Relationship Disclosure Document

Lightyear Capital Inc. would like to welcome you as a client of our firm. We very much hope to build a relationship with you that you will find highly satisfactory.

The purpose of this Relationship Disclosure is to help you better understand the nature of the services that Lightyear Capital Inc. ("Lightyear", the "Firm", "we", "us" or "our') provides, including the fees and charges associated with those services, and what you can do to help ensure a satisfactory ongoing relationship with us. We are also required by investment industry regulations to request certain information from you, and we will explain why and when we need that information.

The *Relationship Disclosure Document* will be provided to you at the time you open your account(s) with Lightyear. If there are significant changes to the information contained in this *Relationship Disclosure Document*, we will provide you with an updated version by referring you to our website at www.lightyearcapital.com, or in hardcopy upon your request. If you have any questions related to the contents of this *Relationship Disclosure Document*, please contact your Investment Advisor.

This *Relationship Disclosure Document* covers the following topics:

- About us;
- Our products and services;
- Account types that we offer;
- Our relationship and responsibilities;
- How we assess suitability;
- How we address conflicts of interest;
- How we respond to complaints;
- Account reporting that we will provide;
- Fees and charges (as they relate to the operation of our account(s); and
- Other important information.
- Procedures for Imposing/Removing Temporary Holds

1. About us

Lightyear is an independent investment boutique focusing on small-mid cap companies. The Firm offers investment services to institutional investors and private clients and is an active underwriter for, and financial advisor to, small cap companies seeking private and/or public equity.

Lightyear is what is referred to as an "introducing broker" investment firm. Our client accounts are held in a custody arrangement with our "carrying broker" ("CB"), Haywood Securities Inc. The CB executes, settles and reports all your trade activity to you and provides Lightyear (and consequently to you) an indemnity assuring you that the investments shown on your statements are held by them as custodian. If under any circumstance, any trade activity for your account is not reported on a trade confirmation and your monthly statement, immediately report such omission to Lightyear Compliance.

Lightyear is a member of the Canadian Investment Regulatory Organization("CIRO") and the Canadian Investor Protection Fund ("CIPF"). The Firm is a participating member of the TSX Venture Exchange and is registered in Alberta, Ontario, British Columbia, Saskatchewan and Manitoba.

2. Our products and services.

We offer the following investment products:

- Cash and cash-type instruments;
- Equity investments, including stocks, warrants, flow-through shares and trust units;
- Fixed income and debt securities;
- Investment funds, such as mutual funds and exchange-traded funds; and
- Money market and high-yield savings investments.

Your investment advisor can explain these investment products to you, as well as how they work, their risk and possible returns, and whether or not they are appropriate for you. For more information, you can also read plain-language investment explanations in Investments at a Glance, a booklet prepared by the Canadian Securities Administrators for financial consumers like you, which can be found on their website at www.securities-administrators.ca.

Brokerage firms may be approved to provide varying levels of service to their clients based on the types of accounts available. This can include *managed accounts,* where a portfolio manager independently exercises authority to make investment decisions within the framework of the agreed upon objectives of the account, *order-execution only accounts,* where you receive no advice from an advisor at all and are entirely responsible for your own investment decisions, or *advisory accounts,* where an investment advisor makes recommendations to you on investment ideas, upon which you may or may not decide to act.

Lightyear offers advisory account services only.

Your Investment Advisor is responsible for providing suitable and unbiased investment recommendations to you based on the "know your client" ("KYC") information you provide to us (see the "Our relationship and responsibilities" section of this *Relationship Disclosure Document* for details on KYC information), and you may choose to act upon these recommendations or not. In an advisory account, you are ultimately responsible for your investment decisions, although you may rely on the advice provided by your Investment Advisor. The Investment Advisor is responsible for the advice provided and must meet an appropriate standard of care, give suitable investment recommendations ensuring your best interests first and present unbiased investment advice. Any investment action taken, recommended, or decided on will first be determined to be suitable for you and puts your interests first.

We do not offer new products and do not act in the manufacture or distribution of third-party asset-backed commercial paper. At this time, we have not offered any new products which would require new product due diligence before being introduced to the marketplace nor do we offer proprietary products.

We may offer additional products and services over time and as they are developed. We will inform you of such new offerings through communications in your statements or with your Investment Advisor, and by keeping the most current version of this *Relationship Disclosure Document* posted on our website at www.lightyearcapital.com.

The fees and charges related to the various account types are addressed in the "Fees and charges" section of this *Relationship Disclosure Document*.

3. Account types that we offer.

Advisory accounts are **commission-based accounts**.

A **commission-based account** is an account in which you will be charged a commission for each transaction made for your account (buy or sell). Sometimes investments purchased on your behalf may also pay us fees, such as trailer fees in the case of mutual funds and agent's fees in respect of new issue business. In such cases, it is uncommon that

you would incur any other additional charges in connection with the purchase or sale of these investments or similar products.

