



**CapitalDirect**<sup>TM</sup>  
Capital Direct Financial Ltd.

**March 10, 2022**

## **RELATIONSHIP DISCLOSURE INFORMATION**

# Important information for our clients

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### Why we are providing this document to you

This document contains information about Capital Direct Financial Ltd. (“CDFL” or “we/us”) and about information that concerns our relationship with you, our client. This document is directed to “you” (which can mean a single individual and also mean joint spouses or partners). Please read this document carefully, retain it for future reference and let us know if you have questions. We will provide you with updates to the information in this document when required.

## About us and the products and services we offer

Capital Direct Financial Ltd. (“**CDFL**”) is an exempt market dealer (“**EMD**”) registered with the BC Securities Commission as our primary regulator. We are also registered in the provinces of Alberta, Saskatchewan, Manitoba and Ontario.

We provide access to Capital Direct I Income Trust (“**CDIT**”), an exempt market security, to qualified investors. Exempt market securities (also referred to as “**exempt securities**”) are offered without the issuer having to file a prospectus or having the material reviewed by a securities regulator.

Depending on province of residence, investors may need to qualify under specific exemptions in order to be eligible to purchase exempt market securities. Exemptions may be based on an investor’s financial net worth or net assets, income, or other factors.

As a client, you will deal with one or more of our Dealing Representatives (“**DRs**”), individuals who are appropriately registered to provide advice on the securities that we offer.

All EMD accounts with CDFL are “non-discretionary”, which means a DR cannot execute any transactions other than with your express written instruction via subscription agreements or similar documents.

## Types of accounts and custody of securities

### Non-registered accounts

Non-registered accounts (also referred to as “cash accounts”) are opened directly with CDFL. CDFL does not have custody of the securities in non-registered accounts. Rather, the manager, Capital Direct Management Ltd. (“**CDML**”) acting on behalf of the issuer, CDIT, holds your securities.

However, given that CDML and CDFL are managed by the same individuals, the securities regulator deems CDFL to have access to your securities. When making a purchase, payment is to be made by certified cheque or draft payable to **Capital Direct Management Ltd.** or to an authorized intermediary (currently Olympia Trust Company) to be held until closing, at which time such funds will be released to CDIT. Payments cannot be made payable to a DR or to CDFL and cash is not accepted.

Authorization of both a director of CDML and the Chief Compliance Officer will be required in order to direct the payment of the funds received by CDML or an authorized intermediary from purchasers of CDIT units to an account of CDIT.

There are certain risks and benefits associated with the fact that CDML, acting on behalf of CDIT, acts as its own custodian, and CDFL as a related party of CDML, is deemed to have access to the securities it is offering for sale. As discussed below, CDML, CDIT and CDFL have common owners and common directors, which result in conflicts of interest that are managed through disclosure and conflicts policies adopted and implemented by CDFL. Given that the securities are held in the custody of CDML on behalf of CDIT, there is no added layer of protection against asset mismanagement that otherwise may be present if an independent custodian fulfilled this role. While CDFL will have the comfort of knowing that CDML and its board of directors will take measures to minimize custody risk by managing its own risk of insolvency, custodian error or poor performance, there will be no independent monitoring of its custodial duties. At the same time, CDFL will not have the challenge of monitoring the performance of a third-party custodian that would have its own internal controls for safeguarding investments. Administratively, there are also benefits to this arrangement as there are no additional custodian fees associated with the securities or fund expenses associated with the

negotiation of separate custodian service agreements.

CDML maintains a separation of responsibilities for receiving, depositing and recording purchases of CDIT units by investors and electronic funds transfers are used wherever possible. CDML uses SGGG Fund Services Inc. to manage payments to investors. All distributions and redemptions of CDIT units purchased through CDFL go through SGGG Fund Services Inc. It is an internal control policy that prior to paying SGGG Fund Services Inc. the calculation and review of distributions is conducted by two separate employees of CDML.

Reinvestment of distributions requires written approval by the applicable investor and is reviewed by the Chief Compliance Officer before being implemented. Voluntary redemptions must be requested in writing by the applicable investor and are reviewed by a director of CDML before being implemented. Documentation of each investor's request is maintained on file.

