



## RELATIONSHIP DISCLOSURE DOCUMENT

### INTRODUCTION

Peters & Co. Limited would like to sincerely welcome you as a client of our firm. We very much hope to build a relationship with you that you will find to be highly satisfactory.

As with any relationship, it is often useful to begin with a clear understanding of the roles and responsibilities that each party has in that relationship. The purpose of this Relationship Disclosure Document is to do just that – to help you understand the nature of the services that you can expect to receive from our firm and your Investment Advisor here, including the fees and charges associated with those services. 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.

This Relationship Disclosure Document will be provided to you at the time you open your account(s) with Peters & Co. Limited (“Peters & Co.”, the “Firm”, “we”, “us” or “our”). 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.petersco.com](http://www.petersco.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 your account(s));
- Other important information.

Further information that may be referenced in various sections of this document can be found in the appendices to this Relationship Disclosure Document as follows:

Appendix A: PRIVACY POLICY

Appendix B: CONFLICTS OF INTEREST STATEMENT

Appendix C: PRIVATE CLIENT COMPLAINT PROCESS

Appendix D: FEE SCHEDULE

### ABOUT US

Peters & Co. is an independent, fully integrated investment dealer which has specialized in investments in the Canadian energy sector since 1971. Peters & Co. provides investment services to institutional investors and private clients; employs its own trading group; performs specialized and comprehensive investment research on the oil and natural gas and oilfield services industries; and is an active underwriter for, and financial advisor to, companies active in the Canadian energy industry.

Peters & Co. is a member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund. Peters & Co. is also a participating member of the various exchanges and alternative trading systems operating in Canada today. Peters & Co. Equities Inc., a wholly-owned subsidiary of Peters & Co., is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

### 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;
- Money market and high-yield savings investments.

Your Investment Advisor can explain these investment products to you, as well as how they work, their risks and possible returns, and whether or not they are appropriate for you. For more information, you can also read the 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](http://www.securities-administrators.ca).

Brokerage firms may be approved to provide varying levels of service to their customers 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.

Peters & Co. offers only advisory account services. Your Investment Advisor is responsible for providing suitable and unbiased investment recommendations to you based on the 'know your client' ("KYC") information that 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 those 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 in providing that advice.

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.petersco.com](http://www.petersco.com).

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

## ACCOUNT TYPES THAT WE OFFER

While all accounts at Peters & Co. are of an advisory nature, there are several different types of account services that we offer. These include:

- **Cash accounts:** involve standard cash settlement of transactions, three 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 versus payment basis;
- **Registered retirement savings plans and income funds ("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*;
- **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*;

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

## 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 to 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:** Peters & Co. 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), 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. Peters & Co. 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 significant change 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 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?

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 are suitable for you. In order 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 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 in Appendix A, 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 are in compliance with 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 consider the size of any transaction relative to your net worth as part of our suitability assessments.
- **Investment knowledge:** This reflects your level of understanding of investing, investment products and their associated risks. We will document your level of investment knowledge as being excellent, good, fair or nil. Further information on determining your level of investment knowledge is provided below.
- **Investment 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. The investments 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 retiring. In retirement, this may also include consideration of tax requirements to withdraw minimum amounts.
- **Risk tolerance:** The level of risk tolerance is intended to document your willingness to accept risk and your ability to withstand declines in the value of your portfolio, whether from the perspective of comfort level or actual financial ability. Your risk tolerance should reflect the relative weighting of the various levels of risk of the investments that you wish to hold in your account. 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 of time, with increasing exposure to various investment products, your level of experience could increase.

- **Excellent** 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.

- **Fair** 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.
- **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 should be consistent with your investment objectives. Your objectives are classified and documented as being income related, short-term or long-term growth, or venture situations, 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 represent your basic objectives at that time. In the event that 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 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:** This category includes securities whose primary characteristics are regular income with little potential for capital gain. For example, this category would usually include money market securities, investment grade bonds and high quality preferred shares, but could also include "high-yield" bonds, royalty trust units and lower quality preferred shares, where there is a greater risk of cessation of income flow and capital loss, depending on the account risk factors. High yielding, stable, dividend-paying common shares could, but would not normally, be included in this category.
- **Long-term growth:** This category includes securities, such as common shares, whose primary characteristics are to provide the investor with the potential for long-term capital gain, while assuming some risk of capital loss. This category would normally include the common shares of established companies which have experienced some reasonable period of operating history, including a record of past profitability.
- **Short-term growth:** This category includes common shares or other equity related securities of more junior companies or securities which are generally of higher risk than those securities which would be captured under the long-term growth category. Trading activity in warrants or stock options would be included in this category. This category would also encompass securities normally included under the income or long-term growth categories if:
  - i) the investment horizon was more short-term oriented and the intended trading activity was, therefore, of more frequent nature, or;
  - ii) a significant percentage of margin was regularly utilized in the account.
- **Venture situations:** This category includes high-risk venture type of investments that are generally less liquid. Often times, these may be investments through private placements or some other form of investment in start-up or emerging entities.

