

Enhanced Conflicts of Interest Disclosure

June 30, 2021

From time to time, our regulators mandate that we share pertinent information with our clients within prescribed timelines. Recently, the Canadian Securities Administrators (“CSA”) and the Investment Industry Regulatory Organization of Canada (“IIROC”) have instructed all registered firms to provide an industry update on **Client Focused Reforms (“CFRs”)**. These reforms are enhancements to existing conflicts of interest policies to further ensure any conflict will be adequately identified and addressed and registered firms and their advisors continuously put the best interests of their clients first. At Richardson Wealth Limited (“Richardson Wealth”), you received our related disclosure documents at account opening. We are now required to provide the following Enhanced Conflicts of Interest Disclosure document to all our clients. We encourage you to read it closely and contact your Investment Advisor if you have any questions.

Richardson Wealth is an Investment Dealer registered with the securities commissions in each of the provinces and territories of Canada, and a derivatives dealer registered in Quebec. Richardson Wealth is a member of IIROC and the Canadian Investor Protection Fund (“CIPF”).

The CSA have implemented changes to Canadian securities legislation which they refer to as “client focused reforms” (“CFRs”). The CFRs require registered firms and individuals to identify, address and disclose material conflicts of interests to a reasonable investor who would expect to be informed of such conflicts. This means that Richardson Wealth must:

- take reasonable steps to identify existing and reasonably foreseeable material conflicts of interest between a client and Richardson Wealth or any individual acting on Richardson Wealth’s behalf;
- address all material conflicts of interest in the best interest of the client;
- avoid material conflicts of interest that are not or cannot be otherwise addressed in the best interest of the client; and
- provide affected clients with written disclosure of material conflicts of interest at account opening and, if new conflicts of interest arise, in a timely manner thereafter.

The purpose of this Enhanced Conflicts of Interest Disclosure Document is to provide clients of Richardson Wealth with a description of conflicts of interest which may arise between them as accountholders, and Richardson Wealth as the investment dealer and the respective Richardson Wealth advisor (“advisor”).

This document forms part of, and should be read together with, the Relationship Disclosure Terms and Conditions Booklet. It

replaces any conflicts of interest disclosure in that booklet in its entirety. The Relationship Disclosure Terms and Conditions Booklet was made available to clients at the time of account opening and the most recent version is accessible by contacting their advisor or through the client portal or secure link.

Clients are encouraged to raise any questions or concerns that they may have regarding conflicts of interest with their advisor.

Subsidiaries, Affiliates and Related Companies of Richardson Wealth

Richardson Wealth has a number of subsidiaries, affiliated and related companies involved in the capital markets and wealth management businesses. The services of these entities are described below, and you may access the full list of subsidiaries, affiliates and related companies at:

www.RichardsonWealth.com/disclosures.

Subsidiaries

The following are the wholly owned subsidiaries of Richardson Wealth:

- **Richardson Wealth (USA) Limited**, an investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940 provides investment advice to clients that are residents of the United States. Pershing Advisor Solutions LLC, an unaffiliated entity is a member of FINRA and SIPC, is the broker dealer and custodian of the assets for the clients who elect to engage Richardson Wealth (USA) Limited’s investment advisory services. Clearing services may be provided by Pershing LLC;

- **Richardson Wealth Insurance Services Limited**, an Associate General Agency (“AGA”) that is licensed as a life insurance agency to sell insurance products, including life, disability, critical illness, and long-term care insurance, as well as annuities and segregated funds, in BC, AB, SK, MB, NS, NB, NL, NWT, ON, QC and PEI. Richardson Wealth Insurance Services Limited provides insurance services and products through its dual representatives who are also registered as investment advisors at Richardson Wealth, and/or with the assistance of independent insurance licensed consultants (each a “Producer”). A Producer is not employed by Richardson Wealth Insurance Services Limited or Richardson Wealth. Administrative support services and policy management are provided to Richardson Wealth Insurance Services Limited by PPI Financial Group which is an unaffiliated entity, and in some cases by Richardson Wealth’s Carrying Broker, RF Securities Clearing LP. The introducing broker/carrying broker relationship is disclosed under section 7 of the Relationship Disclosure Terms and Conditions Booklet; and
- **Richardson Wealth Family Office Limited**, a private company which assists high net worth individuals and families in the management of their affairs but does not provide any investment advice. This entity provides services which help families shape actionable strategies which articulate their family values. This includes, but is not limited to, identifying tax and wealth planning objectives and strategies, philanthropic services and retirement and succession planning. The services are provisioned through an internal team as well as in collaboration with external professionals. Richardson Wealth Family Office Limited is not regulated by IIROC or the CSA.