Commission rates are established by you and your Investment Advisor in accordance with industry standards and the Firm's policies.

With your advisory account, you may open one or more of the following accounts:

- **Cash accounts**: involve standard cash settlement of transactions, two days after the day your trades are executed;
- **Margin accounts**: offer some level of borrowing capacity, secured by the value of the securities held in your account and based on both regulatory loan value rates and our more stringent internal credit policies (See the *Leverage Risk Disclosure Statement* in the "Other important information" section of this *Relationship Disclosure Document*);
- **Cash-on-delivery ("COD") accounts:** the settlement of your trades takes place between us and your designated custodian on a delivery vs. payment basis;
- **Registered retirement savings plans and income fund accounts** ("RRSP" and "RRIF"): these are accounts intended to hold your eligible retirement savings investments and assets, in accordance with the regulations and restrictions on their operation, as prescribed in the Canadian Income Tax Act;
- **Registered education savings plan accounts:** these accounts are intended to hold funds for your child's post-secondary education, in accordance with the regulations and restrictions on their operation, as prescribed in the Canadian Income Tax Act; and
- **Tax free savings accounts** ("TFSA"): these are accounts which allow you to hold eligible savings investments and assets where the related income and capital gains are earned on a tax-free basis, in accordance with the regulations and restrictions on their operation, as prescribed in the Canadian Income Tax Act.

All accounts may be denominated in Canadian or US currency.

Please consult your Investment Advisor about how each of these accounts operate and which one(s) best meet your investment objectives.

The fees and charges related to the various account types are addressed in the "Fees and charges" section of this *Relationship Disclosure Document*.

4. Our relationship and responsibilities

Clearly understanding our respective responsibilities is vital to the success of our relationship. In this section, we will document those responsibilities, help you understand what KYC information is and why we require it, and provide you with some guidelines on how to establish and define your overall objectives.

Responsibilities

- **Your Investment Advisor's responsibilities:** Your Investment Advisor is responsible for the advice provided to you and for ensuring that it is unbiased, meets an appropriate standard of care, and is suitable based on your investment needs and objectives.
- **The Firm's responsibilities:** Lightyear is responsible for, among other things, providing you with this *Relationship Disclosure Document* and related information, assessing the suitability of the investments in your account(s), ensuring any investment action take, is suitable for you and in your best interests; reporting your account activity to you through trade confirmations and account statements and various other disclosures and requirements, many of which are referred to elsewhere in this document. We are responsible for providing you with information about the investments that you make, including prospectuses, offering documents and other product information, where applicable. Lightyear is responsible for the supervision of its Investment Advisors and for handling any complaints regarding its services in a fair and reasonable manner.

- **Your responsibilities:** You are ultimately responsible for making all investment decisions in respect of your account(s). As such, you are required to be an active participant in the relationship by keeping informed and keeping us informed. In order to achieve this, you are responsible for:

    - Providing us with full and accurate KYC information including your financial situation, investment objectives and risk tolerance, time horizon and any other information relevant to assisting you in meeting your investment goals. Later in this section, we will provide you with some guidelines for establishing and defining this KYC information.
    - Promptly informing your Investment Advisor of any material changes in life circumstances which may result in changes to the KYC information previously provided. This may include such things as a change of address, significant changes in financial situation, employment changes, marital status, retirement plans, etc.
    - Carefully and promptly reviewing copies of all KYC information we will provide you at the time of account opening and any time that information is updated, to ensure that we have recorded an accurate understanding of your circumstances.
    - Ensuring that you understand the information contained in this *Relationship Disclosure Document* and asking questions of your Investment Advisor where you require further clarification.
    - Carefully and promptly reviewing all documentation provided to you including trade confirmations and account statements. You must report any errors or inaccuracies within the time limits prescribed on the documents.
    - Being informed by reviewing your portfolio regularly, understanding the potential risks and returns related to the investments in your account(s), reviewing all sales literature and product related information provided, being proactive by asking questions about specific transactions, investments and the relationship in general whenever such questions may arise, and by consulting the appropriate professionals as necessary, including accountants or lawyers for tax and/or legal advice.
    - Ensuring that payment for transactions is made by the settlement date.
    - Contacting the Firm if you are dissatisfied with the handling of the affairs in your account(s).

"Know Your Client"-What is it and why do we need it?

To work with you effectively in identifying and implementing an appropriate investment strategy, it is essential that we clearly understand not only your risk and return objectives, but also your broader circumstances and preferences. Your responses to the questions in the New Client Application Form will help us develop an understanding of your investment needs and preferences and will be used to complete a detailed Client Risk Profile which will help guide investment recommendations made to you. As part of our "Know Your Client" (KYC) requirement we need to record your risk tolerance and your financial ability to withstand losses (risk capacity). Every investment has some amount of risk. When making investment decisions, consider your overall financial situation and how well you can withstand losses.

Lightyear specializes in investments in higher risk sectors.