## GUIDANCE FOR CONSIDERING RISK TOLERANCE

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 should be consistent with the level of risk you are willing to accept in your account. Your risk tolerance may be affected by such factors as your age, your family situation (marital status; dependents), your net worth and your income expectations. You should approximate your risk tolerance on a percentage basis between high, medium and low risk. There will likely be some correlation between your risk tolerance 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 short-term growth and/or venture situations. 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.

- **Low risk investments** experience low volatility, and generally offer lower returns in exchange for greater protection of capital. This category would include investment 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.

## HOW WE ASSESS SUITABILITY

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 tolerance.

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 is changed; 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 or accounts 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 other year 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 significant market fluctuations. Should you so request, your Investment Advisor is prepared to discuss with you the effect of market fluctuations on your portfolio.

A suitability assessment involves a comparison of the overall composition of your account(s) at a point in time to the weighing 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 would 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 the suitability determination any concerns are identified, 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.

On a daily basis, the Firm also conducts a suitability review on a sample of all accounts subject to suitability assessment based on any of the above triggers.

## 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 and encourage you to recommend our services and products to others.

Peters & Co. is what is referred to as an “integrated” investment firm since we provide a broad range of corporate finance, research, 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.

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

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

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.

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

- **Avoidance:** This includes avoiding conflicts that are prohibited by law as well as conflicts that cannot effectively be addressed.
- **Control:** We manage acceptable conflicts through means such as physically separating different business functions and restricting the internal exchange of information.
- **Disclosure:** By providing you with information about conflicts, you are able to assess independently their significance when evaluating our recommendations and any actions we take.

Our goal is to address conflicts in a fair, equitable and transparent manner, consistent with the best interest of our clients. We will try to avoid conflict where possible, and in all other cases either disclose the conflict, or manage it through internal controls and review processes. Conflicts deemed too significant to be addressed through controls or disclosures must be avoided. Disclosures will be made in a timely, meaningful and prominent manner.

Our *Conflicts of Interest Statement* has been included in Appendix B and is also available on our website at [www.petersco.com](http://www.petersco.com). This document is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. This is an overview of a complex subject. Despite that, we believe the simplest control is the most effective – your continued satisfaction and patronage. If you ever have any questions or concerns, 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.

## HOW WE RESPOND TO COMPLAINTS

The fair and timely handling of client complaints is vital to the overall integrity of the investment industry. Peters & Co. 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. Our *Private Client Complaint Process* is included in Appendix C and is also available on our website at [www.petersco.com](http://www.petersco.com).

## ACCOUNT REPORTING THAT WE WILL PROVIDE

Peters & Co. will provide you with reporting to help you monitor your financial assets and performance. This reporting will come in the form of trade confirmations and account statements. 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 Peters & Co. within the time limits disclosed on the documents if you believe there has been an error.

- (i) **Trade confirmations:** We will provide you with written confirmation of the details of every securities purchase or sale transaction that is processed in your account. These are generated and mailed no more than two days after the transaction takes place.
- (ii) **Account statements:** We will send you an account statement at least once per quarter, as long as there are cash and/or securities in your account. In any month where there has been activity in the account of any type, a monthly account statement will also be produced. Account statements include the details of all activity in your account including, among other things, all trades in securities (both those that settled in the period and those that are pending settlement at the statement date), deposits, withdrawals, transfers, dividends, interest, etc., as well as the opening and closing cash balance in the account. Your account statement will also provide you with a list of the 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. In the event that 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, and 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 may be an estimate, which may not reflect the actual market value. For example, private, unlisted and restricted securities, with no quoted market value, may or may not be priced. Where a 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 these securities are not readily marketable, Peters & Co. 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.

- (iii) **Performance and other reporting:** Peters & Co. does not currently provide any formal performance reporting, percentage return information or separate fees and charges reporting. New regulatory requirements for such reports come into effect in 2016 and so you can expect to see these in early 2017 for that calendar year. To remain up to date on any changes we make in our reporting to you, please watch your statements for updates, ask your Investment Advisor or review the updated version of this Relationship Disclosure Document as posted on our website at [www.petersco.com](http://www.petersco.com).

**Note:** Your Investment Advisor may be able to provide you with a portfolio view of your account(s) that reflects both the book value and the 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 or losses. This information is being provided for your general information and for discussion purposes only, and may not be relied upon for any purpose.

