that is substantially similar:

"We received \$[amount] in trailing commissions in respect of the securities you owned during the period covered by this report."

Investment funds pay investment fund managers a fee for managing their funds. The managers pay us ongoing trailing commissions for the services and advice we provide you. The amount of the trailing commission depends on the sales charge option you chose when you purchased the fund. You are not directly charged the trailing commission or the management fee. However, these fees affect you because they reduce the amount of the funds returned to you. Information about management fees and other charges to your investment funds is included in the prospectus or fund facts document for each fund."

The information in respect of securities of a client required to be reported under subsection 200.2(e) of the IIROC Rule [Report on client positions held outside of the Dealer Member] must be included in the report for each of the client's accounts through which the securities were transacted.

Account Performance Report

NPW through its carrying broker will send an annual performance report to each retail client as part of the year reporting. This report will include the total combined market value of all cash and security positions. A total combined market value of all the deposits and transfers in of cash and security positions. A total combined market value of all withdrawals and transfers out of cash and security positions. A total combined change in market value of all cash and security positions. The amount of annualized total percentage return calculated net of charges using the money-weighted rate of return methodology for a period of 12 months, 3 years, 5 years and 10 years

as the statistics become available. The required information will be provided using text, tables and charts and be accompanied by notes explaining the content of the report and how a client can use the information to assess the performance of the client's investments and the changing value of the client's investment as reflected in the information in the report. This report will be a separate document from the monthly statement.

If a client has positions outside the firm that were set up by our advisor

The information in respect of the securities of a client required to be reported under subsection 200.2(e) IIROC Rule [Report on client positions held outside of the Dealer Member] must be included in the report for each of the client's accounts through which the securities were transacted.

Future Reporting Enhancements

In conjunction with our carrying broker, we regularly look at ways to improve the reporting and documents we provide to you to make them more informative, clearer and useful for you and other clients. As part of our service commitment, we will keep you posted on the timing of changes and how to understand new report formats. For updated information at any time, please ask your advisor or visit www.npw.ca. Substantive updates will be mailed to you.

We hope to enjoy a long successful relationship with you and look forward to serving you, your family and anyone you may refer to us.

We think that open communication is the best way to achieve this, but misunderstandings can arise and mistakes can occur. If you have complaints (or compliments), please let us know.

Benchmarks

A benchmark is a point of reference that is commonly used to compare and assess the performance of an investment. It is usually an index of securities of the same or similar asset class and geography. For example, if a fund invests mainly in Canadian stocks, the benchmark might be the S&P/TSX Composite Index, which tracks companies trading on the Toronto Stock Exchange. A benchmark's performance represents the returns over time of the select group of securities that forms its index. Benchmark indices are typically owned by specialized firms (for example, Standard & Poor's) that receive real-time and historical data from the source exchange. By comparing a fund to an appropriate benchmark, you can see how the investments held by the fund performed compared to the market or sector in general.

11. ELECTRONIC DELIVERY AND ACCESS TO ACCOUNT INFORMATION

Electronic Delivery of Documents

Securities law permits us to deliver some documents by electronic means if the consent of the recipient to the means of delivery has been obtained. Please provide your electronic mail address if you have one. Electronic delivery of documents by the intermediary may be available upon your consent. To provide your consent, please contact your Advisor.

Contact

If you have any questions or want to change your instructions in the future, please contact your Advisor or the Compliance Department at Tel. 905.845.9090, Fax 905.845.3115 or by mail to Compliance 2845 Bristol Circle Oakville, Ontario L6H 6X5.

NATIONAL POLICY 11-201
CONSENT TO THE ELECTRONIC DELIVERY OF DOCUMENTS

The Client

TO: Nour Private Wealth Inc./Fidelity Clearing Canada ULC

I have read and understand this “Consent to Electronic Delivery of Documents” and consent to the electronic delivery of the documents listed below that the deliverer[s] elect[s] to deliver to me electronically, all in accordance with my instructions below.

Confidential in Nature

Trade Confirmations:

Monthly Statement:

Year End Tax as required:

Non-Confidential

New Issue Prospectus:

Fund Facts Reports:

Substantive updated to our Relationship Disclosure:

In the case of Confidential Information, an email will be sent to the email address you provided to us at the time your account was opened or to the updated address you have subsequently provided to us in writing. This will act as your notification that documents are now available to you on our Investor Portal.

In the case of Non-Confidential Information, an email will be sent to the email address you provided to us at the time your account was opened or to the updated address you have subsequently provided to us in writing. You will be deemed to have received the email if it is not returned.

When a statement confirms, or tax documents are created, and the client has enrolled for electronic delivery, FCC will send an email to the client's email address on file.

The documents are PDF 1.5, which requires Adobe Reader 6.X or newer (Adobe Reader DC is the latest). Please see the Adobe website for the Adobe Reader system requirements as they are different based on the client's operating system. The portal website requires a web browser and connection. Although unsure of the specifics, we believe all major browsers are supported (IE, Firefox, Chrome, and Safari). Mobile browsers may not be able to access the site.

We set up one ID per client in the database. For example, a household containing: Husband, Wife, Joint, and corporate would obtain four login IDs for the website that would only see their accounts.

I acknowledge that I may receive from the NPW a paper copy of any documents delivered electronically at no cost if I contact them by telephone at 905.845.9090, regular mail to 2845 Bristol Circle Oakville, Ontario, L6H 6X5 or electronic mail at compliance@npw.ca.

The documents will be stored for seven years in case of an account that remains open and seven years from the creation date in case of an account that has been closed.

I understand that I will be provided with a paper copy of any documents delivered electronically if electronic delivery fails.

The Investor Portal is a password protected secure site which ensures confidentiality and is available 24 hours a day for the retrieval of the stored documents.

I understand that my consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if I have provided an electronic mail address), at any time by notifying NPW of such revised or revoked consent by telephone at 905.845.9090, by regular mail to 2845 Bristol Circle, Oakville Ontario, L6H 6X5 or by electronic mail at compliance@npw.ca. I understand that I am not required to consent to electronic delivery.

12. PROCEDURES REGARDING HANDLING CASH AND CHEQUES

NPW does not accept cash for any transaction or deposit to any account. Payment for purchases of all securities and products offered by the firm should be made payable to NPW or FCC. Cheques should not be made payable to your Advisor for business conducted through the firm.

Please contact our compliance department at 905.845.9090 if you are asked to make a cheque payable to your advisor or any other person, company or entity other than NPW or FCC. There may be occasions that require a cheque to be made payable to another financial institution (e.g. a chartered bank) or law office in trust. Should any of these situations occur, the transaction will be properly explained in advance.

13. CHARGES AND COMMISSIONS RELATED TO YOUR ACCOUNT(S)

You will pay account charges in connection with the administration, transfer and termination of your NPW account(s). These servicing charges vary depending on account type, your investments, the type of activity in your account, and the programs you chose to participate in. Account servicing charges are billed directly to you or your account(s) and are set out in more detail in NPW's Administration and Service Fees brochure or your program agreement(s), where applicable.

NPW is compensated for the distribution of investment products and services. All commissions and fees are disclosed as required by regulation and vary depending on the accounts and services you use. We currently only offer advisory commission-based accounts and fee-based accounts. Advisory accounts at NPW are non-discretionary, which means your authorization is required on all orders. For these types of accounts, your advisor may be compensated in one or more of the following ways depending on the product type.

For a Commission-Based Account:

We charge a commission for every trade we make for you based on a flat dollar amount, a percentage of the value of the securities purchased or sold or another negotiated amount. For debt/fixed income securities, the commission is based on a flat dollar amount, a percentage of the value of the securities purchased or sold or another negotiated amount. Debt securities are sometimes subject to a markup when purchasing and a markdown when selling, these charges are typically imbedded within the purchase price. If your transaction is subject to an embedded commission, the total dollar amount will be identified on your trade confirmation along with the following statement "The investment dealer's remuneration on this transaction has been added to the price in the case of a purchase or deducted from the price in the case of sale." If this method is not used, a commission will be charged and recorded on the contract in the commission box. Every bond or debenture transaction will also state the yield to maturity on the contract.