Affiliates and Related Companies

Richardson Wealth is a wholly owned subsidiary of RF Capital Group Inc. (“**RF Capital**”). RF Capital is a public company whose securities are traded on the Toronto Stock Exchange (TSE: RCG). In addition to Richardson Wealth, RF Capital wholly owns RF Securities Clearing LP and CQI Capital Management L.P. The services of these entities are described below:

- **RF Securities Clearing LP** provides securities execution, clearing and settlement services to introducing broker clients and is registered as an Investment Dealer with the securities commissions in each of the provinces, and as a Derivatives Dealer in the Province of Quebec. RF Securities Clearing LP is a member of IIROC, CIPF and a member of the Toronto, Montreal and TSX Venture stock exchanges. RF Securities Clearing LP is Richardson Wealth’s Carrying Broker; and
- **CQI Capital Management L.P.** is registered as an investment fund manager and portfolio manager with the Ontario Securities Commission and as an Exempt Market

Dealer in all provinces. This entity does not currently have any registered dealing and advising representatives and does not currently service any clients nor does it manage, advise, and distribute securities of investment funds.

For further details regarding RF Capital and its affiliates, please see www.rfcapgroup.com.

Shared Premises

Richardson Wealth is required under securities regulation to disclose its relationship with its affiliated and related firms with which it shares its premises. Richardson Wealth and clients’ advisors may share premises with Richardson Wealth’s wholly owned subsidiaries, namely:

- Richardson Wealth (USA) Limited;
- Richardson Wealth Insurance Services Limited; and
- Richardson Wealth Private Family Office Limited.

When opening any account(s) at Richardson Wealth in accordance with any applicable account application agreements, clients will only deal with their advisor and not with any employees of the Richardson Wealth subsidiaries mentioned above. Richardson Wealth ensures that the business of all entities within shared premises are kept separate and all business conducted by one entity will be kept confidential from the other entities.

Richardson Wealth’s Business

Richardson Wealth provides a full array of wealth management and investment services. Richardson Wealth offers portfolio guidance through an innovative suite of investment solutions that provide its clients with superior wealth preservation and growth strategies and experienced Investment Advisors who goal is to instill trust and integrity.

Richardson Wealth also provides investment advisory services to both related and third-party investment funds. Some of these funds may be sold to its retail clients.

Richardson Wealth and its affiliates, subsidiaries and related entities generally operate their respective businesses independently of each other. Except as noted under *Shared Premises*, the firms are physically segregated and have implemented informational barriers to restrict access to client information. In addition, Richardson Wealth has policies and procedures to identify, manage and disclose any material conflicts of interest that may exist or reasonably be expected to arise between Richardson Wealth and its clients.

Richardson Wealth, its subsidiaries, affiliates, and related entities, including, Richardson Wealth (USA) Limited, Richardson Wealth Insurance Services Limited, Richardson Wealth Family Office Limited and RF Securities Clearing LP may enter into

arrangements or engage in cooperative business opportunities to enhance investment services for their respective clients. These activities may involve client introductions, referrals, distribution of investment products, advisory relationships, and operational support.

Related and Connected Issuers

Canadian securities laws require Richardson Wealth to provide disclosure to clients in relation to the purchase or sale of, or advice with respect to, a security of a related issuer or a connected issuer¹. These rules require dealers and advisors to inform clients of the relevant relationships and connections with the issuers of the securities prior to making a trade or providing investment advice with respect to the security.

Any trade or advice to trade in securities of any related or connected issuer on behalf of a client's account is an inherent conflict of interest and must be addressed in the best interest of the client and is subject to suitability, Know Your Client ("KYC") and Know Your Product ("KYP") obligations. Richardson Wealth's compensation programs are reasonably designed to not incent advisors to recommend securities of any related or connected issuers and to be product neutral.