- (iv) **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;
- NR4 – Statement of Amounts Paid or Credited to Non-Residents of Canada;
- Summary of Investment Income;
- Summary of Securities Transactions

There may be additional tax reporting as circumstances warrant. If you have any questions about the tax reporting you receive from Peters & Co. you should contact your Investment Advisor.

## FEES AND CHARGES

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

- (i) **Commissions:** Peters & Co. will charge you commissions on all securities transactions in your account(s). These commissions represent the compensation you pay to Peters & Co. 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 sales 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 yourself 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. Peters & Co. retains a portion of the price you pay or receive, and this is the commission or “spread” that we earn on these transactions.
- (ii) **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 total amount delivered for investment in the fund. Product manufacturers may also charge you a deferred sales charge (“DSC”) in the event that you redeem your fund investment prior to the expiry of a set schedule. As all of these amounts (MER’s, trailing 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.
- (iii) **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 certificate and re-registration fees; wire transfer fees; fees related to private company and other restricted securities; administration fees and more. A current *Fee Schedule*, which includes all of the relevant details, is included in Appendix D for your reference. 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 this Relationship Disclosure Document, as posted on our website.
- (iv) **Interest and foreign exchange:** To the extent that you maintain a debit balance in your account, you will be charged debit interest. Peters & Co. may charge a higher rate to you 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. Peters & Co. may credit your account at a lower rate than it earns on its own cash balances, thus earning the spread on the two rates. The current interest rates are as follows:
- Canadian dollar debit balances: you pay the Canadian prime rate plus 1.0%
  - US debit balances: you pay the US prime rate plus 1.0%
  - Canadian dollar credit balances: you earn the Canadian prime rate less 2.5%
  - US dollar credit balances: you earn the US prime rate less 4.0%
  - Registered plan credit balances: you earn the Canadian prime rate less 4.25%

Note: the interest amount is neither charged nor credited to your account when the calculated amount is less than \$5.00 in any given month.

When we are required to buy or sell US dollars on your behalf, we earn a commission as well. This commission is built into the exchange rate you are quoted. Peters & Co. retains a portion of the rate you pay or receive for your US dollars, thus earning the exchange rate spread on these transactions.

- (v) **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.

Generally speaking, your Investment Advisor or his/her assistant 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*, included in Appendix D, and the types of fees and charges relating to the account(s) you are operating.

## **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, select 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 account reporting.

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

### **CANADIAN INVESTOR PROTECTION FUND**

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 IIROC dealer members are required to be members of CIPF, and are subject to assessments for required contributions to the 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 from market fluctuations.

For more information on CIPF coverage, please visit their website at [www.cipf.ca](http://www.cipf.ca) or contact your Investment Advisor for an informational brochure.

### **WARNING RE: ELECTRONICALLY DELIVERED ORDERS**

Although Peters & Co. Limited does not specifically reject orders to buy or sell securities received from its clients via e-mail or fax, 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 that systems problems, equipment malfunctions, internal mail systems, and other related issues 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, and we provide this general warning so that you are aware of the potential risks.



## PRIVACY POLICY

At Peters & Co. Limited ("Peters & Co.") we appreciate the importance of information and privacy, and we respect the privacy of our customers, employees, consultants, and website visitors, just as we expect them to respect ours. An important part of our commitment to service excellence is our commitment to the privacy of personal information entrusted to us.

Privacy of your personal information is an essential element of the business we conduct. The range of products and services we offer continues to expand and the technology we use continues to change. But no matter how business or technology changes, we continually strive to protect the privacy of personal information. Policies and procedures, which we practice in order to protect this information, are in place across Peters & Co. This overall Privacy Policy also discloses the privacy practices for our website.

Our commitment to your privacy is demonstrated in Peters & Co. website information practices, including what type of information is gathered and tracked, how the information is used, and with whom the information is shared. Our Privacy Policy complies with the OECD Privacy Guidelines on the Protection of Privacy and Transborder Flow of Personal Data Guidelines, and with privacy legislation that defines "personal information" as information about an identifiable individual, but does not include the name, title, or business address or telephone number of an employee of an organization.

### Protecting Privacy Means:

- We do our utmost to keep your personal information in strict confidence.
- You have control over your information and have access to it.
- We respect privacy when we market our products and services.

### Why We Need Information and How We Use It

Peters & Co. may collect personal information when an individual or organization elects to do business with us or have us conduct business services or transactions on their behalf. Peters & Co. uses that information to carry out the functions associated with those roles.

In providing any of the business or services, personal information may be shared with affiliated companies or third parties who have been retained by Peters & Co. to assist us in carrying out administrative or technological functions associated with those services.

We collect, use, and disclose personal information only for purposes that a reasonable person would consider appropriate in the circumstances.