#### **Third-party self-directed registered plans**

If you wish to purchase CDIT units in a registered plan (e.g. RRSP, RRIF, RESP, LIRA, TFSA, etc.), CDFL will provide documentation for a third-party Trustee who has agreed to hold such securities in a registered plan. We will assist you in the population of the Trustee applications and forms available for you to complete and sign and CDFL will be listed as the dealer that sold you CDIT units. These are forms of the Trustee and are not CDFL forms. Payments for contribution to the registered plan, to be invested in CDIT, will be made payable to the Trustee. Payments cannot be made payable to a DR or to CDFL and cash is not accepted.

#### **Registrar**

SGGG Fund Services Inc. will maintain the CDIT unitholder register and will keep a record of unitholders and the number of CDIT units held by each unitholder.

#### **Conflicts of interest**

CDFL has a duty to deal fairly, honestly and in good faith with our clients. We recognize that conflicts may arise between CDFL, our DRs and our clients. We are therefore providing you with this information to help you better understand conflict issues that may arise in your dealings with us as an exempt market dealer. A conflict of interest is any circumstance where the interests of different parties are inconsistent, competing or divergent. Actual, potential and perceived conflicts of interest may exist, and we will manage these conflicts by either controlling the conflict, disclosing the conflict to you, or avoiding the conflict if it is prohibited by law or where the risk of harm is too high.

The following is a list conflicts that we want you to be aware of:

#### **We offer only securities of a related issuer**

CDFL only offers securities of a related issuer, CDIT, which entity is owned and managed by related parties, and in connection with which CDML receives various fees and compensation for its services to the issuer. There is common ownership and common directors between these parties and CDFL. Our relationship with CDIT and CDML may cause CDFL to perform due diligence on the products that we offer with a less independent view. We may also be considered to have an added incentive to sell these securities, including that the judgement of our DRs, management and supervisory staff may be affected by this relationship. While we do have policies and procedures in place to assess a purchase as suitable for a client, you may wish to get independent advice from a trusted professional before you consider purchasing these related / connected issuer securities through CDFL.

## **Listing of “related or connected issuer” products offered by CDFL**

- **Capital Direct I Income Trust**

### **We are related or connected to certain affiliated entities**

As discussed, we offer units of **Capital Direct I Income Trust**. CDIT is a trust established under the laws of Ontario, pursuant to a Trust Declaration, for the benefit of the holders of the CDIT units between Computershare Trust Company of Canada, as Trustee, and **Capital Direct Management Ltd.**, as settlor and Manager of CDIT. CDIT was created for the purpose of generating investment returns on interests acquired in a portfolio primarily consisting of residential mortgages. As Manager, CDML provides general investment management services to CDIT and performs all clerical, administrative and operational services to CDIT and the Trustee has ultimate authority to revoke such powers and duties of CDML at any time. CDIT is governed by a five-person Board of Governors that oversees the activities of CDIT, acting in good faith and at all times in the best interest of investors. The Board of Governors is responsible for managing conflicts of interests, approving material contracts of CDIT, and reviewing the performance and the financial statements of CDIT on a regular basis. The members of the Board of Governors of CDIT currently consist of Richard F.M. Nichols, Paul G. Wylie, David B. Rally, Derek R. Tripp and Timothy P.J. Wittig, with each of Paul G. Wylie and David B. Rally being independent members who are not affiliated with any CDIT-related entity. Units of CDIT are the only securities being traded and offered by CDFL under the current business plan.

CDML, the Manager of CDIT, is a corporation, incorporated under the laws of British Columbia and is wholly owned by CDLC (defined below). Richard F.M. Nichols, Derek R. Tripp and Timothy P.J. Wittig are the directors of CDML, each of whom sit on the Board of Governors of CDIT and on the Board of Directors of CDFL. CDML is the Manager of CDIT and is responsible for carrying out all the transactions of CDIT, supervising the investment and mortgage portfolio of CDIT and for providing management services for CDIT.