In an advisory account, while you are ultimately responsible for your investment decisions, you may rely on the advice provided by your Investment Advisor. Your Investment Advisor is required to ensure that the advice provided and investments made in your account(s) are suitable for you. To assess suitability, we consider factors such as your investment objectives and time horizon, risk tolerances and your personal and financial circumstances, including your age, annual income, net worth, investment experience and investment knowledge. This "Know Your Client" information is what we refer to as "KYC" and is collected when you complete your *New Client Application Form ("NCAF").* We must match your needs and desires with your investments and trading activities. Without this understanding, it is not possible to make suitable recommendations.

We know that you may be concerned about sharing some of this information. However, **without all the necessary information to know your fundamental circumstances, securities legislation prohibits us from proceeding with opening your account.** Please also refer to our Privacy Policy, included on our website at www.lightyearcapital.com, regarding our commitment to the confidentiality and privacy of your information.

Again, as described above, you are also responsible for ensuring the KYC information is up-to-date and informing us of changes in your life circumstances which may result in changes to the KYC information that we have in our records.

Further information on the various KYC factors is provided below:

- **Personal situation**: The personal information we gather not only ensures that we follow anti-money laundering/anti-terrorist financing regulations mandating verification of identification but is also important in our understanding of your personal circumstances and how they may affect the recommendations we make to you. This includes basic name, residence address and other contact information, date of birth, social insurance number, marital status, employment information, etc.

- **Financial situation**: We need to understand your net worth, which includes your financial assets (deposits, investments) and capital assets, net of your liabilities (debts, mortgage). We need to understand the sources of your income and the amount of your income from all sources. We will also need to know about any recurring expenses and any future, non-recurring special expenses that may require the liquidation of a part or all of your portfolio. We will consider the size of any transaction relative to your net worth as part of our suitability assessments.

- **Investment experience, knowledge and understanding:** This reflects your level of understanding of investing, investment products and their associated risks. We will document your level of investment knowledge as being sophisticated, good, limited, or poor/nil. Further information on determining your level of investment knowledge is provided below.

- **Investment needs and objectives:** Your investment objectives are your specific financial goals. This information will help us determine how to balance the desire to keep your money safe (not lose principal), earn income, and increase your capital through growth in the market value of your holdings/account(s). The investment that we recommend should be consistent with your investment objectives. Further information on the types of objectives you may have is in the following section.

- **Time horizon:** This is the period from the time you provide us with this information to the time when you expect to need your financial assets, or a significant portion thereof, for such things as purchasing a home, paying for your education or your children's education or retiring. In retirement, this may also include consideration of tax requirements to withdraw minimum amounts.

- **Risk profile:** Understanding risk and knowing your comfort with risk is an important part of investing. Your risk profile encompasses both risk tolerance, willingness to accept risk and risk capacity, and ability to sustain a loss. Your risk profile should reflect the relative weighting of the various levels of risk of the investments that you wish to hold in your account(s). Further information on how to define the various levels of risk is in the following section.

When you are considering these KYC factors and your own personal circumstances, you must do so on an account-by-account basis, rather than for all of your accounts or for you as an investor overall, as each account or type of account may have different investment objectives, risk tolerance levels, etc. For example, you may wish to keep your retirement savings in lower risk investments with longer term return objectives but hold more speculative investments in a cash account. Clearly the risks and objectives are different in those two cases. For this reason, we will review suitability on an account-by-account basis.

Guidance for considering investment knowledge

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

- **Sophisticated** experience would include those individuals who have traded in most types of investment securities. This would include knowledge of options, commodities, speculative and short selling strategies and an appreciation of the risks and rewards involved in trading these securities.

- **Good** experience would include those individuals who have either traded in or have some knowledge of the basic characteristics of both fixed income securities and common shares, as well as basic understanding of the degree of risk and reward inherent in these types of securities.
- **Limited** experience would include those individuals who have had some investment experience but may not have a full understanding of the basic characteristics of the various types of securities and the degree of risk associated with some securities.
- **Poor/Nil** experience would include those individuals who have very limited or no knowledge of the basic attributes of securities or the workings of the markets.

Guidance for considering investment objectives

The investments in your account(s) should be consistent with your investment objectives. Your objectives are classified and documented as being income related, balanced, growth, and aggressive growth, and may be any combination of these. These categories are general guidelines only, intended to assist us in meeting your overall investment objectives. It is recognized that your objectives may change from time to time, and what you provide at the time of account opening represents your basic objectives at that time. If changes to your personal circumstances result in changes to your overall investment objectives, you are responsible for discussing and updating that information with your Investment Advisor.

To assist you in determining your objectives, we offer the following guidelines as to the account types that best describe the nature of the investments and activities intended by each of the four categories. Please remember that the list of securities in each category is not intended to be exhaustive, and your own situation may require further clarification. It is also important to recognize that the selection of investment objectives may not be synonymous with the selection of account risk factors as described in the section below.