Peters & Co. may also have custody of personal information because a corporate client has elected to do business with us or have us conduct business services or transactions on their behalf. Those cases might include us processing or administering information, transactions, or payments, and record keeping associated with these activities. In those circumstances, we act as instructed by the organization retaining us and as required by law and practice.

### Electronic Information

You can visit our Company Overview section on our website to learn more about our company and the services we offer or simply to gather information, and you can do that without disclosing your personal information.

If you choose to provide us with information about yourself, we will act in a responsible manner. We may store and disclose personal information as allowed or required by applicable law, including making disclosures that are necessary or advisable to (a) protect the rights, safety or property of Peters & Co. or others and (b) to conform to legal or regulatory requirements.

We sometimes collect or authorize third parties to collect anonymous information from visits to our website to help us provide better customer service. For example, tools keep track of the domains from which people visit our website, and aggregated statistical data helps measure visitor activity on our website - but we do it in ways that keep the information anonymous. We collect this information for statistical purposes and for evaluating our website to make it more useful to visitors.

### Sharing Information

Information obtained when you engage our services is only disclosed to third parties with your consent.

There are some exceptions to the above rule. For example, we may collect, use and disclose information if we:

- *Use an outside company to process information:*  
At times, we may use the expertise of an outside company to do work involving some personal information - for example, operating record keeping systems or printing tax forms. When we do, we select the company carefully and confirm that it uses standards comparable to ours.
- *Must disclose information for legal reasons:*  
We may be compelled to release information by legislation, a court of law, to a regulatory authority, a successor trustee, or as part of a sale or reorganization of our business. If so, our policy is to release information only to the extent that we are required.

- *Have to protect the interests of Peters & Co.:*

In certain circumstances, Peters & Co. may have to collect, use, or release information for our protection; for example, in collecting accounts or in the detection or prevention of fraud.

### **Consent**

When you engage our services, we will only use personal information with your consent.

Consent can be expressed or implied. Expressed consent can be verbal or written. For example, an application to purchase certain investment vehicles may contain a written consent for our use of your information to carry out your instructions; or you might consent to release the information over the phone.

Consent is implied when we can reasonably conclude that you have given consent by an action you have taken or not taken, or when the context reasonably requires that we have and use information to carry out what you have asked us to do.

You can withdraw your consent any time after you have given it to us, provided there are no legal requirements to prevent this. If you do not consent to certain uses of information or if you withdraw your consent, we might not be able to provide a particular product or service. If so, we will explain the situation to you to help you with your decision.

### **We Protect Your Information from Error, Loss, and Unauthorized Access**

We have implemented people, process, and technology measures intended to protect personal data that we have while it is under our control. We have no way of controlling or imposing controls on third parties, and cannot be responsible for the actions, negligence, or failures of others, whether or not that affects you or information about you. We do, however, seek to ascertain that third parties we deal with have information security and privacy policies and procedures in place that are comparable to our own.

Our employees who have access to personal information are made aware that it is confidential, and must certify regularly that they maintain the confidentiality of information to which they have access.

Our computer security specialists build security into all our computer and electronic communication systems. This protects personal information while it is stored in data files and when employees are using it. Unfortunately, it is relatively easy for a third party to intercept and read information sent over the Internet or via unencrypted email.

### **Your Information Is Destroyed When It Is No Longer Needed**

We keep your information only as long as we need it for the products and services we have been hired to deliver or to meet legal requirements. We either destroy information or render it anonymous when it is no longer required and in compliance with regulatory mandates.

### **Access to and Accuracy of Personal Information**

You can check your information to verify, update, and correct it, and to have obsolete information removed. Copies of all new client application forms and updates are provided to you once they have been approved. Please verify the accuracy of the information on this form and notify the Privacy Officer at Peters & Co. should you note any discrepancies.

To find out if we have any personal information about you, or if you feel information about you has been misused, mishandled, or inaccurately gathered, please contact the Privacy Officer at Peters & Co. We may require proof of your identity before providing a copy of personal data that we have about you.

You may challenge the accuracy of the data that we have about you, and you may request the information be erased, changed, or completed. We may be unable to provide a copy of your personal data, and will advise you of the reasons for same, which may include, among other things, the information having been destroyed or subject to legal privilege.

We do not charge for verifying or correcting your information, but there may be a charge if you want a copy of records or if a special expense is involved in retrieving your information. We will advise you of any charges in advance.

### **You Can Find Out to Whom Information Is Given**

If you ask, we will let you know the names of outside companies or organizations we have given your information to. This will not include information given to outside companies used to do work for us, such as tax form printers. It also will not include disclosures to Canada Customs and Revenue Agency in reports like T5s, and it will not include disclosures where we are prohibited by law from advising the individual of the disclosure.