In connection with its management of CDIT, CDML has retained the services of its affiliate, **Capital Direct Lending Corp. (CDLC)** to source mortgages for CDIT. CDLC has entered into a Mortgage Broker Agreement with CDML, pursuant to which CDLC acts as the mortgage broker to CDIT and is responsible for identifying mortgage investment opportunities for CDIT that fall within the investment objectives and investment policies of CDIT. The ultimate shareholders of the CDLC are Richard F.M. Nichols, Derek R. Tripp and Timothy P.J. Wittig, each of whom sit on the Board of Directors of CDFL and CDML.

**Capital Direct Atlantic Inc. (CDAI)**, a subsidiary controlled by CDLC, serves eastern Canada from its offices in Halifax, Moncton and Charlottetown. CDAI was incorporated under the laws of Prince Edward Island. CDAI is 75% owned by CDLC and 25% owned by Trevor Bowie. Richard F.M. Nichols, Derek R. Tripp, Trevor Bowie and Timothy P.J. Wittig are the directors of CDAI.

### **Shared Services and Premises**

CDFL operates solely for the purpose of distributing CDIT securities, and as such has no revenue independent of this relationship. CDML pays CDFL a dealer service fee and provides CDFL with access to office space and administrative resources which allows CDFL to meet its operational requirements and expenses. Such funding is unrelated to the amount of securities sold by CDFL and is not considered a commission or trailer fee but is a service fee for performing dealer services pursuant to an agreement with CDML. The operational requirements include, but are not limited to, providing

resources as needed from the human resources, administration, legal, accounting, and information technology areas of CDML. In addition, CDFL shares the use of common premises with CDML. CDFL has confidentiality and access policies in place to control access to CDFL client and business records. In addition to the dealer services fee, CDML may pay a 1% per annum trailing commission to CDFL on the purchase price of the CDIT units sold to you by CDFL. The trailer fees are paid quarterly to CDFL based on the value of the CDIT units you held at the end of the previous month.

### We offer access to a single product

We do not offer a wide range of products from a variety of issuers or sectors. **Rather, we offer CDIT from a related issuer – one that we have a relationship with and from which we are not independent.** CDIT may not be suitable for everyone. **Our DRs can only provide advice regarding the product we offer and cannot provide you with advice on other investments** or asset classes that may be beneficial for you to invest in. Should you wish advice about other securities, you will need to seek out a different registered firm.

### Outside business activities (multiple employers)

Our DRs, supervisory staff and directors are engaged in other business activities outside of their duties with CDFL, which may include being a director, officer, licensed mortgage broker or employee of a related entity or related issuer. Individuals with multiple employers are considered to be exposed to certain conflicts of interest, including the potential for biased judgement and added incentive to sell the securities offered by CDFL. While we have policies and procedures in place to mitigate these conflicts, it is impossible for these conflicts of interest to be completely eliminated. It is also a requirement that our DRs are clear as to which firm is providing services to you at a given time.

Outside business activities also include volunteer activities with charitable organizations, industry associations, etc. We have a process in place for reviewing the outside business activities of our DRs.

### Our obligation to know our clients and assess trade suitability

CDFL has an obligation to assess whether a purchase of CDIT is suitable for you before making a recommendation to you and prior to accepting trade instructions from you. To meet this obligation, we need to know certain things about you (“**KYC information**”). We will collect information on our Know Your Client (“**KYC**”) form and any supplementary forms including, but not limited to, your name and address, date of birth, Social Insurance Number (SIN) or other tax identification number, tax residency, occupation, income, detailed financial position, specific investment objectives, risk tolerance, time horizon, and investment knowledge. In addition, in certain circumstances, we may also be required to make enquires as to your reputation. For certain clients, these “know-your-client” obligations may not apply or may be waived.

To comply with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and other relevant legislation, we take reasonable and appropriate measures to establish the identities of clients, persons authorized to give instructions, beneficial owners, and others, and we do not permit any trade until the identity of these persons is verified.

A CDFL DR will make an assessment, where required, about whether you are **eligible** to purchase an exempt security we offer and will make an assessment, as required, of whether a purchase of a particular exempt security is **suitable** for you based upon the KYC information we collected. We encourage you to provide full and accurate KYC information, as we will rely on it for determining

suitability. We reserve the right to refuse to execute any purchase which we believe to be unsuitable. We may be unable to facilitate purchases for clients who do not provide the necessary information as securities regulators require that we collect this information and use it to conduct our eligibility and suitability assessments. We will provide you with a copy of the completed KYC form, along with other disclosure documents that apply to your account.