Richardson Wealth is a subsidiary of RF Capital, a reporting issuer which trades on the Toronto Stock Exchange. Richardson Wealth is also a subadvisor i.e., provides portfolio management services to select prospectus qualified mutual funds and ETFs issued by Purpose Fund Corp. The sub-advisory services for Purpose funds are carried out by Richardson Wealth pursuant to an investment management agreement with Purpose Fund Corp. and gives Richardson Wealth the full discretion to invest and reinvest the investment portfolio of each such fund. Please see *Connected Wealth Division*.

Advisors may also own securities of RF Capital, and in certain circumstances be appointed to the Board of RF Capital. Any advice to a client or discretion exercised on behalf of a client to trade in securities of RF Capital or mutual funds/ETFs issued by Purpose Fund Corp. will only be made if such trade is in the client's best interest and upon satisfaction of suitability, KYC and KYP obligations. Advisors owning securities of RF Capital are only allowed to trade in securities of RF Capital on behalf of a client or their own account provided they do not possess any material non-public information about RF Capital and subject to applicable securities laws. If an advisor is a

¹ The test to determine if an issuer and Richardson Wealth are related is whether Richardson Wealth exercises a controlling influence over the issuer or the issuer exercises a controlling influence over Richardson Wealth through the ownership of or control over voting shares. Richardson Wealth and an issuer are connected if the relationship between the issuer (or a related issuer to it) and Richardson Wealth may lead a reasonable investor to question the independence of the parties in relation to the trade or investment advice. Greater detail about related and connected issuers can be found in National Instrument 33-105 – Underwriting Conflicts.

Director of RF Capital, that advisor:

- must comply with all requirements relating to insider information, trading and timely disclosure, including restrictions on insider trading and tipping. Adequate measures are taken by RF Capital to ensure the confidentiality of information about its operations until there is full public information, particularly when the information might have a bearing on the market price or value of RF Capital's securities; and
- is restricted from advising any of the advisor's clients to trade in securities of RF Capital. This means that the advisor is restricted from recommending or carrying out any purchase or sale of shares of RF Capital on behalf of a client, and such clients may not hold securities of RF Capital in their accounts with that advisor.

In case of a discretionary managed account, written consent from the client will be obtained in connection with investments in any related or connected issuers, including RF Capital.

Richardson Wealth will make the required disclosures in the following manner:

- when Richardson Wealth acts as an agent, including as part of a syndicate, the required disclosure about fees will be contained in the prospectus or other offering document of the issuer;
- when Richardson Wealth buys or sells securities for a client, the required disclosure will be contained in the confirmation of the trade; and
- when Richardson Wealth advises the client with respect to the purchase or sale of securities of a related or connected issuer, the disclosure will be contained in the confirmation of the trade.

Advisors who have Outside Activities and Other Potential Conflicts

Conflicts can arise when advisors are involved in outside activities, for example, because of the compensation they receive for these activities or because of the nature of the relationship between the individual and the outside entity. Advisors must seek approval from Richardson Wealth before undertaking any outside activity. Before approving an outside activity, Richardson Wealth considers potential conflicts of interest. If the advisor and Richardson Wealth cannot appropriately manage/control a potential conflict of interest, the outside activity is not permitted.

Richardson Wealth has policies and procedures that take into account the potential existing and reasonably foreseeable material conflicts of interest that may arise as a result of an individual's outside activities when assessing whether or not a potential conflict of interest can be appropriately managed/controlled, including the following:

- whether the advisor will have sufficient time to properly carry out their registerable activities, including remaining current on securities law and product knowledge;
- whether the advisor will be able to properly service clients;
- the risk of client confusion and whether Richardson Wealth can manage or address the risk;
- whether the outside activity places the individual in a position of power or influence over clients or potential clients, in particular clients or potential clients that may be vulnerable; and
- whether the outside activity provides the individual with access to privileged, confidential or insider information relevant to their registerable activities.

Richardson Wealth also has a risk management framework in place to address proper separation of the outside business activity and registerable activity.

Other Potential Conflicts

Advisors may recommend or to trade on behalf of a client's account in securities of investment products that are issued by other clients or significantly connected to them. Advisors will only do so if such recommendation or trade is in the client's best interest and upon satisfaction of suitability, KYC and KYP obligations.

Compensation Arrangements and Incentive Practices

Richardson Wealth recognizes that there is an inherent conflict of interest to create incentives that may cause advisors to sell or recommend certain products or services over others, or for our advisors, to receive greater compensation from us for the sale or recommendation of certain products or services over others.