### **We Respond to Requests Promptly**

We will deal quickly with your request to see your information and respond within 30 days. If we need to extend the time, or we have to refuse the request, we will tell you why (subject to any legal restrictions) and we will notify you of the reasons for the extension and your rights under applicable legislation with respect to the extension.

### **We Correct the Information**

Whenever possible, we will correct any information we may have given to any other organization. If we have received the information from another party, we will let you know the name and address of the party so that you can ask them to correct it.

### **We Protect Other People's Privacy When We Make Information Available to You**

There may be files that include information about you and other people which is confidential to Peters & Co. or our corporate clients, or which is the property of Peters & Co. or such clients. Because we value everyone's confidentiality and legal rights, we cannot make these files available outside of Peters & Co. or our related companies. In cases where we can separate information about you from the information of others, without affecting another's confidentiality or legal rights, we will make your information available to you.

### **We Monitor Our Compliance With the Peters & Co. Privacy Policy**

We have procedures in place to assist our employees in the practice of the policies. Our internal compliance officers monitor the adherence to these policies and report any findings to a committee of the Board of Directors of Peters & Co. We are committed to upholding the Peters & Co. Privacy Policy.

### **Resolving Concerns Is Important to Us**

Peters & Co. is committed to providing the highest level of service. That includes treating everyone with the greatest respect and consideration. Despite our best efforts, though, some things do not happen as you or we would want them to - whether it is a misunderstanding, or someone feels they were treated unjustly. Whatever the circumstances, resolving the problem is our primary concern.

### **How to Contact Us**

Any questions or concerns regarding our policies or procedures on personal information can be directed to our Privacy Officer by any of the following means. We may ask for further documentation or information in order to verify your identity when you make your request.

#### **By Mail**

Privacy Officer  
Peters & Co. Limited  
2300 Jamieson Place  
308 Fourth Avenue SW  
Calgary, Alberta, Canada T2P 0H7

**By Fax:** (403) 266-4116

**By Phone:** (403) 261-4850

**By E-mail:** [privacy.officer@petersco.com](mailto:privacy.officer@petersco.com)

### **Notification of Changes**

This Privacy Policy may be updated from time to time and, if so, the most current version will be posted on our website.

## CONFLICTS OF INTEREST STATEMENT

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 and encourage you to recommend our services and products to others.

Peters & Co. Limited is what is referred to as an “integrated” investment firm since we provide a broad range of corporate finance, research, 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.petersco.com](http://www.petersco.com).

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

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

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.

### Management of Conflicts of Interest

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

- **Avoidance:** This includes avoiding conflicts that are prohibited by law as well as conflicts that cannot effectively be addressed.
- **Control:** We manage acceptable conflicts through means such as physically separating different business functions and restricting the internal exchange of information.
- **Disclosure:** By providing you with information about conflicts, you are able to assess independently their significance when evaluating our recommendations and any actions we take.

Our goal is to address conflicts in a fair, equitable and transparent manner, consistent with the best interest of our clients. We will try to avoid conflict where possible, and in all other cases either disclose the conflict, or manage it through internal controls and review processes. Conflicts deemed too significant to be addressed through controls or disclosures must be avoided. Disclosures will be made in a timely, meaningful and prominent manner.

The following information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. This is an overview of a complex subject. Despite that, we believe the simplest control is the most effective – your continued satisfaction and patronage. ***If you ever have any questions or concerns, whether they involve conflicts of interest or anything else, you should never hesitate to say so and ask your advisor for an explanation and more information.***

### More Information

Canada has comprehensive and extensive securities regulatory rules and regulations, many of which are directed at protecting client and investor interests, including dealing with conflicts of interest. We suggest that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators (CSA) and Investment Industry Regulatory Organization of Canada (IIROC) for more information on how Canadian securities regulations address conflicts of interest in order to safeguard the investing public.

We document our core values and standards, including general standards for how we deal with conflicts of interest. These are outlined in the tables that follow.

Note that we currently have no related or connected issuers, as stated in our Statement of Related Issuers, as follows:

*The securities laws of the Canadian Provinces require securities dealers and advisors, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers, and advisors, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser. Peters & Co. Limited currently is not related or connected to any such issuer of securities.*

This Statement of Related Issuers will be updated in the event that Peters & Co. Limited should ever become related or connected to any issuers requiring disclosure, and such documentation will be available in this Conflicts of Interest Statement. This Conflicts of Interest Statement will be updated in that event, as well, to reflect the additional procedures adopted to address the resulting potential conflicts.