For Equity Securities Including Options:

The commission is based on the flat dollar amount, a percentage of the value of the securities purchased or sold or another negotiated amount. A \$100 minimum commission will apply for the purchase and sale of individually listed equities and options. **Trades on foreign markets may also be charged transaction fees, SEC fees and any applicable exchange fees relating to each trade.**

For a Fee-Based Account (Prestige Investment Account):

In a Prestige Investment Account, the cost of service and advice, traditionally linked to a transaction or bundled in the product price, is featured as a flexible and transparent asset-based fee. These accounts are non-discretionary accounts, which means that authorization must be obtained by the client or person(s) authorized to provide instructions on the account prior to the execution of transactions. The Prestige Investment Program accounts will be charged a fee plus applicable taxes for trading, investment advice, account administration and service, and ancillary services provided by the advisor. A certain number of commission-free trades are permitted in a

12-month period. Additional costs may apply for trades executed on international exchanges. The program fee is based on the positive cash balance and market value of eligible investments in the Prestige Investment Program account(s). The fee rate and billing frequency applicable to the account(s) are detailed on the Prestige Investment Program application form that a client signs on account opening.

For Mutual Funds:

There are different types of mutual fund products available, deferred sales charge (DSC) and low load (LL) funds which the mutual fund company pays a commission directly to us and can be as high as 6% in the case of DSC funds. There is a redemption schedule that outlines how long a client's money must remain with that fund company. If a client redeems/sells out from that fund company before the redemption schedule has ended, the mutual fund company will charge back a fee to the client. For each year of ownership, the fee declines, and mutual fund companies usually offer a 10% annual redemption free of any charge. An annual trailing commission or service fee is usually also paid to NPW on a monthly basis by the mutual fund company.

In front-end mutual funds (FE), the client pays the commission to NPW upfront. An annual trailing commission or service fee is also paid to the firm usually monthly by the mutual fund company. There are no redemption fees charged by the fund company on these types of mutual funds.

No-load mutual funds: NPW receives an annual trailing commission or service fee payable monthly based on the value of certain assets of the clients we service that are invested in mutual funds purchased under the no-load option.

F series mutual funds that tend to have no commission or annual service fee or trailers are usually held in fee-based accounts.

Mutual fund managers usually charge a percentage fee called a management expense ratio (MER) and these costs are charged to the fund and affect the funds' performance. From the MER, fund managers pay the above-mentioned trailing fees for the ongoing services we provide to you. In the case of equity mutual funds, front end funds (FE) generally carry a 1% trailer fee or annual service fee, and deferred sales funds (DSC) carry a 0.5% trailer fee or annual service fee.

Fees and commission for mutual funds are fully disclosed to clients in each mutual fund prospectus and fund fact document and are further disclosed as part of each mutual funds management expense ratio. The comparison between a fund in an F series and a fund in a DSC series of the same mutual fund is quantified by the embedded amount of the fees and commissions.

Embedded Commissions and Fees

Certain series of funds pay commissions and/or fees that do not appear on a trade confirmation and they are the least transparent method of payment. The most common of these is explained hereinabove, deferred sales charge mutual funds and annual service fee or trailers. NPW may receive compensation by way of a commission, trailer and/or brokers warrants from the buying or selling of mutual funds, limited partnership units, tax sheltered securities, non-brokered private placement, initial public offerings secondary public offerings, Canada and Provincial saving bonds and Guaranteed Investment certificates.

Please ensure that you read the prospectus or fund fact document of the mutual fund you are buying for all charges, commissions, fees, trailer fees, mutual fund manager fees and early redemption fees. If you require assistance in understanding these fees or in determining this amount, your advisor will be pleased to assist you.

NPW does not conduct Principal Trading as part of our business model. When a client trade is the other side of an employee trade, you will be notified on your trade confirmation with the message or a variation of "sold to principal/bought from principal".

We may also charge other account operation fees, which can include account maintenance fees, fees for failing to maintain a minimum balance, account transfer fees, account inactivity fees, wire transfer fees, “finder’s fees,” referral fees, third-party custodian fees, costs of account closing, SDRSP administration fees, attestations of assets, etc. A list of these fees is sent to all clients when they open their account. Ask your advisor if you would like another copy.

Interest Charges

If any account you have with NPW is in a debt position, we will deduct an interest charge from the account. Interest rate charges are available upon request. The firm and our carrying broker, FCC, share these charges. The interest is calculated based on the settlement date of the cash credit or debit balance in the account. The interest period is from the 16th to the 15th of each calendar month. Interest is paid or charged on or around the 23rd of each calendar month. All rates are calculated based on the conventionally reported Canadian or US prime rate + OR – a percentage.

Minimum Account Fees

NPW reserves the right to charge a minimum account fee. The account holder will be notified of the minimum asset level and the fee amount no less than 60 days prior to charging the fee. If any account being charged the fee has no cash to cover the payment, a holding will be sold.

Other Fees and Charges

You also may be subject to other costs relating to services that you use that are not our service offerings. For example, there may be charges levied by third parties for services that help you save more quickly and securely such as pre-authorized transfers. There may be penalties related to the early withdrawal from, or encashment of, certain instruments. Furthermore, if you own shares of small emerging companies, you may be required to pay for the valuations of these holdings to satisfy the Canada Revenue Agency’s requirements. Knowing about and planning for these costs are your responsibility.

Notice of Price Changes

We will provide you with a minimum of 60 days’ written notice of any new fee or changes in charges.

Note: Interest charged on accounts and commissions for executing trades are excluded from notice. Interest charges are typically charged on the 15th day of the month and will be shown on your monthly statement.

Reminder: For a full list of products and services, and the relevant commissions and fees, please ask your advisor.

Other Compensation Arrangements

NPW pays FCC for its carrying broker services and for the trustee services it provides by its trustee, Computershare. Under the Declaration of Trust, the “Trustee” is entitled to earn excess interest and profit over the published interest rate paid to you, if any, on any daily uninvested cash deposits in your registered plan. The Trustee may compensate FCC, and FCC may in turn compensate NPW in respect of such cash deposits. For example, the Trustee may pay FCC an amount equal to the Trustee’s prime rate, less a certain percentage, multiplied by such cash deposits, and FCC may share a portion of this payment with NPW on a similar basis.

14. COMPLAINT-HANDLING PROCEDURES

We want to know if you have any concerns regarding your NPW account(s) or your advisor. NPW has specific complaint handling procedures for responding to any client complaints. These complaint handling procedures are set out in the Client Satisfaction and Complaint Resolution section provided in Section E of this brochure. Your advisor will also provide you with a copy of the IIROC brochure “*An Investor’s Guide to Making a Complaint*” when you open your account with us. The IIROC brochure will help you understand your options should you not be satisfied with the outcome of our complaint handling process.

15. BUSINESS CONTINUITY PLAN – FIRM POLICY

Our firm’s policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees’ lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all the firm’s books and records, and allowing our customers to transact business. In accordance with IIROC Rule 17.16 in the event of an SBD, NPW is required to provide all clients’ access to their assets within 48 hours following the event. Access to assets means the ability of our clients to buy, sell or redeem securities and have assets, including cash, delivered out based on the client’s instructions. If we determine that we are unable to continue our business, we will assure our customers prompt access to their funds and securities.

16. RELATED/CONNECTED ISSUER

A person or company is a “related issuer” to a Registrant if, through the ownership of, or direction or control over, voting securities or otherwise, (i) the person or company is an influential security holder of the Registrant, (ii) the Registrant is an influential security holder of the person or company, or (iii) if each of them is a related issuer of the same third person or company.