- **Income**: Your principal Investment Objective is to maintain the value of your invested capital and generate income, and possibly, some ancillary growth. You want to minimize the risk of losing any money over the short or long term and are willing to accept lower returns for greater safety of capital. Your investments will be principally focused in investment grade or higher quality fixed income investments or funds, ETFs, and other products which invest in similar types of investments. An investment account is only appropriate for persons who have at least a Low Risk Tolerance and a Low Risk Capacity and accept that all investments carry some risk of temporary or permanent loss of capital.

- **Balanced:** Your principal Investment Objective for your investments is to have some potential for growth over the long term without taking on high levels of risk. Your investments will be principally focused on higher quality stocks and investment grade or higher quality fixed income investments or funds, ETF, other product which invest in similar types of investments. You understand that a temporary and permanent loss of some capital is possible. A Balanced growth account is only appropriate for persons who have a time horizon of (5) five years or more and have at least a Medium Risk Tolerance and a Medium Risk Capacity.

- **Growth**: Your principal Investment Objective for your investments is capital appreciation over the long term. You accept increased risk and volatility of your investment returns. Your investments will be principally focused of stocks of medium to large cap companies or funds, ETFs, and other products which invest in similar types of investments. You understand that a temporary and permanent loss of capital is possible. A growth account is only appropriate for persons with the time horizon of (5) five years or more and who have at least a Medium-High Tolerance and a Medium-High Risk Capacity.

- **Aggressive Growth**: Your primary Investment Objective is to maximize the eventual return of your capital. **You are willing to accept very high levels of risk and volatility, including the potential for significant temporary and permanent loss of your capital.** You do not require your account to be diversified, to produce or supplement your income, and you are prepared to accept periods of illiquidity. An aggressive growth account is only appropriate for persons with the time horizons of (5) five year or more, and who have at least a High Risk Tolerance and a High Risk Capacity.

The risk and volatility of each account type is achieved through the entire blend of its holdings and not by reference to any one or more of its holdings.

Guidance for considering risk tolerance and risk capacity to create your risk profile

Investing in securities is inherently risky, as the value of individual securities is not guaranteed and can fluctuate significantly. The risks your investments may face include, among other things, issuer specific risks (type of product, business, sector or industry risk), general market risk, macroeconomic conditions, interest and exchange rate risk and liquidity. You could lose a portion of, or even all of, your original investment.

The investments in your account(s) should be consistent with the level of risk you are willing to accept in your account(s). Your risk tolerance and risk capacity is determined by such factors as your age, your family situation (marital status, dependents), your net worth and your income expectations as well as any recurring expenses or special expenses. You should approximate your risk tolerance and risk capacity on a percentage basis between high, medium/high, medium and low risk. There will likely be some correlation between your risk levels and your investment objectives. For example, there should be a high correlation between the degree of high-risk tolerance, and the portion of the objectives that represent growth and aggressive growth. An account in the 100% low-risk category would be very limited in the investment opportunities available to it, whereas one that has some allocation to the medium-risk or high-risk categories would have a much greater degree of flexibility in choosing investments.

Lightyear specializes in investments in high-risk sectors or situations. Our recommendations will be made in securities in these sectors and may be exposed to higher risk and therefore your portfolio at Lightyear should be considered high risk.

- **Low risk investments** experience low volatility and generally offer lower returns in exchange for greater protection of capital. This category would include investments such as government issued securities and money market mutual funds.
- **Medium risk investments** experience a medium level of volatility and are more likely to offer moderate growth over a longer period of time. These investments can certainly fluctuate in value but are generally higher quality. This category would include most publicly traded securities, particularly those upon which the Firm would be willing to extend margin.
- **High risk investments** can exhibit significant volatility and are best suited to investors who are willing to accept the risk of short-term fluctuations in exchange for the potential for higher long-term returns. Accepting this level of risk is accepting the risk that the entire investment could be lost. This category would include volatile, start-up or lower value publicly traded securities, speculative investments and emerging company type investments with low liquidity. These are securities upon which the Firm is not willing or able to extend margin.

5. How we assess suitability.

Based on discussion with you and your answers on the KYC form, we determine whether you are a risk-averse client, somewhat risk tolerant or can accept higher losses in search for higher gains. We rate investments as low, medium and high risk.

We will determine your risk tolerance (level of risk you are willing to assume to achieve your investment objectives) by obtaining the percentage of risk you are willing to assume under each of the categories below:

- **Low**: preserve initial principal with minimal risk even if the account does not generate significate income or returns and may not keep pace with inflation.
- **Medium**: Willing to accept some risk to initial principal and tolerate some volatility to seek higher returns with an understanding of a possible loss of a portion of the money invested.
- **High**: Willing to accept high risk to my initial principal including high volatility, to seek high returns over time, with an understanding of a possible substantial loss of the amount of money invested.

