

CANACCORD GENUITY DIRECT – A DIVISION OF CANACCORD GENUITY CORP.
(also referred to as the “Firm”)

Welcome to Canaccord Genuity Direct.

To assist you in getting the most out of your new self-directed account(s), please take a moment to review the information provided in this Relationship Disclosure document. It contains important details about the products and services we offer, the features of your account(s) and how it/they operate(s) and our responsibilities to you.

The Services and Products Offered by Canaccord Genuity Direct

Services

Canaccord Genuity Direct provides order execution only accounts as described in the section below.

Products

We offer our clients access to the following investment products:

- Cash and cash equivalents such as T-Bills and money market instruments
- Fixed income or debt securities such as bonds and debentures
- Equities including warrants
- Investment funds including mutual funds and exchange traded funds
- Derivatives including options contracts and futures contracts

For more information on investment products, please visit the CSA website at www.securities-administrators.ca

Generally, the investment products available on our trading platform will be able to be readily liquidated or resold. However, depending on the security, there may be restrictions to your ability to liquidate or resell a security.

Your Account Type and How It Will Operate

Order Execution Account

With your self-directed (“Order Execution Account”), orders are entered by you using our online trading platforms or by placing an order over the phone with one of our licensed Investment Representatives. Canaccord Genuity Direct provides comprehensive support, tools and resources to help you make investment decisions. Canaccord Genuity Direct will not be responsible for making a suitability determination of trades when accepting orders from you. We will not consider your financial situation, investment knowledge, investment objects, risk tolerance and time horizon. Canaccord Genuity Direct will not provide any recommendations or advice.

The Fees You Will Be Paying and How They Will Be Calculated

The commissions you will pay for trades and the fees related to the operation of your account are included in the *Commission Schedule and Statement of Disclosure of Rates and Fees* document provided to you at the time of account opening and can also be found on our website at: www.cgdirect.ca. Any time you buy or sell certain investment products in your account, you will be charged a commission.

For transactions in most fixed income securities, the commission you pay is built into the price of the security. For transactions in exchange-listed securities such as stocks, you pay a commission. The commission is not built into the price of the security but is a separate charge added to the total amount owing for any purchase and deduct from the total proceeds of any sale. The amount of commission you pay is not fixed but will vary depending upon the size of the trade. For transactions in mutual funds and similarly manufactured products,

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you will be charged fees and other charges by the product manufacturer for buying, selling or holding units of the investment. For example, many mutual funds charge an exit fee (often referred to as back-end load or deferred sales charge) when you sell units of the fund prior to the expiry of a stated redemption schedule. In addition, most funds charge the fund an annual percentage fee (often referred to as a management expense ratio, or “MER”). A commission may be received at the time of your purchase and may be deducted from your initial investment (often referred to as a front-end load) or paid to Canaccord Genuity Direct by the product manufacturer from its MER. Canaccord Genuity Direct may also receive an ongoing commission (often referred to as a trailer fee) from the product manufacturer for as long as you hold the investment in your advisory account. All of the fees associated with this type of investment – MERs, back-end loads, front-end loads – and the compensation paid to Canaccord Genuity Direct is detailed in the product manufacturer’s offering document, such as a mutual funds simplified prospectus or fund facts.

Impact of Fees, Services Charges and Other Costs on Investment Returns

The costs associated with maintaining your account, as well as expenses charged within investment products can impact the performance of your investment returns by reducing returns in proportion to fees and charges. Investments can compound in value over time through growth and reinvestment of income. Fees may reduce the amount available to invest and reinvest.

Investment Suitability

Order-execution accounts:

Canaccord Genuity Direct will not be responsible for making a suitability determination of trades when accepting orders from you. We will not consider your financial situation, investment knowledge, investment objectives, risk tolerance and time horizon.

Content and Frequency of Our Reporting to You

Trade Confirmations

When you buy or sell securities, a trade confirmation will be sent to you using your preferred communication method (electronically if you are signed up for electronic confirms or by mail), generally within one business day of the trade date.

Account Statements

During months where there is activity in your account (exclusive of interest or dividend payments), you will receive a statement of account from Canaccord Genuity Direct shortly after the end of that month. Regardless of whether any transactions have occurred, quarterly statements of account will be provided to you.

Performance/Return on Investments: We do not currently provide you with the return on your investments on your account statements. We are responsible for sending you an annual account report for the previous calendar year. The report will provide information regarding how your investments performed over the last year and a list of charges and payments you paid over the same time period.

Annual Account Reports

We are responsible for sending you an annual account report for the previous calendar year. This report contains two sections: 1) Performance, and 2) Charges and payments. The performance section, which includes annual total percentage information, gives you a clearer picture of how your investments have performed over the last year. The charges and payments section lists the charges you paid over the same time period, along with any third-party payments associated with your accounts.

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Investment Performance Benchmarks

When properly selected, benchmarks are an effective way to assess the relative performance of your investment strategy and represent a good starting point when evaluating the overall success of your investment choices. They can also help you form realistic expectations about the returns your portfolio can generate over the long term. For example, an annual return of 5% on a diversified equity portfolio may seem weak; however, if the portfolio’s benchmark return is 3% over the same holding period, the equity portfolio has actually outperformed.

Many investors choose a broad market index to service as an investment performance benchmark. For example, the S&P 500 is an index of 500 leading companies in the large-cap segment of the US equities market and would be an appropriate benchmark for a client invested in large-cap US equities. Similarly, the FTSE TMX Canada Bond Universe Index would be an appropriate benchmark for a portfolio comprised of Canadian bonds since this index tracks the performance of investment-grade fixed income in the Canadian market. For a portfolio comprised of securities from several different asset classes, the appropriate benchmark might be a combination of indices weighted according to the portfolio’s asset mix.