Potential Conflict of Interest	Address By	How Conflicts Will Be Addressed
<b>Ongoing Conflict of Interest</b>		
We earn compensation by selling products and services to you for which you pay us.	Disclose/ Control	<p>We will inform you of fees, commissions and other compensation in advance so that you know what you will be paying.</p> <p>We earn brokerage commissions on trades executed for you, and such commissions are negotiated between you and your investment advisor, subject to certain minimums. All commissions are disclosed on each trade confirmation.</p> <p>The pricing for other services is documented in a fee schedule provided to you at the time of account opening, as well as anytime there is a change in the fees related to any services.</p> <p>We are required by industry regulations and firm policy only to make "suitable" investment recommendations, in line with your investment objections and risk tolerances, as well as the information available to your advisor about the recommended investment.</p> <p>Trade instructions are only taken from individuals specifically authorized to provide them for each account.</p> <p>We have policies and procedures prohibiting recommendations solely for the purpose of generating revenues for us without any benefit to you.</p> <p>We have a duty to act fairly and honestly in all dealings with you and in the market-place in general, and to correct any errors that we may make.</p>
We may receive compensation from securities issuers and other third parties based on their products we sell to you, such as "trailer fees" on mutual funds and underwriting or agency commissions on securities offerings.	Disclose	<p>We disclose to you the situations and type of third party compensation we may receive. These disclosures are generally found in the prospectus or other offering documents provided.</p> <p>Securities regulations require issuers to provide specific disclosure in the offering document (e.g., prospectus) of such arrangements and the compensation we will receive.</p>
We are compensated in other ways as a result of the business you may do with us, including interest spreads on uninvested cash deposits with us and foreign exchange spreads when you convert currencies.	Disclose	Various forms of other compensation we may receive are disclosed to you at account opening or at the time of the related transaction.
We may sell you securities which we own (called principal trades) and profit by doing so.	Disclose	<p>We will tell you whether we acted as principal or agent for each transaction on the trade confirmation.</p> <p>In the case of fixed-income securities (which we usually sell as principal) we provide you with a stated yield to maturity so you can assess the competitiveness of our pricing.</p> <p>Where a recommendation is being made by an advisor on a security in which they have an investment, this fact will be disclosed at the time of the recommendation.</p>
We may need to select which clients will be offered certain securities if availability is limited.	Control	<p>Individual advisors make the determination based on individual client relationships. Suitability of the investment to any particular client, as well as client priority are both fundamental considerations.</p> <p>Such allocations may not be influenced by guarantees of future business.</p>
We are paid by issuers of securities when we advise on or underwrite a new issue which we may recommend to you. In these instances, we are acting for the issuer that wants to obtain the highest price while recommending the investment to purchasers who are interested in obtaining the lowest price.	Control/ Disclose	<p>We have structurally segregated our corporate finance and retail advisory businesses, which prevents the sharing of non-public information by our corporate finance business (having the relationship with the issuer) with our retail advisory businesses (having the relationship with clients like you).</p> <p>Pricing must consider current market conditions, market value and the specific securities being offered.</p> <p>In all instances, the investments must be suitable for you, in line with your stated investment objectives and risk tolerances.</p> <p>The offering documents provide full disclosure of all relationships we may have with the issuer, including the compensation arrangements related to the transaction.</p>
If you hold an applicable security, we may be paid by issuers, offerors or others to solicit your proxy or vote in their favour with respect to takeover bids, corporate reorganizations, solicitation of proxies and other corporate actions.	Disclose	Securities regulations require specific disclosure of such arrangements and the compensation we will receive in documents such as information circulars, takeover bid circulars and issuer bid circulars.
As a result of business relationships with issuers of securities, we may know confidential information that we cannot disclose to you when we recommend the securities to you, even if that information might lead us not to recommend buying the securities.	Control	<p>We operate our corporate finance and retail advisory and other business separately so that such information is tightly controlled and not shared by corporate finance with our retail advisory and other businesses.</p> <p>Our internal information barriers are designed to ensure regulatory requirements are complied with and retail advisory and other employees do not have access to any non-public information that may be available to our corporate finance businesses.</p> <p>Additionally, our corporate finance business is obligated to maintain confidential any such non-public information obtained from issuers outside of the firm as well</p>
We may have access to commercially sensitive or inside information.	Avoid/ Control	<p>We may decline to provide a service to avoid insider trading provision in securities legislation.</p> <p>We have specific procedures for responding to conflicts of interest that involve inside</p>