An issuer distributing securities is a “connected issuer” to a Registrant if there is a relationship between the issuer and the Registrant, a related issuer of the Registrant, or a director or officer of the Registrant, or the related issuer of the Registrant, that might lead a reasonable prospective purchaser of the securities of the connected issuer to question whether the Registrant and the issuer are independent of each other for the distribution of the issuer’s securities.

NPW currently has no related issuers.

17. PRINCIPAL/AGENT ARRANGEMENT

Your advisor may be an employee or an agent of NPW. In either case, NPW will be irrevocably liable to you, and will continue to be liable to you for the acts and omissions of your investment advisor relating to NPW business as if the advisor were an employee of NPW. By continuing to deal with our firm, you accept our offer of indemnity.

Accounts With No Advisor

If the advisor who opened your account leaves the firm, it is important that you arrange for a new advisor. Having an advisor ensures that you are receiving the proper advice when required and that your objectives are being met. Your account must be updated and assigned to a new advisor. The branch manager or the Compliance Department will assist you in finding a new advisor, if necessary. NPW reserves the right to charge an account servicing fee to any account that does not have an advisor assigned to it. We also reserve the right to prohibit new purchases until a new advisor has been arranged for. The servicing fee shall be \$50 per month and per account. If any account being charged the fee has no cash to cover the payment, a holding will be sold. This fee may also be subject to the required applicable sales taxes. Any change will be communicated no less than 60 days prior to charging the new fee.

B. PERSONAL INFORMATION DISCLOSURE

We value you as a client and we are committed to protecting the privacy, confidentiality, accuracy and security of your personal information that we collect, use, retain and disclose in our efforts to providing you with superior products and services.

This Personal Information Policy spells out the responsibility of NPW (“we”, “our”, “us”), and your rights as our applicant, client, former client or claimant (“you” or “your”), regarding the collection, use and disclosure of your personal information.

Your Personal Information

NPW understands that trust is an important factor in our relationship, and at NPW we take this very seriously. Protection of your privacy and the confidentiality of your personal information is a fundamental part of our responsibility toward you. Clients of NPW are entitled to a high degree of care in the handling of their confidential information through our policies and procedures as well as state-of-the-art equipment and computer security measures. We ensure that your privacy and the confidentiality of your information are protected. The personal information you provide to NPW (or which the firm collects with you consent) with respect to your account application will be protected and maintained in a client investment file with NPW. The key components of the firm’s policy are as follows:

- The client’s knowledge and consent are required before an employee/agent may collect, use or disclose a client’s personal information;
- If any of the personal information collected is sensitive, such as health information, NPW must obtain additional written or oral consent from the client before using or disclosing the information;
- NPW shall use care when storing or destroying client’s personal information to prevent unauthorized access.

Our privacy policy, which includes important definitions and details on how we use your information, is provided below and at www.npw.ca.

What is Personal Information?

The term “personal information” refers to any information that specifically identifies you, including information such as your home address, telephone numbers, social insurance number, date of birth, assets and/or income information, employment history and credit history.

How are we accountable?

NPW is responsible for your personal information in its possession or custody, including personal information that has been transferred to, or received from, a third party in the course of commercial activities for processing or other purposes for which you have consented to us collecting, using and disclosing your personal information.

Why do we do it?

We collect, use, and disclose personal information to provide you with the investment products and services of NPW. Specifically, we collect, use and disclose your personal information to:

- Verify your identity and correct your personal information;
- Determine your eligibility for NPW products and services, and for products that may be of interest to you from business partners with whom we have formed an association, and offer you these products and services, as well as analyze the suitability of our products or services for you;

- Provide you with ongoing services, establish and maintain communications, and respond to your inquiries: determine prices, fees and premiums; investigate and settle claims; detect and prevent fraud;
- Compile statistics, conduct market research, and report to regulatory agencies;
- Investigate specific transactions or patterns of transactions to detect unauthorized or illegal activities; comply with our legal and regulatory requirements;
- Providing you and/or your financial advisor and/or dealer with confirmations, tax receipts, proxy mailings, financial statements and other reports.

Personal information may be collected, used or disclosed for any of these “Identified Purposes” set out hereinabove. If your personal information is not needed for one of the Identified Purposes, we will not use or disclose it without obtaining additional consent from you.

How do we do it?

We collect your personal information directly from you or through your financial advisor and/or dealer to provide you with services in connection with your investment, to meet the legal and regulatory requirements and for any other purposes to which you consent. Your personal information may be collected from a variety of sources, including:

- Applications, questionnaires or other forms that you submit for products or information, or on other forms filled out through telephone, email or face-to-face interviews;
- Your interactions with us, such as your transaction history and correspondence;
- Consumer reporting agencies, such as your credit history;
- Our website.

If you provide personal information to us or through any of the above-mentioned sources, you do so with the understanding that your personal information may be disclosed for the Identified Purposes among NPW employee or our third-party service providers such as transfer agents, portfolio managers, accounting or tax preparation services, where necessary. NPW may verify such information or obtain additional personal information about you by checking with government agencies, credit bureaus and other fact collecting and verifying entities to assist us for the Identified Purposes.

Your knowledge and consent are required before we disclose your personal information, except in special circumstances, such as during a fraud investigation, an investigation by the police or in situations otherwise permitted by the law. If any of the personal information that we collect is sensitive, such as health information, we will obtain additional written or oral consent from you before collecting, using or disclosing the information.

NPW may be involved in the sale, transfer or reorganization of some or all its business at some time in the future. As part of that sale, transfer or reorganization, NPW may disclose your personal information to the acquiring organization but will require the acquiring organization to agree to protect the privacy of your personal information in a manner that is consistent with this Privacy Policy.

We do not sell, lease, barter or otherwise deal with your personal information with third parties.

How do you provide us with your consent?

By signing an application form and/or continuing to do business with us, you are consenting to the collection, use and disclosure of your personal information for the purposes identified in this Privacy Policy. NPW will not, as a condition of the supply of services, require you to consent to the collection, use or disclosure of your personal information beyond what is required to fulfil those purposes.

Your consent is also accepted in your receipt of this Personal Information Policy, unless you advise NPW, either orally or in writing, that you do not agree with the terms stated in this policy, or that you wish to opt out of all or portions of it. Your consent is provided by your authorized representative, such as a legal guardian or a person holding a power of attorney.

In some circumstances, your consent may be implied. For instance:

- If you obtain products and/or services for your family or anyone else, you represent that you have obtained consent from them to the collection, use and disclosure of their personal information for the Identified Purposes, even though they might not be present during the application process.
- If you have existing products and services with us, and you request amendments to them, it is assumed that the consent, which you gave to us when buying the original products and services, remains in effect.

How can you withdraw your consent?

You may withdraw your consent at any time upon reasonable notice, subject to legal or contractual restrictions. Please note, however, that withdrawing your consent may affect our ability to continue to provide you with the products and services that you have or would like to receive.

To withdraw your consent, you should contact our Privacy Officer at the address or telephone number listed hereunder. Unless we hear from you, you are providing your consent for the collection, use and disclosure of personal information as provided in this Policy for the Identified Purposes.

How long do we keep your personal information?

Your personal information is retained only so long as we need it to effectively provide products and services to you and for a reasonable length of time thereafter in case we need to meet any potential obligations, legal, regulatory or government requirements. NPW shall use care when storing or destroying your personal information to prevent unauthorized access.

How do we protect your personal information?

We carefully safeguard your personal information and, to that end, restrict access to personal information about you to those employees and other persons who need to know the information to enable us to provide services to you. NPW employees are responsible for ensuring the confidentiality of all personal information they may access. Annually, each of the firm's employees is required to sign a form which contains an acknowledgement of understanding our policies on the protection of personal information.

Whether in electronic or paper-based format, NPW maintains strict security systems to safeguard your personal information from unauthorized access, disclosure or misuse.

If we transfer your personal information to a third party for processing (for example, when printing cheques, managing claims and client statements or for data processing), we require any person or organization providing products or services on our behalf to protect our customers' confidentiality in a manner consistent with our own internal measures, or as required by law.

