

CONFLICT OF INTEREST DISCLOSURE STATEMENT

EXPONENT INVESTMENT MANAGEMENT INC.

This conflict of interest disclosure statement describes the material conflicts of interest that arise or may arise between Exponent and our clients, and between Exponent's registered representatives and our clients. Canadian securities laws require us to take reasonable steps to identify and respond to existing and reasonably foreseeable material conflicts of interest in a client's best interest and to tell clients about them, including how the conflicts might impact clients and how we address them in a client's best interest.

What Is a Conflict of Interest?

A conflict of interest may arise where (a) the interests of Exponent or those of its representatives and those of a client may be inconsistent or different, (b) Exponent or its representatives may be influenced to put Exponent or the representative's interests ahead of those of a client, or (c) monetary or non-monetary benefits available to us, or potential negative consequences for us, may affect the trust a client has in us.

How Does Exponent Address Conflicts of Interest?

Exponent and its representatives always seek to resolve all material conflicts of interest in the client's best interest. Where it is determined that we cannot address a material conflict of interest in the client's best interest, we and our representatives will avoid that conflict.

We have adopted policies and procedures to assist in identifying and controlling any conflicts of interest that we and our representatives may face.

Material Conflicts of Interest

A description of the material conflicts of interest that we have identified in relation to our role as your Portfolio Manager, the potential impact and risk that each conflict of interest could pose, and how each conflict of interest has been or will be addressed, is set out below.

Personal Trading

Employee personal trading can create a conflict of interest because employees with knowledge of the trading activities for Exponent could use that information for their own benefit. To manage this conflict, Exponent has a Code of Ethics for Personal Trading intended to restrict and monitor personal trading by employees, officers or directors of Exponent in order to ensure that there is no conflict between such personal trading and the interests of our clients. Each of our employees, officers and directors is required to put the interests of clients first, ahead of their own personal self-interests. In particular, any individual who has, or is able to obtain access to, non-public information concerning the portfolio holdings, the trading activities or the ongoing investment programs of Exponent, is prohibited from using such information for their direct or indirect personal

benefit or in a manner which would not be in the best interests of clients. These individuals also must not use their position to obtain special treatment or investment opportunities not generally available to our clients. These individuals are only allowed to make a personal trade if it falls within a general exception in our personal trading policy or if our Chief Compliance Officer (“CCO”) has determined that such trade will not conflict with the best interest of our clients.

Proxy Voting

Proxy voting is the practice whereby members of a decision-making body delegate their voting power to a trusted representative. This representative then votes in the best interest of its delegating members. As discretionary managers we have the fiduciary duty to cast proxy votes on behalf of our clients should we deem it necessary. Exponent’s opinion on this matter is that we do not feel it is necessary to undertake proxy voting in many instances. Proxy voting is a time-consuming process that often has no net benefit to our clients as the outcome is often immaterial to the mandates that we manage. In addition, no individual position is concentrated to the point where a policy change on behalf of a corporation that we hold would have a material impact on the performance or income requirement of a selected client. The only instance where Exponent would consider casting a proxy vote on behalf of a client would be for a takeover bid of a core equity position*. Exponent would have to own the acquiree for this to occur. The previously mentioned would be voted if deemed essential and material by the Portfolio Manager of record. This would need to be confirmed with written instructions to either the Associate Portfolio Manager, Operations Manager, or Investment Account Manager for the vote to be cast.

Disclaimer: Note that all the above is predicated on the custodian** entity advising Exponent in writing (via email bulletin or mailed proxy voting package) of an upcoming proxy vote. Exponent does not actively seek out proxy voting notices and may be unaware of an active proxy vote if not advised by the custodians in the previously specified written manner.

* Any position within the portfolio mandate that focuses on large capitalizations and is deemed by the Portfolio Manager of record as a high-quality company exhibiting solid fundamentals, superior earnings growth potential and trading at a reasonable market multiple.

** Custodians are third-party entities that hold customer securities/cash reserves to minimize the risk of misappropriation, misuse, misrepresentation, theft, or loss.

Fair Valuation of Assets

When we earn fees based on assets under management, there is a potential conflict in valuing the assets held in the portfolios because a higher value results in a higher fee paid to us. Overstating the value of the assets can also create improved performance.

Exponent relies on independent third parties to value the securities in the portfolio. When we invest on behalf of clients in publicly traded securities, the custodians will determine the closing prices. When exposure to alternative investments and private investments is

used, the value is assessed by the general partner or outside manager of the security. We only trade in liquid securities that are traded on a recognized exchange and use publicly available information to price assets held in your portfolio.

Trade Error Correction

Correcting an error in a client account can create a potential conflict of interest if Exponent has a choice in correcting the error in a manner that is advantageous to Exponent.

Exponent avoids this conflict by bearing all costs associated with trading errors, assuming that fault lies with Exponent. Should an error occur outside of Exponent's control, Exponent will make every effort to leave the client in a neutral position. All errors are documented in an error log as a control measure and to improve business processes.

Use of Client Brokerage Commissions

Exponent does not direct any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of goods or services by the dealer or a third party.