Richardson Wealth implemented policies and procedures that are reasonably designed to mitigate the risk to clients' interests, and we closely monitor for compliance with these policies and procedures. If we cannot address these conflicts in the best interest of its clients, we will avoid them.

Recommending Products on Richardson Wealth's Platform

Richardson Wealth recommends products from various issuers or investment fund managers to its clients. Products, including those where Richardson Wealth acts as a member of an underwriting syndicate or agent must be approved by Richardson Wealth's New Product Review Committee ("NPRC"), which involves:

- rigorous issuer and product due diligence which considers the complexity and risks of the product. Less complex and risky types of products may only require a high level or less detailed or extensive approval process, while the approval

process for more complex products may be more detailed and extensive and may involve senior management approval;

- conducting periodic due diligence on securities on the firm's shelf that provide third-party compensation to determine whether such securities are competitive with comparable alternatives available in the market;
- monitoring for significant changes to products that have been approved by Richardson Wealth; and
- determination of any conflicts of interest and addressing them in the best interests of clients.

Recommendation of any approved product on our platform is made by an advisor to a client upon satisfaction of suitability KYC and KYP obligations. Any conflict of interest with respect to recommending products on our platform is addressed consistent with regulatory obligations.

Any product shelf development and client recommendations are based on the quality of the product without influence from any third-party compensation associated with the product. Further, as noted below under advisor compensation, Richardson Wealth's compensation programs are reasonably designed to not incent advisors to recommend securities of any related or connected issuers and to be product neutral.

Connected Wealth Division and National Partnership Office

Richardson Wealth's Connected Wealth division carries out portfolio advisory services, including the development and provision of model portfolios for managed accounts. Under this division, clients may choose model portfolios that are developed by Richardson Wealth's portfolio managers, and Richardson Wealth has ultimate responsibility to ensure suitability of the investments made pursuant to those model portfolios on an ongoing basis. As well, this division also carries out the portfolio management of certain Purpose investment funds noted above under *Related Issuers and Connected Issuers*.

Richardson Wealth also has a National Partnership Office ("NPO"), which provides advice and service to clients with smaller assets. To deliver on portfolio management services, clients of the NPO are offered three model portfolios from the Connected Wealth Division.

Clients who use the portfolio advisory services under the Connected Wealth Division or through NPO pay management fees to Richardson Wealth pursuant to their portfolio advisory agreement with Richardson Wealth but do not pay separate fees to any related or connected issuer whose securities they may hold in their model portfolio. Richardson Wealth receives fees from connected issuers like Purpose Fund Corp., for acting as a subadvisor for certain of their funds pursuant to the portfolio management agreement that it has with such connected

issuer. As noted above under Related Issuers and Connected Issuers, any trade or advice to trade in securities of any related or connected issuer on behalf of a client's account must be addressed in the best interest of the client and is subject to suitability, KYC and KYP obligations.

Advisor Compensation Arrangements

Richardson Wealth's advisor compensation practices are reasonably designed to be product neutral and follow these general guidelines:

- do not incent advisors to recommend securities of any related or connected issuers;
- do not incent advisors to recommend any securities of any related or connected issuers of any third-party research providers or parties with whom Richardson Wealth may have a strategic alliance;
- bonuses are not tied to fee-based assets; and
- advisors are allowed to participate in equity ownership plans however such ownership is not based on the sale of any products on Richardson Wealth's platform.

Any purchases of new issues for client accounts, whether fee-based, commission or margin accounts are made based on suitability assessments and best interest of the client and are subject to client consent.

Referral Arrangements

Richardson Wealth may enter into referral arrangements from time to time where we refer clients to another entity and receive a benefit, or another entity refers clients to us and receives a benefit from us. These arrangements may be with affiliates of Richardson Wealth or parties unrelated to us. This can create a potential conflict of interest because the arrangements provide a financial incentive to make referrals to the person Richardson Wealth is receiving a referral fee from. The details of these referral arrangements, including the parties to the referral arrangement, the manner in which the fee for referral services is calculated, and the party to whom it is paid, will be provided to clients in writing at the time of any referral.

Richardson Wealth and its affiliates may, from time to time, introduce clients to each other in accordance with the financial needs of the clients.