How do you access your personal information?

You have a right to access your personal information that we have in our possession or control. You also have a right to know which third parties have received your information from NPW.

To access your personal information, please make your request in writing to NPW's Privacy Officer stating in detail which personal information you will be requesting. We try to respond to such requests as soon as possible. NPW may charge you a reasonable fee for providing access to your personal information, but only after first advising you of the approximate cost. We will try to be as precise as possible in providing you with a list of the organizations to which we have disclosed any of your information. When it is not possible to provide an exact list of such organizations to which we have disclosed your personal information, NPW shall provide a list of organizations to which we may have disclosed the information.

NPW has the right to refuse your request for access to personal information if:

- The information is protected by solicitor-client privilege;
- Granting access would reveal confidential commercial information;
- Doing so would reasonably be expected to threaten the life or security of another individual;
- The information was collected for purposes related to the detection and prevention of fraud;
- The information was generated during a formal dispute resolution process; or
- The information would likely reveal personal information about another individual.

Keeping Your Information Accurate

NPW strives to ensure that the personal information we have on file for you is as accurate and up-to-date as necessary for the "Identified Purposes" for which it is to be used. If any information needs to be updated or amended to reflect a change in your situation, we make every effort to update our records. NPW shall amend personal information that is materially inaccurate or incomplete and, where appropriate, shall endeavour to advise other parties with access to the information in question.

Summary of the Privacy Principles As Set Out in Schedule 1 of PIPEDA

- **Accountability:** NPW is responsible for personal information under its control, and the Chief Privacy Officer is accountable for the NPW compliance with the principles described in this Privacy Policy.
- **Identifying Purpose:** the purposes for which personal information is collected will be identified by NPW at or before the time the information is collected. NPW will also document the purposes for which personal information is collected at or before the time the information is collected.
- **Consent:** The knowledge and consent of the individual, express or implied, are required for the collection, use or disclosure of personal information by NPW, except where inappropriate.
- **Limiting Collection:** NPW will limit the amount and type of personal information collected to what is necessary for the purposes identified by NPW. The personal information will be collected by fair and lawful means.
- **Limiting Use, Disclosure and Retention:** NPW will not use or disclose personal information for purposes other than those for which it was collected, except with the consent of the individual or as required or permitted by law. Personal information will be retained as long as necessary for the fulfilment of those purposes.

- **Accuracy:** NPW will keep personal information as accurate, complete and up-to-date as is necessary for the purposes for which it is to be used. NPW will minimize the possibility that inappropriate information is used to decide about the individual.
- **Safeguards:** NPW will protect personal information with security safeguards appropriate to the sensitivity of the information.
- **Openness:** NPW will be open about its policies and procedures with respect to the management of personal information. NPW will ensure that individuals are able to acquire information about the firm's policies and procedures without unreasonable effort. NPW will make this information available in a form that is generally understandable.
- **Individual Access:** Upon a request in writing, NPW will inform the individual of the existence, use and disclosure of their personal information and the individual will be given access to that information, except where the law requires or permits NPW to deny access.
- **Questions and Concerns:** An individual will be able to direct a challenge concerning compliance with the above principles to NPW Chief Privacy Officer.

When produced, updated versions of this Personal Information Policy can be obtained from your account advisor, the compliance department or you can direct any queries about this policy to NPW, Privacy Officer at the telephone, e-mail address, or mailing address listed below. If you have a complaint related to the Personal Information Policy or any of our procedures, contact our Privacy Officer. If your complaint is justified, we will take the steps necessary to resolve the issue, including amending our policy and practices, if necessary. If we are not able to resolve your concern, or if you have any other concerns about NPW Personal Information Policy and procedures, you may contact the office of the Privacy commissioner. NPW Privacy Officer will provide you with this contact information upon request.

For more information, to file a privacy complaint, to make inquiries or to opt out of all or parts of this Policy, please contact us at:

Nour Private Wealth Inc.
2845 Bristol Circle, Oakville, Ontario, L6H 6X5
Attention: Privacy Officer
Tel.: 905.845.9090
Fax: 905.845.3115
Email: privacy@npw.ca

C. BENEFICIAL OWNERSHIP INFORMATION DISCLOSURE

National Instrument 54-101

Communication with Beneficial Owners of Securities of a Reporting Issuer

EXPLANATION TO CLIENTS

Based on your instructions, the securities in your account with us are not registered in your name but rather in our name or the name of our carrying broker holding your securities on our behalf. The issuers of the securities in your account may not know the identity of the beneficial owner of these securities.

We are required under securities law to obtain your instructions concerning various matters relating to your holding of securities in your account.

Disclosure of Beneficial Ownership Information

Securities law permits reporting issuers and other persons and companies to send materials related to the affairs of the reporting issuer directly to beneficial owners of the reporting issuer's securities if the beneficial owner does not object to having information about it disclosed to the reporting issuer or other persons and companies. Part 1 of the client response form allows you to tell us if you OBJECT to the disclosure by us to the reporting issuer or other persons or companies of your beneficial ownership information, consisting of your name, address, electronic mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of your beneficial ownership information to matters relating to the affairs of the reporting issuer.

If you DO NOT OBJECT to the disclosure of your beneficial ownership information, please mark the first box in Part 1 of the NI 54-101 section on our Client Application Form. In those circumstances, you will not be charged with any costs associated with sending security holder materials to you.

If you OBJECT to the disclosure of your beneficial ownership information by us, please mark the second box in Part 1 of the NI 54-101 section on our Client Application Form. If you do this, all materials to be delivered to you as a beneficial owner of securities will be delivered by us.

Receiving Security holder Materials

For securities that you hold through your account, you have the right to receive proxy-related materials sent by reporting issuers to the registered holders of their securities in connection with meetings of such security holders. Among other things, this permits you to receive the necessary information to allow you to have your securities voted in accordance with your instructions at a security holder meeting. Objecting beneficial owners will not receive materials unless they or the relevant issuers bear the costs.

In addition, reporting issuers may choose to send other security holder materials to beneficial owners, although they are not obliged to do so. Securities law permits you to decline to receive security holder materials. The three types of materials that you may decline to receive are:

- (a) proxy-related materials, including annual reports and financial statements, that are sent in connection with a security holder meeting;
- (b) annual reports and financial statements that are not part of proxy-related materials; and by corporate or securities law to be sent to registered holders;

Part 2 of the client response in the NI 54-101 section on our Client Application Form allows you to receive all the materials sent to the beneficial owners of securities or to decline to receive the three types of materials referred to hereinabove.

If you want to receive ALL the materials that are sent to beneficial owners of securities, please mark the first box on Part 2 of the NI 54-101 section on our Client Application Form. If you want to DECLINE to receive the three types of materials referred to hereinabove, please mark the second box in Part 2 of the NI 54-101 section on our Client Application Form.

(Note: Even if you decline to receive the three types of materials referred to hereinabove, a reporting issuer or other person or company is entitled to deliver these materials to you, provided that the reporting issuer or other person or company pays all the costs associated with the sending of these materials. These materials would be delivered to you through your intermediary if you have objected to the disclosure of your beneficial ownership information to reporting issuers.)

Preferred Language of Communication

Part 3 of the NI 54-101 section on our Client Application Form allows you to tell us your preferred language of communication (English or French). You will receive materials in your preferred language of communication if the materials are available in that language.

Disclosure Regarding Shared Office Premises

Nour Private Wealth (NPW) is a member of the Investment Industry Regulatory Organization of Canada (IIROC) our primary regulator, and a member the Canadian Investor Protection Fund (CIPF) which ensure client assets are protected within the defined limits if a member becomes insolvent. A CIPF brochure was provided to you when you opened your account with us. It is important to note that only the client accounts held by NPW are covered by the Canadian Investor Protection Fund (CIPF).

NPW shares office space with an affiliated company, Nour Insurance Services Inc. (NIS) NIS is not a member of IIROC or CIPF. NPW does not have a financial interest in NIS and NIS has no financial interest in NPW.