		information and for complying with insider trading provisions. Confidential information that cannot be publicly disclosed is protected through internal information barriers so that it is not shared and does not influence any retail advisory activities.
We provide investment research on securities of companies that may have other business relationships with us.	Control/ Disclose	Our research and recommendations are subject to extensive and detailed regulatory requirements and internal standards. These include controls over communications between corporate finance and the research department, issuers and the research department, detailed reviews of trading activity, particularly around the issuance of research reports, etc. Extensive disclosures are made in our research reports to enable you to assess the risk of conflict on your own. These include compensation received related to both investment banking and non-investment banking services, ownership by the firm or the analyst, compensation of analysts, rating systems and distributions, including where corporate finance services have been provided, among other things You can review the standards our research analysts are required to comply with at <a href="http://www.iroc.ca">www.iroc.ca</a> and search the Dealer Member Rules for Rule 3400.
We engage in trading of securities for our own account (called proprietary trading).	Control	We maintain information barriers between our corporate trading activities and retail advisory and other business. Firm and employee trades are identified as such and client trades are given priority to firm and employee trades in accordance with industry "client priority" regulations (considering the time and price of each order, etc.). Proprietary trading is subject to detail reviews, controls, concentration limits, etc.
We may receive compensation by trading destinations, including electronic communication networks, market makers and exchanges in connection with trades on markets we direct to such destinations.	Control/ Avoid	Industry regulations dictate our best price and best execution obligations to you. We are not owners in any marketplaces, nor do we act as market maker in any securities for which we provide research coverage.
Individuals registered with us may also be registered with another registered firm related to Peters & Co. Limited and provide services to clients of that firm.	Control/ Avoid	These relationships are subject to legislative and industry regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm. Such restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. We have adopted internal policies and procedures that supplement the regulatory requirements, including policies on privacy and confidentiality of information. For sake of clarity, the only registered affiliate of Peters & Co. Limited is its subsidiary, Peters & Co. Equities Inc., registered in the USA with the Financial Industry Regulatory Authority. As this business is structured to deal with US institutional customers only, no retail advisors of Peters & Co. Limited are registered through that entity.
We may permit certain individuals who are registered with us (including, potentially, your investment advisor or account representative) to be employed by, participate in, or accept compensation from other persons or firms, outside the scope of his/her relationship with us.	Avoid	No business activities outside of the scope of our business are permitted for any retail advisors where conflict or perceived conflicts may exist, where there is any risk of disruption to client services or any confusion as to who is providing a client service, or any such business viewed as disreputable or inappropriate.
Individuals may serve on a board of directors or take on other activities that could take time or attention away from your account.	Avoid/ Control	<b>Securities legislation prohibits an individual from serving as a director of another registered firm that is not an affiliate of our firm.</b> Our employees are prohibited from engaging in activities that would interfere or create conflict with their duties. We have policies in place to detect and, where applicable, supervise, disclose or prohibit any conflicts of interest. Employees wishing to act as directors or officers of a public or private company must receive prior approval from our Executive Committee ( <i>Note 1</i> ). When an employee sits on a board of directors in any substantive way, they are subject to regulatory guidance on the disclosure and approval of outside business activities. We have adopted internal policies and procedures that supplement the regulatory requirements. Such arrangements are closely monitored on a daily basis.
Individuals may receive or give gifts, gratuities or entertainment opportunities as a result of their relationships with clients.	Avoid/ Control	We have strict guidelines and limits on what are appropriate and acceptable gift and entertainment practices, including detailed review and approval processes relative to these.

## PRIVATE CLIENT COMPLAINT PROCESS

The fair and timely handling of client complaints is vital to the overall integrity of the investment industry. Peters & Co. Limited 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.

**Service-related or administrative concerns** should first be discussed with your Investment Advisor to determine if they may be resolved quickly and easily. We may respond to your service-related complaint either verbally or in writing.

Should one of our private clients, or a person authorized to act on their behalf, wish to submit a complaint alleging misconduct in the handling of their account(s) and this complaint alleges **compliance-related misconduct** such as breach of confidentiality, theft, fraud, misappropriation or misuse of funds or securities, forgery, unsuitable investments, misrepresentation, unauthorized trading relating to your account, engaging in securities related activities outside of Peters & Co. Limited or inappropriate personal financial dealings with clients we encourage you to submit full details to the attention of our **Designated Complaints Officer, at:**

**Peters & Co. Limited**  
**Suite 2300 Jamieson Place**  
**308 – 4<sup>th</sup> Avenue S.W.**  
**Calgary, Alberta, T2P 0H7**  
**(403) 261-4850**  
**Attention: Designated Complaints Officer**

**Note: The Designated Complaints Officer is also Peters & Co. Limited's Chief Compliance Officer.**

In order for us to completely understand your concerns and to efficiently and promptly address them, we may ask that you submit full details in writing. For verbal expressions of dissatisfaction alleging misconduct where a preliminary investigation indicates that the allegation may have merit, the complaint will be treated in the same manner as a recorded expression of dissatisfaction.