Outside Activities

At times, our representatives may participate in activities outside of their employment with us, such as serving on a board of directors, participating in community events, or pursuing personal outside business interests, whether paid or unpaid. A potential conflict can arise from a representative of Exponent engaging in such activities as a result of compensation received, the time commitment required, or the position held by the representative in respect of these outside activities. The potential impact and risk to you are that these outside activities may call into question the representative's ability to carry out their responsibilities to you or properly service you, and there may be confusion as to which entity(ies) the representative is acting for when providing you with services, or if the outside activity places the representative in a position of power or influence over you.

We address this conflict by prohibiting our staff from engaging in any outside activity, including acting as a director or officer for a public company or other business and non-business ventures, which could interfere with the proper discharge of the individual's duties to us. In each case, the individual must request approval from the CCO to engage in the outside activity, and the CCO considers any conflicts of interest arising due to the nature of the relationship, compensation, and time commitment. The CCO will not allow the representative to proceed with the outside activity if it determines that the outside activity will give rise to material conflicts of interest that cannot be addressed in the clients' best interest. No registered individual acts as an officer or director of another registered firm that is not an affiliate of Exponent or as a registered individual of any other firm.

Referral Arrangements and Third-Party Benefits

Exponent will from time to time have client referral arrangements in place. These arrangements are structures such as upfront payments paid to the entity making the

referral or as a fee-sharing arrangement with the said entity. In all cases, the dollar value and other relevant details of the arrangement are disclosed to the client.

Compensation and Incentive Practices

Employees at Exponent are compensated through a combination of a base salary and a bonus based upon the overall performance of the firm. Advisors of the firm are compensated by way of a portion of the investment management fees of the client. There are no sales target nor new business solicitation incentives that could invite possible conflicts.

Gifts and Entertainment

The receipt of gifts or entertainment from business partners may result in a perceived conflict as it gives rise to the perception that our representatives might favour such business partners when making investment decisions. To manage this perceived conflict of interest, we have adopted a gift and entertainment policy that prohibits our representatives from accepting gifts or entertainment beyond what we consider consistent with reasonable business practice and applicable laws.

We set maximum thresholds for such permitted gifts and entertainment so that there cannot be a perception that the gifts or entertainment will influence decision-making. In addition, any gifts received by employees are to be notified to the CCO and recorded by Compliance.

Full Control Over Client's Financial Affairs

Exponent does not allow any members of the firm to exert full control or authority over the financial affairs of a client. Our clients hire Exponent for investment management services and, from time to time, financial planning. All other facets of financial services, such as trust and estate planning, tax advice or tax preparation, are strictly forbidden.

Complaint Handling

Addressing a client complaint can create a potential conflict of interest if Exponent has a choice in addressing the complaint in a manner that is advantageous to Exponent rather than addressing the complaint in the best interest of the client. To avoid this conflict, Exponent complies with the procedures set out by the Ombudsman of Banking Services and Investments (OBSI) in addressing complaints (other than complaints by non-individual permitted clients). In addition, Exponent has implemented procedures to establish reporting accountability and an escalation process to the CCO.

Relationship Disclosure Information

Our Registrations

Exponent Investment Management Inc. is registered as a Portfolio Manager in Ontario, Manitoba, Alberta, British Columbia, Nova Scotia, PEI, and Québec. We provide discretionary portfolio management services tailored to your financial needs and situation. Discretionary portfolio management entails that we direct the day-to-day management of your accounts according to the Know Your Client Forms (KYC), Investment Management Agreement (Agreement) and Investment Policy Statement (IPS) you have completed.

Insurance and Financial Planning Services

Furthermore, Exponent Investment Management Inc. provides fee-only financial planning to clients and non-clients of the firm. In addition, Exponent Investment Management Inc. entered into a joint venture to create Theta Insurance Inc. Theta Insurance provides life, disability, and critical illness insurance brokerage services to clients of Exponent Investment Management Inc. and non-clients as well.

Given the fact that Theta Insurance Inc. is equally owned by Exponent Investment Management Inc. and one of the firm's portfolio managers, Mathew Hall, this relationship between Theta and Exponent needs to be highlighted to all clients of the firm.

EIM Partners Fund Disclaimer

In managing your account consistently with your investment policy, Exponent may invest in the EIM Partners Fund, which is a pooled fund. The pooled fund is managed by Benoît Poliquin, CFP, CFA along the same mandate guidelines as the other portfolios managed by the manager.

The EIM Partner Fund was created to solve the challenges of smaller accounts, accumulating accounts and decumulating accounts. By pooling the client assets, we can reduce the volatility and costs associated with this type of real-life client situation.

There are some fees associated with the management of the pooled fund that are estimated to being 0.60% per annum, and include, but are not limited to, the administration, reporting and management of the fund. These additional costs are offset by costs that would otherwise be incurred to gain the same exposure, such as the trading commission applied by the custodian on the trading activity according to the number of trades required to provide a sufficient level of diversification. In addition, accumulating and decumulating accounts would need to be rebalanced anytime a significant deposit or withdrawal would be made. These additional fees are NOT shared with the advisor as they are disbursed to cover the structure of the fund.

Outside Business Interests

Except for Mathew Hall's relationship with Theta Insurance Inc. and Exponent Investment Management Inc., no employees of the firm have any outside business activities which could lead to a potential conflict of interest.