Please understand that all orders for your investment accounts must be placed with a Registered Investment Advisor employed by NPW. It is important that all dealings regarding your investment products must be conducted with an IIROC licensed advisor registered with NPW. It is also important that all dealings regarding your insurance products must be conducted with a licensed advisor registered with Nour Insurance Services Inc.

Confidentiality of Client Information

NPW will hold all information about a client confidential and will not disclose any information to advisors, employees or agents of another entity located in the same premises, except as expressly permitted or required by law.

Where clients consent to the disclosure of confidential information, the information may be shared as set out in our consent disclosure document.

If you have any questions or comments, please feel free to contact your advisor or our compliance department at compliance@npw.ca or by phone at 905.845.9090.

The following are the reports which 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.

D. BEST EXECUTION AND TRADE DISCLOSURE

The Canadian Securities Administrators have introduced securities laws that allow for alternative marketplaces to compete with the traditional stock exchanges, such as the Toronto Stock Exchange (TSX). Securities which trade on the TSX or the TSX Venture Exchange (TSX-V), currently the primary markets for Canada, may now also trade on an alternative marketplace. With the introduction of alternative marketplaces in Canada, NPW wishes to advise you of some of the conditions that could affect the execution of your orders.

The firm's trading is not done directly on the exchanges; we are not a participating organization. NPW's carrying broker, FCC, is a member of all the required exchanges and ATS's. All trades are entered through the FCC trading infrastructure and the Dataphile order entry system. All orders entered through this system utilize a smart order router system and, therefore, cover all the required marketplaces.

NPW is committed to using all reasonable efforts to ensure that clients achieve "best execution" of their orders in respect to Canadian listed securities that are quoted or traded on Canadian marketplaces.

Definition

Best Execution represents the obligation on marketplace participants to diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under prevailing market conditions at the time of execution. Best Execution includes but is not limited to the best price available at the time of execution. It also includes optimizing liquidity, minimizing order signalling effects, speed and certainty of execution.

Best Execution Criteria Considerations:

- Price at which the trade would occur
- Speed of execution
- Certainty of execution % Fill Criteria
- Overall cost of execution
- Market disclosure/signalling
- Execution quality over the order duration – determines the price at which the order was executed relative to the time of entry and average execution price over the time in which the order was actively traded in the market.

The FCC Trading infrastructure and the Dataphile order entry system allow NPW to meet its best execution obligations to client orders through:

Use of Smart Order Routing technology: FCC endeavours to employ the most technological advanced smart order routing (SOR) technology available relevant to the trading application and execution venue.

Provision of client liquidity: To minimize price, certainty of execution and adverse market signalling impacts of large client order types FCC may at its discretion enhance visible market liquidity through the provision of proprietary liquidity facilitation.

Access dark liquidity: FCC may access dark liquidity facilities when market factors indicate a reasonable likelihood of material liquidity for a security in these trading venues.

Access foreign markets: FCC will sometimes access foreign market liquidity in a security when market factors indicate this can be accomplished on terms advantageous to the client in the context of both price and other execution considerations.

Monitoring order execution quality: FCC performs periodic, systemic reviews of order routing criteria to ensure optimum routing for client orders and by order execution performance against relevant quantitative metrics.

Personnel: FCC is committed to employing professional, experienced trading personnel capable of evaluating market characteristics and suitable execution strategies in the context of market conditions.

Order Routing Criteria

FCC evaluates order routing criteria on objective criteria. It is NPW's philosophy that marketplace liquidity, primarily defined by traded volume, represents the single, best indicator of the potential for superior client order execution. However, we believe technology considerations and innovation as well as other factors are an important consideration in determining the most appropriate default order routing criteria. Marketplace liquidity combined with a subjective evaluation of the factors noted below is used to determine the appropriate order routing destination for individual securities.

- **Volume:** Markets are the first preference by volume traded. Average daily volume and recent market share are evaluated. Recent liquidity events which may have impacted traded volume, or which are expected to impact future traded volume are also taken into consideration.
- **Order to Trade Ratios:** Order to trade ratios indicates the prevalence of high frequency trading (HFT) traffic on a venue. HFT traffic and predatory HFT trading strategies can crowd out the passive side of the trade on a venue and thus result in inferior fills as the order must cross the spread more frequently to be executed. Higher order to trade ratios increase the likelihood of interacting with HFT flow and thus venues with lower order/trade ratios should be preferred to reduce interaction with HFT orders. Higher Order to trade ratios also impact the market depth SWEEP order routing functionality and must enable a complete fill order on client orders.
- **Technology and Support:** The technology in place at various execution venues is an important consideration to ensure the marketplace can facilitate the trading needs of its participants. Marketplace reliability is a key factor in determining where to send orders. Venues that have a history of outages or events resulting in higher incidences of “self-help” or “technical help” declarations will result in a lower ranking. In addition, the support and service history of the marketplace should be a consideration with higher priority placed on venues that provide comprehensive testing facilities, have well defined business recovery plans and respond to critical emergency situations in a timely manner.
- **Innovation:** Marketplaces that provide innovative new products and solutions including new order types or features or improvement in existing functionality etc. should be rewarded and have this reflected in routing preferences.
- **Broker Attribution:** Broker attribution allows flow advertisement which can in turn attract more flow to a dealer resulting in lower trading friction. Venues that provide broker attribution should receive a higher ranking than those who do not.
- **Market Making and Primary Markets:** FCC participation as represented by market making activities or percentage of volume will affect routing criteria on a per symbol basis. In addition, all else being equal, the order will be routed to the primary marketplace for the stock.
- **Costs:** Costs (and rebate models) are taken into consideration to ensure trading costs are kept in check. This includes trading, market data and infrastructure costs. An often-overlooked cost is the infrastructure and data management cost associated with a marketplace. Venues that charge a disproportionate number of fees relative to their market share and/or size should get lower rankings.

NPW and FCC’s Best Execution policy dictates the diligent pursuit of the execution of client orders on the most advantageous terms reasonably available. Part of this policy necessitates the execution of client orders at the best price available at the time of execution and based on the client instructions.

Consistent with our Best Execution obligations, through FCC, NPW endeavours under all circumstances to access visible liquidity on all protected marketplaces at the best price available at the time of execution. FCC’s management may invoke “Technical Help” in the event there are reasonable grounds to believe client executions may be adversely affected by system malfunctions or excessive latency originating from a marketplace system malfunction, vendor infrastructure or proprietary systems problem.

Best Execution Monitoring

NPW monitors client order execution quality on an ongoing basis. In accordance with UMIR 7.1, the methodology used to ensure client best execution selects a random sample of orders representing each of the client order execution applications currently deployed. The samples are evaluated for order execution with respect to price, volume and speed of execution to determine if remedial action is required with respect to order execution infrastructure, strategy or procedures.

Trading in Listed Canadian Securities – Hours of Operation

NPW staff will generally be available for order execution between the hours of 9:00 a.m. and 5:00 p.m. EST, Monday through Friday, excluding statutory holidays. Staff may be further available before and after these hours. However, NPW will not guarantee any order taken and/or trade execution outside of the hours noted hereinabove.

Principal Market Places

For securities listed on the TSX and the TSX-V, NPW will generally treat the TSX and TSX-V as the Principal Marketplaces. Orders received prior to 9:30 a.m. will be booked on the Principal Marketplace. Orders received after 4:00 p.m. will generally be booked on the Principal Marketplace the following business day. Orders received between the hours of 9:30 a.m. and 4:00 p.m. will be routed to the market with the best available price. If the order is priced away from the market, the order will be booked on the Principal Marketplace.

Day Orders

A Day Order is an order that is valid on and for the day it is received. Day Orders, unless otherwise arranged with NPW Advisor, will only be valid between the hours of 9:30 a.m. and 4:00 p.m. EST. A Day Order received prior to 9:30 a.m. will be booked to the Principal Marketplace and will not route to an alternative marketplace. Instead, the order will route into the opening sequence of the Principal Marketplace. If received after the opening of the Principal Marketplace, the order will be routed to the market with the best available price at the time of entry.