For any subsequent purchases, more than 12 months after last collecting or confirming KYC information or if we become aware of a material change in your information that could affect what type of investments are suitable for you (e.g. a change in your income, investment objectives, risk tolerance, time horizon, net worth, etc.), we will obtain new revised KYC information from you.

## **Understanding fees and compensation paid to us**

We want you to be an informed investor and understand any fees you pay or compensation we receive from investments you purchase through us.

CDFL receives a monthly dealer service fee from the manager, CDML, in order to compensate us for our activities as a dealer. This is not a “commission” as it does not apply to a particular purchase, or whether there are any purchases, and is a fee meant to provide reasonable operating revenue to CDFL for providing dealer services. CDFL also receives a 1.5% commission on sales of Class A units and a 1% per annum trailer fee from CDML on the purchase price of the CDIT units sold to you by CDFL. The trailer fees are paid quarterly to CDFL based on the value of the CDIT units you held at the end of the previous month. The CDFL Dealing Representative who provides service to you and processes your trade receives a commission of 0.3% on the aggregate value of your trade.

CDML also pays commissions and trailer fees to *other* investment firms who make purchases of CDIT.

**CDFL does not charge you a fee to operate an account**, meaning there are no fees payable by you to us as the exempt market dealer to open, maintain, transfer or close your account. Should we determine in the future to impose such fees, you will receive at least 60 days advance written notice.

## **Understanding fees and compensation paid to others**

There are other fees that may be associated with your accounts or investment holdings, where CDFL does not receive this compensation, which can include the following:

**Trustee account fees:** As indicated above, while we do not charge operational fees for accounts held directly with us, if you have an account at a Trustee, such as for a registered plan, the Trustee will have their own fee schedule. These Trustee fees can include annual administration fees, transaction fees, fees for partial or full deregistration of certain registered plans, transfer fees, etc. These Trustee fees differ by Trustee and will be itemized on the Trustee’s fee schedule. These Trustee fees are charged and retained by the Trustee and are not shared with us as the EMD.

**Fees associated with CDIT:** There are fees associated with the purchase of CDIT which may include, but are not limited to, fees paid to CDML such as the management fee, an income participation fee and various costs and expenses for the administration of the security such as legal and administrative costs. While these charges are not paid directly by you, they are important as they are netted out of the investment return before being distributed to you. **Please see the Offering Memorandum** or other disclosure documents for a full description of the costs and fees associated with CDIT and discuss these with your DR.

**Redemption fees:** CDIT may charge redemption fees which are incurred when the security is sold. These are charged and retained by CDIT, contributing to the investment return, and are not shared with us. **Redemption fees are detailed in the Offering Memorandum** or other disclosure documents. If you purchase a security with a redemption fee that will apply, there will be a notation describing that on your account statement.

**Redemption fees may be charged on redemptions of certain classes of units of CDIT. Please see the Offering Memorandum for details of when these charges apply.**

## **Reporting you will receive**

We will send you the following client reporting:

### **Trade Confirmations:**

CDFL will provide you with a trade confirmation promptly following a transaction for which we have acted for you. The trade confirmation will include the details of the transaction (security name, quantity, price, etc.) and any transaction charge or redemption charge paid with respect to the transaction.

### **Account Statements:**

As we expect to have an **ongoing relationship with you** (*which means we and you may conduct other transactions*), we will provide **an account statement for your account at least on a quarterly basis**. The account statement will include the details for all transactions which occurred within the three months covered by the statement, as well as the market value of your CDIT holdings.

### **Annual Compensation and Charges Report:**

If CDFL charges trailing commissions in connection with your purchase of CDIT units, we will provide you with a **Compensation and Charges Report on an annual basis**. A Compensation and Charges Report summarizes the compensation an EMD received for providing services, including but not limited to, any operating charges, transaction charges, trading commissions, trailing commissions, and referral fees received, plus any payments received from issuers or other parties when having provided services to an EMD client. A Compensation and Charges Report for your account is required to be sent following the end of each calendar year during which we have acted as your dealer, even if we acted as your dealer for less than 12 months. **We will not send you a “nil” report** (“nil” meaning we did not receive any compensation related to providing services to you in that calendar year); you will receive this report only if we received compensation related to your account as the EMD.