Within 5 business days of receipt of either a written complaint or a verbal complaint which is deemed to be compliance related, we will acknowledge this complaint with a written response. Our written response will provide full contact information of our Designated Complaints Officer ("DCO"), advise that you may contact the DCO to inquire about the status of the complaint, and an explanation of our internal complaint handling process including the role of the DCO and a copy of the IIROC'S "An Investor's Guide to Making a Complaint", which was provided at the time of account opening. In this written response, we will advise you that you can expect to receive a substantive response to your complaint within 90 calendar days but that if we are unable to submit a final response within this timeline we will provide you with the reasons for the delay and the new estimated time of completion. We may request additional information regarding your complaint in this letter.

We will begin the investigation and ensure the employee and his/her supervisor involved in the complaint have been provided with a copy of the complaint and are asked to submit a written reply to the DCO. The DCO will review all aspects of the complaint and recommend a course of action. Once we have completed our review, we will provide you with a written response to your inquiry which will include a summary of the complaint, the results of our investigation, and our final decision on the complaint, including our reasons and a statement describing to you the options available if you are not satisfied with our response. These options include arbitration through the IIROC program, submitting a complaint to the ombudsperson service, submitting a regulatory complaint to IIROC for an assessment of whether disciplinary action is warranted, litigation/civil action, and other applicable options.

### Notification of Changes

This Private Client Complaint Process document may be updated from time to time and, if so, the most current version will be posted on our website.

**FEE SCHEDULE**

**FEE SCHEDULE EFFECTIVE OCTOBER 1, 2014**  
**(All fees are subject to GST/HST, except as noted)**

<b>GENERAL FEES <sup>(1)</sup></b>	
External transfer of non-registered account <sup>(2)</sup>	\$125.00 per account
Partial external transfer of non-registered account <sup>(2)</sup>	\$50.00 per request
Request for physical certificate	\$75.00 per issue
Request for physical certificate – 24 hour delivery	\$300.00 per issue
Wire transfer funds <sup>(2)</sup>	\$50.00 per request
Third party cheque <sup>(2)</sup>	\$50.00 per item
Cheque delivery by courier	\$20.00 (within Calgary) per request \$50.00 (outside of Calgary) per request
Replacement of lost cheque <sup>(2)</sup>	\$25.00 per item
Stop payment of cheque <sup>(2)</sup>	\$25.00 per item
Returned cheque <sup>(2)</sup>	\$50.00 per item
Delivery versus payment transaction	\$75.00 per transaction
Estate and legal securities transfer	\$50.00 per security
Pledge accounts <sup>(3)</sup>	
Initial set-up	\$125.00 per account
Annual administration fee	\$100.00 per account
Private company, small business investment and other restricted shares <sup>(4)</sup>	
Initial receipt, re-registration or transfer	\$200.00 per transaction
Annual administration fee	\$100.00 per item
Escrowed shares	\$25.00 to \$75.00 per month, per position confirmation fees
Stock borrowing <sup>(2)</sup>	Rates vary depending on the security borrowed; please contact your Investment Advisor
Inactive/unclaimed accounts	\$125.00 per year
Search for records, including contracts, statements and other records	\$10.00 per record, within the past year \$25.00 per record, prior to the past year
Duplicate tax slips or RRSP contribution receipts	\$25.00 per item
<b>REGISTERED ACCOUNTS <sup>(5)</sup></b>	
Annual administration fees	\$125.00 per year
Annual administration fees on additional registered accounts (same SIN)	\$75.00 per year
De-registration of plan or external transfer	\$125.00 per account
Partial de-registration of plan or external transfer	\$50.00 per request
Substitution of cash or securities in a registered account <sup>(6)</sup>	\$25.00 per request
Mortgages held in RRSP's	
Initial set-up	\$300.00 per mortgage
Annual administration fee	\$200.00 per mortgage
Non-arm's length mortgage on principal residence	
Initial set-up	\$300.00 per mortgage
Annual administration fee	\$350.00 per mortgage
<b>TAX FREE SAVINGS ACCOUNTS</b>	
Annual administration fees	\$25.00 per year
Full external transfer	\$125.00 per account
Partial external transfer	\$50.00 per request
Withdrawal	\$25.00 per request
Substitution of cash or securities in a tax free savings account <sup>(6)</sup>	\$25.00 per request

(1) Applicable to all account types, unless otherwise indicated.

(2) No GST/HST on cash only transfer fees. No GST/HST on banking related fees or stock borrowing charges.

(3) Not available in Registered Accounts or Tax Free Savings Accounts (TFSA's).

(4) Not applicable to TFSA's as we do not accept restricted securities in TFSA's.

(5) Includes Registered Retirement Savings Plans, Registered Retirement Income Funds, Locked-in Retirement Accounts, etc.

(6) Commonly referred to as "swaps", these transactions are only permitted under specific circumstances. No GST/HST on swap fees.