Good-Till-Cancelled Orders

A Good-Till-Cancelled Order (“GTC”) is an order that remains open until a specified date of expiry. These orders will be entered in the Principal Marketplace, if they are not immediately executable on an alternative marketplace at the time of entry (on or after 9:30 a.m. EST). The order will remain in the Principal Marketplace until executed or expiry, whichever comes first. It is the client’s responsibility to ensure they know what the date of expiry will be and to contact their Advisor on the expiry date should they wish the order to be reinstated. Market Orders A Market Order is an order to execute a trade immediately at the best price available at the time the order is received. Market Orders will be filled in whichever marketplace has the best bid or offer at the time the order is received. However, if the order is received prior to 9:30 a.m. NPW will direct the order to the Principal Market place for execution.

Limit Orders

A Limit Order is an order with a set maximum or minimum purchase or sale price. A Limit Order received prior to 9:30 a.m. will be booked into the Principal Marketplace. After 9:30 a.m., the order will be routed to the market with the best visible market in that security and with the highest likelihood of being executed. On a best efforts basis, the order may be moved to the most active marketplace in the hopes of a successful execution.

Market on Close Orders

A Market on Close (“MOC”) Order is a special order that only trades on the close of the market at the calculated closing price. Currently, the TSX is the only marketplace with an MOC facility. All MOC orders will be directed to the TSX by the FCC Trade Desk.

Marketplace Disclosure

An order executed on more than one marketplace will be disclosed on your trade confirmation as “Executed on Multiple Markets – Details on Request”. If you wish to know what quantities were executed on what marketplaces, please contact your Advisor, who can provide you with this information promptly and without charge.

If your trade was executed on a single exchange, that exchange will be noted on your trade confirmation with either an abbreviation (with details on the back of the confirmation) or noted in the trailer field.

Execution on Foreign Marketplaces

All Orders for Canadian and non-Canadian listed equities to be traded on marketplaces outside of Canada may be executed by third party broker dealers (“Third Parties”). Third Parties may execute such orders as either an agent or principal. The fees or commissions charged to us by Third Parties for such orders may be reported as a net price. NPW and/or FCC may earn a fee or premium on foreign exchange transactions resulting from or required by such orders. If you have any questions regarding this notification, please contact your account Advisor.

Foreign Currency Exchange

For transactions in currencies other than that of the currency of the account, a conversion of currency may be required and will be carried out by the firm. FCC and/or NPW maintain a foreign exchange market spread. In performing foreign currency transactions, we may act as an agent or principal. We attempt to make a profit on providing foreign exchange transactions. The rates depend on the size, currency and timing of the transaction. If you are initiating a transaction that will require an accompanying foreign exchange component, ask your advisor about the available rates. Unless otherwise specified or agreed to, the currency conversion will take place at our applicable bid and ask spread, based on the prevailing currency rates. NPW currently only permits U.S. dollar foreign currency holdings in registered plans (e.g. RRSP, RRIF). Thus, any transactions in such accounts involving any other foreign currency will be automatically converted by us into Canadian currency as described hereinabove.

Fair Allocation Procedures

When NPW is involved in small financings or has a small participation in a larger financing, it is impractical to solicit interest from all the firms’ advisors or from all our clients. NPW has a small retail account base and they show little interest in such products. Nevertheless, client priority must be respected. NPW will add a message to all statements annually outlining our clients’ obligation to express their interest in any such private placements to their advisor. This statement is now also part of the NPW new client application package and reads:

“For any company attempting to raise funds via small private placement transaction, NPW has a policy that any client of the firm will be considered solely responsible for reflecting their interest to their advisor. All such interest reflected by any client will be dealt with on a best efforts basis only.”

We are required to have policies and procedures that provide reasonable assurance that we will ensure fairness in the allocation of investment opportunities among our clients. Trade allocation must be determined on a basis that is fair, reasonable and equitable for all clients. All client orders which are received before the books are closed will participate in any new issue on a pro-rata allocation basis.

E. STRIP BONDS INFORMATION STATEMENT

We are required by provincial securities regulations to provide you with this Information Statement before you can trade in strip bonds or strip bond packages based on bonds of the Government of Canada, a Canadian province, or certain foreign governments or political subdivisions thereof. Please review it carefully.

Preliminary Note Regarding the Scope of this Information Statement

This information statement relates to strip securities that are based on bonds of the Government of Canada, a Canadian province, or certain foreign governments or political subdivisions thereof.

Provincial securities regulations create an exemption from dealer registration and prospectus requirements for these types of securities.

Strip securities may also be based on Canadian corporate bonds. While some of the information in this Information Statement may also be relevant to corporate bond-based strips, corporate Bond-based strips are outside the scope of this Information Statement. If you are planning to purchase a strip or strip package based on a corporate Canadian bond, please note that such securities are not governed by the regulations referred to hereinabove, but may be subject to certain decisions issued by Canada's securities regulatory authorities exempting certain Canadian corporate bond-based strip securities from various regulatory requirements, including Section 2.1 of National Instrument 44-102 – *Shelf Distributions* and Section 2.1 of National Instrument 44-101 – *Short Form Prospectus Distributions*. See e.g. *RBC Dominion Securities Inc. et al.*, (2013) 36 OSCB 3867 (Apr. 8), online: www.osc.gov.on.ca/en/SecuritiesLaw_ord_20130411_2110_rbc-dominion.htm. Pursuant to each such decision, Canadian securities dealers file with the applicable Canadian securities regulatory authorities a short form base shelf prospectus and certain supplements thereto, pursuant to which certain Canadian corporate-bond based strip securities may be distributed on an ongoing basis without a full prospectus (the “CARs1 and PARs2 Programme”). For each decision, the applicable shelf prospectus and its supplements may be found on the System for Electronic Document Analysis and Retrieval or “SEDAR” at www.sedar.com.

Risk and other disclosures relating to securities issued as part of the CARs and PARs Programmes are set forth in the shelf prospectus and supplements published on SEDAR, and investors considering purchasing such securities are advised to consult these documents, since considerations unique to securities issued as part of the CARs and PARs Programmes are not addressed herein.

Strip Bonds and Strip Bond Packages (“Strips”)

A strip bond — commonly referred to as a “strip” — is a fixed-income product that is sold at a discount to face value and matures at par. This means the holder is entitled to receive the full face value at maturity. Strips do not pay interest. The yield at the time of purchase is compounded semi-annually and paid at maturity. Since the return on a strip is fixed at the time of purchase, strips may be a suitable investment where the holder requires a fixed amount of funds at a specific future date.

A strip is created when a conventional debt instrument, such as a government or corporate bond, discount note or asset-backed security (i.e. the “underlying bond”), is separated into its “interest” and “principal” component parts for resale. Components are fungible and may be pooled together where they share the same issuer, payment date and currency and have no other distinguishing features. The two types of components may be referred to as follows:

- The “coupon”: the interest-paying portion of the bond; and
- The “residual”: the principal portion.

A strip bond package is a security comprising two or more strip components. Strip bond packages can be created to provide holders with a regular income stream, like an annuity, and with or without a lump sum payment at maturity. By laddering strips with staggered maturities or other payment characteristics, holders can strategically manage their cash flow to meet their future obligations and specific needs.