### **Investment Performance Report:**

An Investment Performance Report tells you how your investments performed during the year. As we expect to have an **ongoing relationship with you**, we are required to provide performing reporting at least annually. It will however be provided on your statement following the end of each quarter during which CDFL acts as your dealer. The return methodology we are required to use for this report is called the money-weighted method, commonly referred to as IRR (Internal Rate of Return). This method was chosen as the industry standard for this particular report as it takes into consideration the timing of the transactions that you made in your account when calculating your personal rate of return. The formula used to calculate money-weighted rate of return may result in an incorrect or misleading number for a period of less than 12 months.

## **Types of Risks with Exempt Market Securities**

Investment products sold in the prospectus-exempt market are only suitable for investors who have the ability and willingness to accept the risks associated with exempt market securities. The types of risks that you should consider when deciding to purchase an exempt security include but are not limited to:

**Lack of liquidity and redemption restrictions:** There is generally **no public market** for exempt securities. You should understand that CDIT is not publicly traded on a stockexchange. While CDIT provides monthly opportunities to request a redemption (also referred to as a retraction) with 21 days notice, such requests may be subject to maximum dollar redemption limits and redemption fees. These limitations on redemptions may restrict your ability to sell or liquidate your investment at will. See CDIT's Offering Memorandum or disclosure document for full details.

**Before purchasing an exempt market security, such as CDIT, you should carefully consider the following scenarios:**

- If you need to access cash (for an emergency or otherwise), it may be difficult or impossible to sell CDIT in a timely fashion. Therefore, it is prudent for you to have access to cash or securities which can be quickly sold when you need cash.
- If you are unhappy with the performance of CDIT, it may be difficult or impossible to sell your holdings in a timely fashion for the purpose of re-allocating your investment dollars to something else.

**No guarantees:** There is no guarantee of payment of distributions.

**Concentration risk:** Exempt market securities, such as CDIT, are often concentrated in certain industries (e.g. real estate) and geographic areas. Although exempt securities might be suitable as a portion of your overall investment holdings, they may not be suitable to make up the entirety of your investment holdings.

**Reliance on management:** Investors must rely on the skill, judgment and good faith of CDML. Investors will not have control over management decisions.

**Conflicts of interest:** The majority of the directors of CDIT and/or CDML are employed by or act in other capacities for related entities involved in mortgage and lending activities. It may be difficult for some of the directors or the manager to exercise independent judgement about certain matters.

**Prospectus-exempt security risk:** Exempt products, such as CDIT, are sold under certain statutory prospectus exemptions which relieve the issuer from having to file a prospectus. Investing in securities for which there is no prospectus may be riskier than investing in those offered under a prospectus as they lack certain protections provided to securities offered under a prospectus and, furthermore, do not have the same requirements for providing information to you.

***The above is a limited list of risks to consider when investing. Please see the list of risks described in detail in CDIT's Offering Memorandum ("OM"). The OM contains important information about CDIT, including a description of the security's investment strategies, fees, expenses and risks. We are required to provide you with an electronic or paper copy of CDIT's OM prior to placing a purchase for you if relying on the offering memorandum exemption to qualify you for the purchase. We encourage you to read the Offering Memorandum carefully before making an investment decision.***

## **Using borrowed money (leverage) to invest**

Using borrowed money to finance the purchase of securities involves greater risk than using cash resources only. The purchase of securities using borrowed money magnifies the gain or loss on the cash invested and this effect is called leveraging. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest on the loan as required by its terms remains the same regardless of the value of the securities purchased with the borrowed money.

CDFL does not recommend you borrow from a third party to purchase securities through us. We also have an internal policy that a DR (who may also be registered as a mortgage broker with a related/connected entity) cannot make a recommendation to you to borrow to invest by use of a mortgage executed upon your home, and then use those borrowed monies to buy securities available for purchase through us as the Exempt Market Dealer.