We will determine your risk capacity (how much risk can you comfortably take on given your financial circumstances) by obtaining a timeline for when you may require a cash withdrawal of either a portion of your investments or all your

investments. You should consider your personal and financial goals and your timeline for achieving them as well as any expected or unexpected future expenses. Risk capacity is determined:

- **Low:** If you have a short time horizon until funds will be required and you have no other sources of income
- **Medium**: If you have a moderate time horizon with moderate sources of income to invest.
- **High**: If you have a long-time horizon with other sources of income to increase investments.

Your risk profile will reflect the lower of risk tolerance and risk capacity.

Once we have established your KYC details, we use this information to assess the suitability of investments in your account and the composition and risk of your portfolio relative to your investment objectives and risk profile.

Your Investment Advisor will conduct a suitability assessment, on an account-by-account basis, as follows:

- Each time a recommendation is made to you;
- Each time a trade is accepted from you (including those proposed by you);
- When securities are deposited or transferred into your account(s);
- When the Investment Advisor responsible for the account changes; and/or
- When there has been a material change in your personal or financial circumstances or objectives.

To ensure that the positions held in your account(s) remain suitable for you as time passes, our goal is to review the suitability of the investments in your account(s), and your holdings as a whole, at least every three years in conjunction with an update of your KYC information.

Given the long-term nature of investing for most clients, we do not automatically review the suitability of the investments in your account(s) when there are market fluctuations, even large fluctuations. Your Investment Advisor is ready to discuss the effect of market fluctuations on your portfolio with you when you request.

A suitability assessment involves a comparison of the overall composition of your account(s) at a point in time to the weighting of the various levels of risk and investment objectives as set out in your KYC information. When considering the suitability of a transaction, we consider how that transaction affects those weightings in your account(s).

During an assessment, if an investment is considered to be unsuitable, your Investment Advisor will discuss the situation with you and may advise against the purchase or suggest that you sell any unsuitable investments already in your account. Your Investment Advisor may also recommend that you make changes to the other investments in your account to ensure the overall suitability of your holdings relative to your stated investment objectives and risk tolerance.

However, if you have a reasonable amount of financial assets and you wish to invest a small amount of your overall account in an investment that would otherwise be unsuitable, we may advise you that, while the specific investment is not suitable for you, it might be acceptable if you can “afford” to lose that money, even potentially that entire investment. This investment would not be considered “unsuitable” as it would be insignificant to the overall value of your portfolio.

If during our suitability determination we identify any concerns, we will discuss them with you and document our discussions. If we are strongly concerned about any transaction you request of us which differs from what we determine to be a suitable transaction, we may choose to refuse to execute a transaction or even terminate our account relationship.

6. Trusted Contact Person and Temporary Holds

If you are an individual client, Canadian securities regulations require us to ask you to provide the name and contact information for a person you trust ("Trusted Contact Person" or "TCP") so that we may contact your TCP to assist us in protecting your financial interests, in certain circumstances. You are not obliged to provide us with a TCP. If you do, you authorize us to contact your TCP if we notice signs of potential financial exploitation or if you exhibit signs of diminished mental capacity which we believe may affect your ability to make financial decisions relating to your account(s). We may also contact your TCP to confirm your contact information if we are unsuccessful in contacting you after repeated attempts, particularly if our failure to contact you is unusual. We may also ask your TCP to confirm the name and contact information of a legal guardian, executor, trustee or any other personal or legal representative such as an attorney under a power of attorney. In providing us with the name and contact information of your TCP, you confirm that we have your TCP's permission to give us this information and that your TCP has agreed to act in this capacity. Ideally, your TCP has no financial authority over your account(s) or other involvement in making financial decisions for you.

If we have a reasonable belief that you are being financially exploited or that you are experiencing diminished mental capacity which may affect your ability to make financial decisions relating to your account(s), Canadian securities regulation permits us to place a temporary hold on your account or a particular transaction. In such event, we will provide you with a verbal or written notice explaining our actions, in addition to contacting your TCP as described above, provided we do not suspect your TCP being the cause of your possible financial exploitation.

7. How we address conflicts of interest.

Actual, potential, and perceived conflicts of interest exist in almost all human interactions. Our relationship with you is no different. We have a legal responsibility to maximize economic benefit for our shareholders and other stakeholders, as well as an obligation to adhere to the highest ethical standards in our dealings with our clients. We believe the best way to achieve our goal is to provide you with trusted advice and personalized financial solutions that help you achieve your financial goals in order to retain your continued patronage.

Lightyear Capital Inc. ("Lightyear") is what is referred to as an "introducing broker" investment firm. Our client accounts are held in a custody arrangement with our "carrying broker" ("CB"), Haywood Securities Inc. The CB executes, settles and reports all your trade activity to you and provides Lightyear (and consequently to you) an indemnity assuring you that the investments shown on your statements are held by them as custodian. If under any circumstance, any trade activity for your account is not reported on a trade confirmation and your monthly statement, immediately report such omission to Lightyear Compliance. We provide a broad range of corporate finance, institutional trading and retail client services and products. We recognize that by definition we are more susceptible to conflicts of interest than many other commercial activities since we may regularly represent both sides to a transaction, namely, the buyer and the seller.