Strips vs. Conventional Bonds

Strips are offered on a variety of terms and in respect of a variety of underlying bonds, including government bonds issued by the Government of Canada or provincial, municipal and other government agencies or a foreign government. CARs and PARs are examples of strips derived from high-quality corporate bonds. Some differences between strips and conventional bonds that you may wish to consider include the following:

- Strips are sold at a discount to face value and mature at par, like T-bills. Unlike conventional interest-bearing debt securities, strips do not pay interest throughout the term to maturity; rather, the holder is entitled to receive a fixed amount at maturity. The yield or interest earned is the difference between the discounted purchase price and the maturity value; thus, for a given par value, the purchase price for a strip will typically be lower the longer the term to maturity is;
- a strip with a longer term to maturity will generally be subject to greater price fluctuations than a strip of the same issuer and yield but with a shorter term to maturity;
- strips typically offer higher yields over T-Bills, GICs and term deposits, and over
- conventional bonds of the same issuer, term and credit rating;
- the higher yield offered by strips reflects their greater price volatility. Like conventional bonds, the price of a strip is inversely related to its yield. Thus, when prevailing interest rates rise, strip prices fall, and vice versa. However, the rise or fall of strip prices is typically more extreme than with conventional bonds of the same issuer, term and credit rating. The primary reason for this greater volatility is that no interest is paid in respect of a strip bond prior to its maturity;
- unlike conventional bonds that trade in \$1,000 increments, strips may be purchased in \$1 multiples above the minimum investment amount, thereby enabling a holder to purchase a strip for any desired face value amount above the minimum investment amount; and
- strips are less liquid than conventional bonds of the same issuer, term and credit rating. There may not be a secondary market for certain strips and strip bond packages, and there is no requirement or obligation for investment dealers or financial institutions to maintain a secondary market for strips sold by or through them; as a result, purchasers should generally be prepared to hold a strip to maturity, since they may be unable to sell — or only able to sell at a significant loss — prior to maturity.

Dealer Markups and Commissions

When purchasing or selling a strip bond or a strip bond package, the prospective purchaser or seller should inquire about applicable commissions (markups or markdowns) when executing the trade through an investment dealer or financial institution, since such commissions will reduce the effective yield (if buying) or the net proceeds (if selling). Investment dealers must make reasonable efforts to ensure the aggregate price, inclusive of any markup or markdown, is fair and reasonable taking into consideration all reasonable factors. Commissions quoted by investment dealers generally range between \$0.25 and \$1.50 per \$100 of maturity amount of the strip, with commissions typically at the higher end of this range for small transaction amounts, reflecting the higher relative costs associated with processing small trades. The table below illustrates the after-commission yield to a strip holder with different terms to maturity and assuming a before-commission yield of 5.5%. All the yield numbers are semi-annual. For example, a strip bond with a term to maturity of one year and a commission of 25 cents per \$100 of maturity amount has an after-commission yield of 5.229%. The before commission cost of this strip bond will be \$94.72 per \$100 of maturity amount while the after-commission cost will be \$94.97 per \$100 of maturity amount. In contrast, a strip bond with a term to maturity of 25 years and a commission of \$1.50 per \$100 of maturity amount has an after-commission yield of 5.267%. The before-commission cost of this strip bond will be \$25.76 per \$100 of maturity amount while the after-commission cost will be \$27.26 per \$100 of maturity amount.

The purchase price of a strip bond may be calculated as follows:

Purchase Price = Maturity (Par) Value / $(1 + y/2)^{2n}$ where “y” is the applicable yield (before or after commission) and “n” is the number of years until maturity. For example, the purchase price (per \$100 of maturity value) for a strip bond that has a yield of 5.5% and 25 years until maturity is: $100 / (1 + 0.0275)^{50} = \25 .

Commission or Dealer Markup (per \$100 of maturity Amount)	Term to maturity in years and yield after commission or Dealer Markup (assuming a yield before commission of 5.5%)					
	1	2	5	10	15	25
\$0.25	5.229%	5.357%	5.433%	5.456%	5.462%	5.460%
\$0.75	4.691%	5.073%	5.299%	5.368%	5.385%	5.382%
\$1.50	3.892%	4.650%	5.100%	5.238%	5.272%	5.267%

Prospective purchasers or sellers of strips should ask their investment dealer or financial institution about the bid and ask prices for strips and may wish to compare the yield to the maturity of the strip, calculated after giving effect to any applicable markup or commission against the similarly calculated yield to maturity of a conventional interest-bearing debt security.

Secondary Market and Liquidity

Strips may be purchased or sold through investment dealers and financial institutions on the “over-the-counter” market rather than on an exchange. Where there is an active secondary market, a strip may be sold by a holder prior to maturity at the prevailing market price to realize a capital gain or to access funds. However, liquidity may be limited for certain strip bonds and strip bond packages, and, as noted hereinabove, investment dealers and financial institutions are not obligated to maintain a secondary market for strips sold by or through them. **As a result, there can be no assurance that a market for any strip bonds or strip bond packages will be available at any given time, and investors should generally be prepared to hold strips to maturity or run the risk of taking a loss.**

Other Risk Considerations

Potential purchasers of strips should conduct their own research into the term, yield, and payment obligations and other features of a strip prior to purchase. While not an exhaustive list, you may wish to consider some of the following potential risks:

- **Credit Risk of the Issuer** – strips represent a direct payment obligation of the government or corporate issuer, thus any change to an issuer's credit rating or perceived credit worthiness may affect the market price of a strip, and the impact may be more severe than the impact on conventional bonds of the same issuer.
- **Interest Rate Risk** – if interest rates rise, the market value of a strip will go down and this drop in the market value will typically be more severe than the drop in the market value for the corresponding conventional bond from the same issuer for the same term and yield. If interest rates rise above the yield of the strip at the time of purchase, the market value of the strip may fall below the original price of the strip.
- **Market and Liquidity Risk** – strips are not immune to market or liquidity risks and may have specific terms and conditions that apply in the event of a market disruption or liquidity event. If liquidity is low, it may be difficult to sell a strip prior to maturity and there may be large spreads between the bid and ask prices. **There can be no assurance that a market for any strip bonds or strip bond packages will be available at any given time.**
- **Currency Risk** – strips may pay out in a currency other than Canadian dollars. Currency fluctuations may enhance, nullify or exacerbate your investment gains or losses.
- **Component Risk** – you should ensure that you understand and are comfortable with the underlying components, terms, risks and features of a strip bond or strip bond package prior to purchase. For example, strips may be derived from asset-backed securities or callable or retractable bonds and may have features such as inflation indexation or structured payments.
- **Price Volatility** – strips are generally subject to greater price volatility than conventional bonds of the same issuer, term and credit rating, and will typically be subject to greater price fluctuations in response to changes to interest rates, credit ratings and liquidity and market events. The table below shows the impact that prevailing interest rates can have on the price of a strip. For example, as indicated in the table below, an increase in interest rates from 6% to 7% will cause the price of a 5-year strip bond with a maturity value of \$100 to fall by 4.73% — a larger percentage drop than for a \$100 5-year traditional bond, whose price would fall only 4.16%, assuming the same increase in interest rates.

Market Price Volatility						
Bond Type	Market Price	Market Yield	Price with rate drop to	Price Change	Price with rate increase to 7%	Price Change
6% 5 Year Bond	\$100	6.00%	\$104.38	+ 4.38%	\$95.84	- 4.16%
5 Year Strip Bond	\$74.41	6.00%	\$78.12	+ 4.99%	\$70.89	- 4.73%
6% 20 Year Bond	\$100	6.00%	\$112.55	+ 12.55%	\$89.32	- 10.68%
20 Year Strip Bond	\$30.66	6.00%	\$37.24	+ 21.49%	\$25.26	-17.61%

Custodial Arrangements

Due to the high risk of forgery, money laundering and similar illegal activities — and the costs associated with such risks — with physical strips and bearer instruments, most investment dealers and financial institutions will only trade or accept transfer of book-based strips. CDS Clearing and Depository Services Inc. (“CDS”) provides strip bond services, including book-based custodial services for strips and underlying bonds. Custodian banks or trust companies may also create and take custody of strips that are receipt securities and may permit holders to obtain a registered certificate or take physical delivery of the underlying coupon(s) or residue(s). However, if the holder decides to take physical delivery, he or she should be aware of the risks, including the risk of lost ownership, associated with holding a bearer security which cannot be replaced. In addition, the holder should be aware that the secondary market for physical strips may be more limited than for book-based strips due to the risks involved. Investors in strip components held by and at CDS are not entitled to a physical certificate if the strips are Book Entry Only.