Relationship with Research Providers, Strategic Alliances and other Arrangements

From time to time, Richardson Wealth may enter into an agreement or a memorandum of understanding with other third-party firms to provide Richardson Wealth with market research, including but not limited to:

- single stock research reports;
- industry reports;
- macro reports;
- value of the securities, the availability of securities, or purchasers or sellers of securities; and
- analysis, reports and statistical materials concerning issuers, industries, securities, economic factors and trends.

Richardson Wealth may pay fees to such third parties for their services. Any conflicts of interest that may arise from these relationships or arrangements are reviewed and resolved in the best interests of the client, and any trade or advice to trade in securities of any issuer where such conflict of interest exists is subject to suitability, KYC and KYP obligations. As noted under Advisor Compensation, Richardson Wealth's compensation programs do not incent advisors to recommend securities where there is a relationship with research providers, strategic alliances, or other arrangements where a fee is paid to such third-party provider.

Personal Financial Dealings

Employees of Richardson Wealth are generally prohibited from engaging, directly or indirectly, in any personal financial dealings with clients. Personal financial dealings include accepting any consideration, including remuneration, gratuity or benefit, from any person other than Richardson Wealth for activities conducted on behalf of a client. Any personal financial dealings with clients shall generally be considered inappropriate conduct, a conflict of interest and a violation of the business conduct standard. An advisor, Licensed Assistant or Richardson Wealth employee is generally prohibited from engaging, directly or indirectly, in any personal financial dealings with clients.

Conflicts in Fee-based accounts and Commission-based Accounts

Fee-based accounts generally charge a fixed fee as a percentage of the total assets in client's accounts; while commission-based accounts generally charge fees on a transaction basis. The conflicts of interest inherent in offering these two types of accounts are addressed by having account types monitored for suitability as well as account appropriateness considering clients' investment needs and objectives.

Fair Allocation Procedures

Richardson Wealth has policies and procedures to ensure fairness in the allocation of investment opportunities among its clients. Trade allocation is determined on a basis that is fair, reasonable and equitable for all clients. The advisor is responsible for selecting investments on behalf of a client's account(s) and for ensuring such investments are suitable for the client.

Proxy Voting

All clients who have a managed account with Richardson Wealth, give Richardson Wealth the discretion to vote their eligible securities holdings, including the securities of related and connected issuers in all circumstances unless it is not in the client's best interest to do so and if Richardson Wealth otherwise deems it appropriate to seek the client's specific consent in any situation. Richardson Wealth engages an unaffiliated security governance firm (Institutional Shareholder Services, ISS) whereby ISS will provide proxy voting services for all eligible securities in Richardson Wealth's managed accounts. Richardson Wealth generally opts to follow ISS's Canadian guidelines for voting policy.

For proxy voting relating to eligible securities holdings of RF Capital, Richardson Wealth will always seek a client's specific consent and set forth its reasons why the proposed vote is considered to be in the client's best interest.

Proxy voting for non-managed accounts will always be conducted on client's instructions.

Gifts, Gratuities and Entertainment

Employees of Richardson Wealth, including members of their immediate families, may not, directly or indirectly, take, accept or receive bonuses, fees, commissions, gifts, gratuities, excessive entertainment or any other similar form of consideration other than of nominal value from any person, business or association with which Richardson Wealth does or seeks to do business. Conversely, it is generally against corporate policy to give gifts or gratuities of other than nominal value without the specific approval of the designated officers of Richardson Wealth. Even a nominal gift is not to be accepted if, to a reasonable person, it might appear that the gift would influence a business decision.

The following guidelines apply to all gifts, gratuities, business entertainment and client development:

- cannot be (or reasonably seen to be) given to affect a specific transaction or mandate. In other words, they must be neither so frequent nor so extensive as to raise the question of propriety;
- must be usual and customary within the current business environment;
- must be within good business practice (what would someone else do in a similar circumstance); and
- must not be illegal.

Access certain documents referenced here:

Relationship Disclosure Terms and Conditions Booklet at: www.RichardsonWealth.com/docs/default-source/disclosures/terms-and-conditions-booklet.pdf

Complete list of related and connected issuers of Richardson Wealth at: www.RichardsonWealth.com/disclosures

Contact:

This document is also available on our website at: www.RichardsonWealth.com.

If you have any questions, please contact our Chief Compliance Officer at 1.866.263.0818.

RICHARDSON
Wealth