## **Benchmarks not provided**

An investment performance benchmark is a market or industry sector index against which you can measure the relative performance of your investment. By comparing your investment to an appropriate benchmark, you can see how your investment performed compared to the market or industry sector in general. An appropriate benchmark should reflect a similar asset class, industry sector and/or risk level in order to be comparable to the investment of which you are assessing the performance. CDFL does not currently provide benchmark comparisons in our account reporting to our clients. CDML does provide comparative performance measures based on prime lending rates or bond yields in its promotional materials about CDIT, but this is not the same as a benchmark provided on account performance reporting which is uniquely calculated for each client.

## **Referral arrangements**

From time to time, we may enter into arrangements where we pay a third party a referral fee for them having referred a client to us, or where we receive, from a third party, a referral fee. In situations where CDFL is paying out a referral fee with respect to your account, before any referral fee is paid, we will provide you with the details regarding the referral arrangements and the referral fee amount or calculation. If we are receiving a referral fee, it is the third party who would be providing a disclosure form to you.

## **Complaint process and Dispute Resolution Service**

We encourage you to direct any complaint you have about CDFL to our Chief Compliance Officer so we may have the opportunity to resolve your complaint. Tell us what went wrong, when it happened, and what you expect to happen as a resolution. We will acknowledge receipt of your complaint in writing as soon as possible, typically within five business days of receiving your complaint, and will provide you with more detailed information about our complaint handling process. In most cases, you can expect to receive a final response and decision from us (after our investigation of the matter) within 90 days of receiving your complaint. If we cannot resolve the complaint to your satisfaction, you are entitled to the services of the Ombudsman for Banking Services and Investments (“**OBSI**”). OBSI is the required independent dispute resolution service provider (outside of Quebec) and provides services at no cost to you.

If we do not provide you with our final response within 90 days of receiving your complaint, you have the right to contact OBSI for a further review of any complaint relating to trading or advising activity. You also have the right to contact OBSI within 180 days of receiving our final response if your

complaint is not resolved to your satisfaction. OBSI can recommend compensation of up to \$350,000. Time limits apply. OBSI can be reached by telephone at 1-888-451-4519, by e-mail at [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca) or at [www.obsi.ca](http://www.obsi.ca).

## **Our privacy policy**

At the time of account opening and on an ongoing basis, clients disclose personal and confidential information to CDFL, including personal identification and financial information. We retain this information in a secure manner for extended periods as required by industry regulations, in paper and/or electronic form. Our staff (whether employees, agents, directors, or officers) will comply with all legislation and our privacy policy in connection with the collection, use, and protection of such information. CDFL has adopted the Privacy Policy of the Capital Direct family of companies. This **Privacy Policy is available on the website ([www.capitaldirect.ca](http://www.capitaldirect.ca)) and is also available upon request.**

In certain circumstances, CDFL may be required to disclose your personal information, including as the result of judicial or other government or regulatory requests or orders. We may also be required to disclose your account information to the Canada Revenue Agency or to international tax authorities. For example, as a result of FATCA (Foreign Account Tax Compliance Act) and CRS (Common Reporting Standard), information related to U.S. Persons and tax residents of countries outside Canada may be transmitted to the CRA who, in turn, shares this information with the IRS (for the U.S.) or other country's tax authority.

Should CDFL become aware or suspect that an account is engaged in money laundering or terrorist financing, it is our duty to report to the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") and law enforcement. This reporting will not be deemed a breach of our privacy policy or any other prohibition that is imposed by law or otherwise.

CDFL has entered into agreements with related entities and third-party service providers to provide services or access to systems that are needed for us to offer exempt market dealer services to you. These agreements contain confidentiality clauses covering the use of your personal information.

## **Contact us**

If you wish to obtain further information concerning your relationship with CDFL, or if you have any questions or concerns with respect to the information provided here, please contact:

Barbara Insley  
Chief Compliance Officer  
Suite 305, 555 West 8<sup>th</sup> Avenue,  
Vancouver, BC V5Z 1C6  
Telephone: 1-800-625-7747  
Email: [BInsley@CapitalDirect.ca](mailto:BInsley@CapitalDirect.ca)

## **Client Acknowledgments**

### **Client responsibilities**

It is your responsibility to:

- review all account documentation copies that CDFL provides to you, including the KYC Form, along with trade confirmations and statements, in order that you remain informed about your account(s)
- contact a CDFL DR if you have questions about any transactions or investments that you have made through CDFL
- contact a CDFL DR if any of your KYC information has changed, before making a subsequent purchase

We thank you for staying informed about your investments and keeping us informed about you.

