

# Conflicts of Interest Statement

## General Description

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 returns for our shareholders and other stakeholders. 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.

## Description of Member Firm

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

You can learn more about our firm at [www.lightyearcapital.com](http://www.lightyearcapital.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.

## Description of Role of an Investment Dealer

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, and consistent with the best interest of our clients. We will try to avoid conflicts where possible, and in 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 disclosure must be avoided.

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 Investment 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.

Please note that currently Lightyear has no related or connected issuers. This statement will be updated in the event that Lightyear should ever become related or connected to any issuers requiring disclosures. We are further required to disclose to you, prior to trading with or advising you, of relevant relationships and connections with the issuer of the securities.

## Possible Conflicts and How They Are Managed

Potential Conflict of Interest	Address By	How Conflicts Will Be Addressed
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 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>We are required by industry regulations and firm policy only to make suitable investment recommendations, subject to your investment objectives and risk tolerance as disclosed on your Know Your Client form.</p> <p>We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue by us without any benefit to you.</p> <p>We have a duty to act fairly and honestly in all dealings with you and the marketplace in general, and to correct any errors that we may make.</p>

<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 security offerings.</p>	<p>Disclose</p>	<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. 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>
<p>We may sell you securities which we own (called principal trades) and profit by doing so.</p>	<p>Disclose</p>	<p>We will tell you whether we acted as principal or agent for each transaction on the trade confirmation. In the case of fixed-income securities (which we may sell as principal) we provide you with a stated yield to maturity so you can assess the competitiveness of our pricing.</p>
<p>We may need to select which clients will be offered certain securities if availability is limited</p>	<p>Control</p>	<p>Investment Advisors make the determination based on individual client relationships. Suitability and client priority are key considerations and such allocations cannot be influenced by guarantees of future business.</p>
<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 interested in obtaining the lowest price.</p>	<p>Control/ Disclose</p>	<p>Our policy and practice is to set a price that is fair and reasonable for both the issuer and the purchaser. Pricing must consider current market conditions, market value and the specific securities being offered. In all instances, the investments must be suitable for you, in line with your stated objectives and risk tolerance. The offering documents provide full disclosure of all relationships we may have with the issuer, including the compensation arrangements related to the transaction.</p>
<p>If you hold an applicable security, we may be paid by issuers, offerors or others to solicit your proxy or vote in their favor with respect to takeover bids, corporate reorganizations, solicitation of proxies and other corporate actions.</p>	<p>Disclose</p>	<p>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.</p>

<p>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.</p>	<p>Control</p>	<p>Our internal information barriers are designed to ensure regulatory requirements are complied with.</p> <p>We are obligated to maintain confidential any such non-public information obtained from issuers.</p>
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We may have access to commercially sensitive or inside information.	Avoid/ Control	We may decline to provide a service to avoid insider trading provisions in securities legislation. We have specific procedures for responding to conflicts of interest that involve insider information and for complying with insider trading provisions.
We engage in trading of securities for our own account (called proprietary trading)	Control	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.
Your Investment Advisor may make personal investments in the same issuers that they recommend to you.	Disclose	Your Investment Advisor is required to disclose the existence of such investment to you prior to executing any transaction on your behalf.
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	Securities legislation prohibits an individual from serving as a director of another registered firm that is not an affiliate of our firm. Our employees are prohibited from engaging in activities that would interfere or create conflict with their duties. We have policies and procedures in place to detect and, where applicable, supervise, disclose or prohibit any conflict of interest. Employees wishing to act as directors or officers of a public or private company must receive prior approval from our Board of Directors. When an employee sits on a board of directors or undertakes any community activities in any substantive way, they are subject to regulatory guidance on the disclosure and approval of their outside business activities.
Individuals may receive or give gifts, gratuities or entertainment opportunities as a result of their relationships with clients.	Avoid/ Control	We have policies which include guidelines and limits on what are appropriate and acceptable gift and entertainment practices, including the detailed review and approval processes relative to these.

**Disclaimer:** The information and examples contained in this document have been compiled to the best of our ability and are not meant to be exhaustive of all possible conflicts of interest but rather a compilation of those conflicts that have been identified to date. Lightyear undertakes to continue taking the necessary steps of identify and respond to such situations in a fair, equitable and transparent manner and consistent with the best interests of our clients.