Canadian Income Tax Summary

The Canadian income tax consequences of purchasing strip bonds and strip bond packages are complex. Purchasers of strip bonds and strip bond packages should refer questions to the Canada Revenue Agency (<http://www.cra-arc.gc.ca/>) or consult their own tax advisors for advice relating to their circumstances. The following is only a general summary regarding the taxation of strip bonds and strip bond packages under the Income Tax Act (Canada) (hereinafter referred to as the “Tax Act”) for purchasers who are residents of Canada and hold their strip bonds and strip bond packages as capital property for purposes of the Tax Act. The following does not constitute legal advice.

Qualified Investments

Strip bonds and strip bond packages that are issued or guaranteed by the Government of Canada or issued by a province or territory of Canada are “qualified investments” under the Tax Act and are, therefore, eligible for purchase by trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts (“Registered Plans”). Depending on the circumstances, strip bonds issued by corporations may also be qualified investments for Registered Plans.

Annual Taxation of Strip Bonds

The Canada Revenue Agency takes the position that strip bonds are a “prescribed debt obligation” within the meaning of the Tax Act. Consequently, a purchaser will be required to include in income in each year a notional amount of interest, notwithstanding that no interest will be paid or received in the year. Strips may, therefore, be more attractive when purchased and held in non-taxable accounts, such as self-directed Registered Plans, pension funds and charities.

In general terms, the amount of notional interest deemed to accrue each year will be determined by using the interest rate which, when applied to the total purchase price (including any dealer markup or commission) and compounded at least annually, will result in a cumulative accrual of notional interest from the date of purchase to

the date of maturity equal to the amount of the discount from face value at which the strip bond was purchased.

For individuals and certain trusts, the required accrual of notional interest in each year is generally only up to the anniversary date of the issuance of the underlying bond. For example, if a strip bond is purchased on February 1 of a year and the anniversary date of the issuance of the underlying bond is June 30, only five months of notional interest accrual will be required in the year of purchase. However, in each subsequent year, notional interest will be required to be accrued from July 1 of that year to June 30 of the subsequent year (provided that the strip bond is still held on June 30 of the subsequent year).

In some circumstances, the anniversary date of the issuance of the underlying bond may not be readily determinable. In these circumstances, individual investors may wish to consider accruing notional interest each year to the end of the year instead of to the anniversary date.

A corporation, partnership, unit trust or any trust, of which a corporation or partnership is a beneficiary, is required for each taxation year to accrue notional interest to the end of the taxation year and not just to an earlier anniversary date in the taxation year.

Disposition of Strip Bonds Prior To Maturity

A purchaser who disposes of a strip bond prior to, or at, maturity, is required to include in the purchaser's income for the year of disposition notional interest accrued to the date of disposition that was not previously included in the purchaser's income as interest. If the amount received on a disposition exceeds the total of the purchase price and the amount of all notional interest accrued and included in income, the excess will be treated as a capital gain. If the amount received on disposition is less than the total of the purchase price and the amount of all notional interest accrued and included in income, the difference will be treated as a capital loss.

Strip Bond Packages

For tax purposes, a strip bond package is considered a series of separate strip bonds with the income tax consequences as described hereinabove applicable to each such component of the strip package. Thus, a purchaser of a strip bond package will normally be required to make a calculation in respect of each component of the strip bond package and then aggregate such amounts to determine the notional interest accrued on the strip bond package. As an alternative, in cases where the strip bond package is issued at or near par and is kept intact, the Canada Revenue Agency will accept tax reporting that is consistent with reporting for ordinary bonds (i.e., reported on a T5 tax slip as accrued interest where it is matched by cash flow), including no obligation to report premium or discount amortization where the strip bond package is subsequently traded on the secondary market.

1. CARs are corporate strip bonds comprised of coupon and residual securities.
2. PARs are a form of strip bond package where the coupon rate is reduced to current yields.

Thus, allowing the package to be sold at par. A bond-like strip bond package has payment characteristics resembling a conventional bond, including regular fixed payments and a lump-sum payment at maturity. In contrast, an annuity-like strip bond package provides regular fixed payments but no lump-sum payment at maturity.

F. LEVERAGE DISCLOSURE

Risk of Borrowing to Invest

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by the loan's terms remains the same even if the value of the securities purchased declines.

Before borrowing to invest, you should consider, among other things:

- your level of comfort in respect of taking risk
- whether you are investing for the short term or the long term
- the use of a borrowing-to-invest strategy could result in far greater losses than an investment strategy that does not involve the use of borrowed money
- the cost of borrowing (i.e. interest payments) and whether you will be able to repay the loan.

Your advisor should discuss with you the risks of borrowing prior to investing.

G. COMPLAINTS

The NPW Complaint Process has been adopted with a commitment to engage in and promote honest and ethical conduct and to provide complete, fair, accurate, timely and understandable resolutions to client complaints. It is our belief that by demonstrating to our clients that their issues are dealt with seriously enhances everyone's confidence in the industry. As a demonstration of this commitment, NPW has adopted this Complaint Process. There are two types of complaints, service complaints and complaints that may involve regulatory infractions. While the firm will investigate either type of complaint, what is carried out is the process that will be followed if a potential regulatory infraction is involved.

How do I make a Complaint?

There are several resources available to you if you wish to make a complaint. Your first option is to contact your Investment Advisor with the issue. If you feel that your issue requires attention at a more senior level, you may direct your concerns to either the business location's Supervisor (Branch Manager) or the NPW Compliance Department directly. Complaints may be written or verbal.

How is the Complaint Investigated?

All complaints involving regulatory or legal issues are investigated by the Compliance Department in conjunction with the business location's Supervisor and the staff member involved in the complaint. Upon receipt of a complaint, NPW will acknowledge the issue in writing with a letter to you within 5 days. The letter will summarize the complaint, introduce the individual responsible for the investigation with their contact information so that you may contact them throughout the investigation to determine the status of the file, a reference to the maximum amount of time the investigation may take, and will enclose a copy of the Investment Industry Regulatory Organization of Canada ("IIROC") "An Investor's Guide to Making a Complaint" brochure. Our investigation process includes a review of account documentation, including account opening forms and client statements. Our investigation process may also include a request to interview you to clarify or attain any additional information required to investigate a complaint.

Alleged misconduct includes, but is not limited to allegations of:

- A breach of confidentiality,
- Theft,
- Fraud,
- Misappropriation or misuse of funds or securities,
- Forgery,
- Unsuitable investments,
- Misrepresentation,
- Unauthorized trading,
- Or other inappropriate financial dealings with clients, and
- Engaging in securities related activity outside the dealer.

Upon completion of our investigation, you will receive a substantive response within 90 day that will contain the following:

A summary of your complaint;

The results of our investigation;

Our final decision on the complaint, including an explanation; and

A statement describing the options available to you if you are not satisfied with our response, including:

- arbitration;
- if a request is made within 180 days from the date of our final response, the ombudsperson service (i.e. the Ombudsman for Banking Services and Investments);
- submitting a regulatory complaint to IIROC for an assessment of whether disciplinary action is warranted; and
- Litigation/civil action.

Depending on the nature of the complaint and/or the outcome of an internal investigation, reporting to our regulators the Investment Industry Regulatory Organization of Canada (IIROC) through the National Registration Database and/or the Complaints and Settlement Reporting System (ComSet) may be required. NPW has designated the Chief Compliance Officer as the Designated Complaints Officer. The Designated Complaints Officer is charged with the oversight of the complaint handling process and may also act as a liaison between NPW and the Regulatory bodies. Any questions regarding the firm's complaint handling process should be forwarded to the Designated Complaints Officer by contacting 905.845.9090.

More information regarding the complaint handling procedures is provided on our website at www.npw.ca.



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