You can learn more about our firm at www.lightyearcapital.com.

As an investment dealer, we are a financial intermediary. As is the common practice in the brokerage industry, sometimes we may be the party on the other side of the transaction (referred to as a "principal" trade) where we own the security we sell to you. On other occasions, we simply facilitate a transaction between you as our client and a third party on the other side of the transaction through an "agency" trade where we have no ownership interest in the security traded. In still other cases, we advise an issuer of securities on how to best raise funds by selling securities, while contemporaneously recommending that our clients buy those same securities.

We recognize that our client offering can sometimes make us susceptible to conflicts of interest. We recently updated our conflicts of interest policy to fully reflect the goals of the "Client Focused Reforms" initiative approved by the Canadian Securities Administrators (CSA) and CIRO which became effective June 30, 2021.

The principal goal of the Client Focused Reforms initiative reflects our longstanding policy and commitment to our clients to act in their best interest, and to avoid all material conflicts of interest that we cannot otherwise address in

the best interest of our clients.

A conflict of interest may arise where:

- the interest of different parties, such as the interest of a client and those of Lightyear or its employees/investment advisors, are inconsistent or divergent;
- an investment advisor may be influenced to put their interest ahead of their client's interest; or
- monetary or non-monetary benefits available to an investment advisor or potential disadvantage to which an investment advisor may be subject, may compromise the trust that a reasonable client has in their investment advisor.

A conflict of interest is considered material in circumstances when it may be reasonably expected to affect either or both of i) the decisions of the client and ii) the recommendations or decisions of the investment advisor.

A summary of our policy follows. We encourage you to contact your Investment Advisor to discuss any aspect of our policy should you have any questions about it.

Identifying, Addressing and Disclosing Material Conflicts of Interest

Our goal is to identify, address and disclose material conflicts in a fair, equitable and transparent manner, and consistent with the best interests of our clients. We are committed to putting our clients' interest first, ahead of our own interests and any other competing considerations. We will address material conflicts of interest either by avoiding those conflicts or by using internal controls and review processes to mitigate those conflicts sufficiently so that the conflict has been addressed in our clients' best interest. Conflicts deemed too significant to be addressed through controls or disclosure must be avoided. Disclosures about conflicts of interest will be made in a timely, meaningful and prominent manner.

Our *Conflicts of Interest Statement* may be found in the Client Agreement and Notices menu on the home page of our website at www.lightyearcapital.com. This document is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. If you ever have any questions or concerns about whether they involve conflicts of interest or anything else, you should never hesitate to say so and ask your Investment Advisor for an explanation and more information.

This document was last updated in August, 2026.

8. How we respond to complaints

The fair and timely handling of client complaints is vital to the overall integrity of the investment industry. Lightyear regards the handling of any client complaint as an essential element of servicing our client accounts and we have established written policies and procedures to ensure they are dealt with promptly and fairly.

A more detailed explanation of our *Client Complaint Process* may be found in the Client Agreement and Notices menu on the home page of our website at www.lightyearcapital.com.

9. Account reporting we will provide

Lightyear will provide you with reporting to help you monitor your financial assets and performance. This reporting will come in the form of trade confirmations, account statements, annual performance, fees and compensation reports. While we do our utmost to avoid errors, misunderstandings and mistakes can happen. Accordingly, it is important that you review each trade confirmation and account statement promptly upon receipt and advise Lightyear within the time limits disclosed on the documents if you believe there has been an error.

- **Trade confirmations**: We will provide you with written confirmation of the details of every securities purchase and sale transaction that is processed in your account. These are generated and mailed no more than two days after the transaction takes place.

- **Account statements**: For your account(s), a statement will be provided for each month where there is any account activity but at minimum, on a quarterly basis, as long as there are cash and/or securities in the account. Your account statement confirms all account activity, including purchases and sales of securities, contributions and withdrawals, dividends, interest earned and paid, transfers, and any other transactions that have occurred in your account(s) over the previous period. Account statements also list your current securities held in the account together with their book cost and market value.

  Book cost on your statement is calculated in accordance with a regulatory definition and as such is not appropriate for tax purposes. Your statement includes detailed information regarding how book cost is calculated, as well as notations where part or all of a book cost amount has been determined using market value in lieu or is otherwise not determinable. If we do not have an accurate book cost, you may update the information by providing us with appropriate documentation to support the book cost.