### **Consent to electronic delivery of documents**

By checking the box marked “yes” below, you consent to receive e-mail delivery of any notice that CDFL is obligated to send including, but not limited to, trade confirmations, account statements and updates to this document.

For up to seven years past their issue date, you may request at no cost, a paper copy of any documents that have been delivered electronically to you by contacting the Chief Compliance Officer at the telephone number and e-mail found in this document. At any time, you may revoke your consent to receive such materials through e-mail by notifying the Chief Compliance Officer in writing. Any changes to your authorized email address must be submitted to us in writing.

We may provide you documents by paper delivery if we are unable to provide electronic delivery. Any paper delivery will be provided to you at the most current mailing address that we have on file for your accounts.

You acknowledge that email is not a secure form of communication; emails we send are not encrypted, and information sent by email may be intercepted by third parties who may be malicious (e.g. hackers). By consenting below to receive electronic delivery of documents, you accept the risks inherent in using email and will not hold CDFL liable for any damages resulting from the use of email.

Please select **one** of the two options below:

- YES, I/we consent to electronic delivery of documents.** These documents will be sent to the email address I/we have provided below to CDFL. I/we understand that CDFL may provide certain items by regular mail even having received this consent. (Please note that CASL consent in the section below is also required even if you choose this "yes" option.)

Email address:	
Email address:	

*(Note: any changes to your authorized email address must be submitted to us in writing.)*

- NO, I/we do not consent to electronic delivery of documents** but prefer to receive them by regular postal mail.

#### **Request for CASL consent to email (Canadian anti-spam legislation)**

Please select **one** of the two options below:

- YES, I/we consent to the use of email.** I/we consent to receiving email (also called "commercial electronic messages") from CDFL and its representatives, which may include newsletters and occasional updates. I/we understand that I/we can unsubscribe from receiving emails at any time through a link in the email or may do so by contacting CDFL by mail or telephone. Electronic messages will be sent to the email address I/we have provided below to CDFL. I/we understand that CDFL may continue to send some items by regular mail even having received this consent.

Email address:	
Email address:	

*(Note: any changes to your authorized email address must be submitted to us in writing.)*

- NO, I/we do not consent to receiving email** (also called "commercial electronic messages") from CDFL and its representatives. I/we understand that CDFL will send correspondence to me/us by regular postal mail.

#### **Verification of Identity for Non-Face to Face Transactions**

Canadian regulations require that we verify the identity of every client before opening accounts and transacting for them. These requirements are contained in what often is termed the "AML" requirements, meaning "anti-money-laundering". When you are physically present with CDFL's DRs, we can obtain physical hardcopy identification documentation from you in satisfaction of our identification requirements. When you are not physically present, we can use a third-party service to obtain identity confirmation. There is no fee to you for us using this third-party service. CDFL

will keep all Equifax information and all output data received as a part of the AML Assist service confidential.

Please select **one** of the two options below:

- YES, I/we consent to the use by CDFL of “AML-Assist” (a service of Equifax Canada).**  
I/we consent because **I/we are not physically present** when completing a KYC form to open and/or update my/our account(s). I/we authorize CDFL to use the AML-Assist service of Equifax **to confirm my/our identity(ies)**. I/we understand this is not authorizing CDFL to request a full credit check but rather an identification enquiry.
- NO, I/we do not consent to the use by CDFL of “AML-Assist”.** This means that I/we **must be physically present** with a representative of CDFL in order to provide hardcopy identity documentation when completing a KYC form to open and/or update my/our account(s).
- .....

### **Client Signature**

By signing below, I/we confirm I/we have read and understood the information contained in this Relationship Disclosure Information document and have had the opportunity to discuss its contents with a Dealing Representative of Capital Direct Financial Ltd.

FOR INDIVIDUALS		Joint Party ( <i>if applicable</i> )
Client Name:		
Client Signature:		
Date:		

FOR ENTITIES		
Entity Name:		
	Name and Title of Authorized Signatory #1:	Name and Title of Authorized Signatory #2:
Signature:		
Date:		