Due to the vast number of benchmarks from which to choose, and because investment strategies will vary from one client to the next, benchmark comparisons are not provided as part of our standard account reporting.

Disclaimer Regarding Canadian and US Order Routing Information

Canaccord Genuity Direct provides order-by-order Best Execution using smart order routing (SOR) technologies whereby the system attempts to seek the best available price and other terms for a Customer’s order. (“Best Execution - Order Protection Rule (OPR)”)

Orders received prior and after regular trading session will be accepted at any time, but dynamic prices will only be monitored and updated during normal market sessions. Orders may only be triggered during normal market sessions, and activity will occur during trading hour sessions, except order placement or cancellation requests.

Although orders are routed for Best Execution Routing when trading products for which Best Execution Routing is available, the system may allow a Customer to direct an order to a specific market based upon the Customer’s judgments about, among other things, the character of the market for the security (e.g. price, volatility, relative liquidity, and pressure on available communications); the size and type of transaction, and the execution speed and quality on various markets. In such cases, if Customer elects to direct orders to a specific market, Customer assumes responsibility for examining and directing Customer’s trading in accordance with the relevant rules, policies and procedures of the market to which the orders are routed.

Canaccord Genuity Direct cannot and does not warrant or guarantee that every Customer order will be executed at the best posted price. Among other things, Canaccord Genuity Direct may not have access to every market at which a particular product may trade (i.e. unprotected marketplaces); other orders may trade ahead of Customer’s order and exhaust available volume at a posted price; exchanges or market makers may fail to honor their posted prices; Exchanges (Canadian and US markets) may re-route customer orders out of automated execution systems for manual handling (in which case execution or representation of Customer’s order may be substantially delayed); or Exchange rules, policies, procedures or decisions or system delays or failures may prevent Customer’s order from being executed, may cause a delay in the execution of Customer’s order, or may cause Customer’s order not to be executed at the best posted price.

Avoiding, Managing, or Disclosing Conflicts of Interest that May Arise as We Serve Your and Others’ Interests

A conflict of interest is any circumstance where (i) the interest of our client may be inconsistent with our interests, including those of our Investment Advisors, or (ii) you may perceive us to be influenced to put our interest ahead of yours, or (iii) monetary and non-monetary benefits available to us, or potential detriments to which your Investment Advisor may be subject, may affect the trust you have in us. We have a regulatory obligation to identify and address all existing and potential conflicts of interest in a fair, equitable and transparent manner consistent with our clients’ best interests.

We strongly encourage you to read our Conflicts of Interest Disclosure document provided to you at account opening. It highlights the most common conflicts of interest encountered by Canaccord Genuity Direct in delivering our products and services to you and will assist you in understanding how these common conflicts will be managed. Any conflicts of interest not already disclosed to you within the Conflicts of Interest Disclosure document or that emerge during the course of your relationship with us will be disclosed to you as they arise.

Trusted Contact Person and Temporary Holds

When you open an account with us, we will ask you for the name and contact information for a trusted contact person and your consent to contact the trusted contact person in certain circumstances. A Trusted Contact Person (“TCP”) is an individual identified by you who we can reach out to if there are concerns of financial exploitation, or if we have concerns about your mental capacity as it relates to your ability to make financial decisions. Financial exploitation generally means the use or control of, or deprivation of the use or control of, a financial asset through undue influence, unlawful conduct, or another wrongful act. We may also contact your Trusted Contact Person to confirm your current contact information if we cannot reach you after multiple attempts, or to confirm the name and contact information of a legal guardian, if any. You can replace or revoke your Trusted Contact Person at any time. If we reasonably believe that you are in a vulnerable position and 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) with us, we may place a temporary hold on a particular transaction. A vulnerable position is where an illness, impairment, disability, or aging-process limitation places you at risk of financial exploitation. If we place a temporary hold on a particular transaction, we will provide you with notice, either written or verbal, explaining our reasons for the temporary hold, and at least every 30 days thereafter until the temporary hold is revoked. We may also contact your Trusted Contact Person about a temporary hold.

Complaint Handling

We are responsible for responding to your feedback effectively and efficiently, and for resolving any complaint you may have regarding your Canaccord Genuity Direct accounts. In most cases, a complaint can be resolved by client services or their manager. However, should you feel your complaint cannot be resolved by client services or their manager, contact our Designated Complaints Office (“DCO”) directly at:

Canaccord Genuity Corp.
C/O Designated Complaints Officer
PO Box 10337
609 Granville Street, Suite 2200
Vancouver BC Canada
V7Y 1H2

The DCO is responsible for acknowledging your complaint within 5 days of its receipt. The acknowledgement letter will include the contact information of the person handling your complaint, a summary of our complaint

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handling procedures, the timeframe in which you can expect to receive a substantive response to your complaint, and the escalation steps available to you should you remain dissatisfied with our complaint examination findings. Submitted with the letter will also be a copy of IIROC’s “Making a Complaint Brochure (Part 1 and 2)” and “How can I Get My Money Back?” brochures. The substantive response letter we sent to you will include a summary of your complaint, an explanation of our investigation, our final decision, and your available options should you be dissatisfied with that decision.

Checklist of Documents to be Provided to You

We will provide you with copies of the following documents relating to your account:

- Canaccord Genuity Direct Account and Services Agreements and Disclosure Documents
- Relationship Disclosure Document
- Canadian Investor Protection Fund (CIPF) Brochure
- Commission Schedule and Statement of Disclosure of Rates and Fees
- How IIROC Protects Investors Brochure
- Making a Complaint Brochure (Part 1 & 2)
- How Can I Get My Money Back Brochure?

Please ensure to retain a copy of your Account Opening Application Form for your records and promptly inform us of any inaccuracies or changes to information contained in the form.