  Our best efforts are made to obtain a market value for all securities; However, in some circumstances, we may be unable to obtain accurate or current valuations. For publicly traded securities, the market values generally reflect the last traded price on the primary market upon which the security trades, or are obtained from sources believed to be reliable, but we cannot guarantee their accuracy. For securities that are not listed on an exchange or that trade infrequently, the market value provided maybe an estimate, which may not reflect the actual market value. For example, private, unlisted an restricted securities, with no quoted market value, may or may not be priced. Fair market value is reported for these securities, the price generally reflects the last traded price or the last issue price and may not necessarily reflect an accurate market value as of the statement date. As the securities are not readily marketable, Lightyear cannot ensure the accuracy of such prices at any point in time. If a current market value is not available for a security, notations on your statement will identify whether the market value has been estimated or is deemed not determinable. Foreign exchange on US priced securities is calculated using the quoted closing spot rate for the statement date.

- **Performance and other reporting:** Lightyear provides an annual Investment Performance Report, including percentage return information and an annual Fees and Compensation Report in January of each year for the prior one-year period.

  Note: Your investment advisor may be able to provide you with a portfolio view of your account(s) that reflect both the book value and market value of the holdings in your account(s), as well as gains and losses or rates of return; however, this is not a formal report we offer, and you are cautioned that the information may not be entirely reliable. For example, book value may include transactions recorded at market value when cost is not available, and this portfolio view does not include the disclosures required for you to make those distinctions. As such, the reports may not result in an accurate reflection of gains and losses. This information is being provided for your general information for discussion purposes only and may not be relied upon for any purpose.

- **Tax reporting:** We will provide you with any required tax reporting, based on the type of account(s) and/or transactions within your account(s) each year. The most common of these are as follows:

  - RRSP contributions;
  - T4RSP-Statement of RRSP Income and/or T4RIF-Statement of Income from a RRIF;
  - T5-Statement of Investment Income;
  - T3-Statement of Trust Income Allocations and Designations;
  - T5013/T5013A-Statement of Partnership Income;
  - Summary of Investment Income; and/or
  - T5008-Summary of Securities Transactions.

  There may be additional tax reporting as circumstances warrant. If you have any questions about tax reporting you receive from Lightyear, you should contact your Investment Advisor.

10. Fees and charges

You may incur various fees and charges in relation to the operation of your account(s) at Lightyear. Most of these will be charged directly by Lightyear, however, some of them may be charged elsewhere and by other parties. The different types of fees and charges are described below.

- **Commissions**: Lightyear will charge you commissions on all securities transactions in your account(s). These commissions represent the compensation you pay Lightyear for the services we provide you in the execution and completion of your trades. For equity securities, these commissions are either added to your total purchase price or deducted from your sale proceeds and are disclosed to you on your trade confirmation. The amount of commission that you pay will vary depending on, among other things, the security being traded, where it trades and the value of the trade. The amount of commission is negotiated between you and your Investment Advisor at the time you place your order, subject to some general guidelines to which he or she must adhere. Commissions are most commonly based on a percentage of the trade value. For debt and other fixed income securities, the commission is generally built into the price you pay or receive for the security in your transaction. Our CB retains a portion of the price you pay or receive, and this is the commission or "spread" that is earned on these transactions. Lightyear does not share in the spread earned by the CB on debt or fixed income securities.

- **Mutual funds:** In the case of mutual funds, the related fees are generally charged to you through the mutual fund manager or product manufacturer. Mutual fund managers typically charge a percentage fee called a management expense ratio ("MER"), as well as other transaction costs, by deducting these charges from the value of the fund. From the MER, the Firm is paid ongoing commissions, commonly referred to as trailer fees, for the services we provide. Product manufacturers may also charge you a commission at the time of purchase, which is deducted from the amount delivered for investment in the fund. Product manufacturers may also charge you a deferred sales charge ("DSC") if you redeem your fund investment prior to the expiry of a set schedule. As all of these amount (MERs, trailer fees, commissions and DSC's) can vary from fund to fund, we encourage you to review the information you are provided regarding the fund in which you are investing (such as the prospectus offering document or fund fact sheet) and discuss any questions you may have with your Investment Advisor.

- **Interest and foreign exchange:** To the extent that you maintain a debit balance in your account, you will be charged debit interest. The CB may charge a higher rate than it pays to borrow funds itself, thus earning the spread between the two rates. To the extent that you maintain a credit balance in your account, you will be paid credit interest. The CB may credit your account at a lower rate than it earns on its own cash balances, thus earning the spread on the two rates. Lightyear and the CB share the spread equally. The current interest rates are as follows:

    - Canadian dollar debit balances: you pay the Canadian prime rate plus 3.0%
    - US dollar debit balances: you pay the US prime rate plus 3.25%
    - Canadian dollar credit balances: you earn the Canadian prime rate less 3.0%
    - US dollar credit balances: you earn the US prime rate less 3.25%

  When we are required to buy or sell US dollars on your behalf, the CB earns a commission as well. This commission is built into the exchange rate that you are quoted. The CB retains a portion of the rate you pay or receive for your US dollars, thus earning the exchange rate spread on these transactions. Lightyear does not share the foreign exchange spread with the CB.

- **Account operation fees and charges:** You may also be subject to various other fees and charges in connection with the operation and maintenance of your account(s). These may include, among other things: account transfer; deregistration and withdrawal fees; physical certificates and re-registration fees; wire transfer fees; fees related to private company and other restricted securities; administration fees and more.

- **Other charges:** There may be other costs you incur that are not part of our service offerings, but which are levied by third parties and are required to ensure proper operation of your account(s) with us. For example, you may be required to pay for valuations and legal opinions as to the eligibility of certain private investments that you wish to hold in a registered account. Knowing about and planning for these costs is your responsibility.

Your Investment Advisor will make every effort to advise you of all possible fees and charges relating to a specific transaction in advance of accepting instructions from you. However, it is your responsibility to be familiar with our *Fee Schedule* located in the Client Agreement and Notices menu on the home page of our website at www.lightyearcapital.com. We will provide you with a minimum of 60 days' written notice of any changes to the *Fee Schedule***,** generally communicated to you as a statement message directing you to the most current version of the *Relationship Disclosure Document*, as posted on our website.

11. Other important information.

Leverage Risk Disclosure Statement

The regulatory authorities require member firms to provide their clients with a *Leverage Risk Disclosure Statement.* This disclosure statement is intended to remind clients of the inherent greater risks involved in borrowing money to purchase securities, and is as follows:

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

Performance Benchmarks and How to Use Them

You may assess the performance of your investments by comparing them to an investment performance benchmark. Benchmarks show the performance over time of a select group of securities. There are many different benchmarks. When choosing a benchmark, pick one that reflects your investments. For example, the S&P/TSX Composite Index follows the share prices of the largest companies listed on the Toronto Stock Exchange. This index would be a good benchmark for assessing performance of a Canadian equity fund that invests only in large Canadian companies. It would be a poor benchmark if your investments are diversified in other products, sectors or geographic areas.

We do not provide benchmark comparisons in our monthly account reporting.

Please speak to your Investment Advisor if you have any questions about the performance of your portfolio.or what benchmark(s) might be appropriate for you.

Canadian Investor Protection Fund ("CIPF")

The CIPF was created by the investment industry to ensure that client assets are protected, within defined limits, in the event of the insolvency of an investment dealer, who is a member of CIPF. All CIRO dealer members are required to be members of CIPF and are subject to assessments for required contributions to CIPF. The coverage limit is $1,000,000 for any combination of cash and securities within each separate account. Many investors will have two separate accounts, a general account and a retirement account, that are each eligible for the $1,000,000 of coverage. If an investor has several general accounts (cash, margin, US $ account, etc.) or several retirement accounts (RRSP, RRIF, etc.), these will be combined, respectively, into two separate accounts for purposes of CIPF coverage. The coverage amount applies to any shortfall in your account which may exist following the dealer insolvency, which, in most cases, will be substantially less than the value of your account(s).

CIPF does NOT cover losses arising from market fluctuations.

For more information on CIPF coverage, please visit their website at www.cipf.ca or contact your Investment Advisor for an informational brochure.

Warning re: Electronically Delivered Orders

Although Lightyear does not specifically reject orders to buy or sell securities received from its clients via email or voicemail, it is important to be aware that such delivery of an order is at risk of not being received, and accordingly executed, in a timely fashion. Please consider systems problems, equipment malfunctions, internal mail systems, and other related issues which may delay receipt of such an order by the appropriate individual within a reasonable time frame. Accordingly, we recommend that in these cases, you make a follow-up phone call to ensure the order was, in fact, received. We provide this general warning so that you are aware of the potential risks.

13. A checklist of documents to be provided to you.

In connection with your new (updated) account(s) the following documents are available to you on request, and some are available on the home page of our website at www.lightyearcapital.com:

For All Accounts

- ✓ New Client Application Form
- ✓ Relationship Disclosure Document
- ✓ Conflict of Interest Statement
- ✓ Fee Schedule
- ✓ Multiple Marketplaces Trading Policy

Depending on account type, account features (e.g., cash, margin, corporate account, RRSP's, LRSP, TFSA) and your instructions, you may receive or be required to complete additional stand-alone documents.

Keeping You Informed (Regulatory Disclosure)

- ✓ Privacy and Protection of Personal Information Policy
- ✓ Communication with Beneficial Owners of Securities
- ✓ Institutional Trading Matching Statement
- ✓ Business Continuity Plan

Other

We will also provide you with copies of CIRO Brochures entitled:

- ✓ Opening an Investment Account: A Guide for Investors
- ✓ Making a Complaint-A Guide for Investors
- ✓ How CIRO Protects Investors

After your *NCAF* has been formally approved and processed, a copy of your completed *NCAF and stand-alone documents* along with a Welcome Letter will be mailed to you. Please carefully review the completed *NCAF* to ensure that the KYC Information accurately reflects your investment objectives and risk tolerance.

Thank you for choosing Lightyear Capital Inc.