

RELATIONSHIP DISCLOSURE DOCUMENT STEPHENAvenue SECURITIES INC.

PRODUCTS AND SERVICES Stephen Avenue offers investment advice, trading, portfolio management and corporate finance services to our clients. The investment products we offer include, but are not limited to, the following types of securities: *Fixed Income* - such as treasury bills, money market or fixed income mutual funds, GICs, commercial paper, government bonds and corporate debentures. *Equities* - these are common shares, preferred shares and rights or warrants and mutual funds that trade on a stock exchange or alternate trading system. *Derivatives* - exchange traded options, *Structured Products* - these are more complex products that make use of derivatives, equities and/or fixed income securities. *Mutual funds* - these are normally comprised of a basket of securities and can be combinations of fixed income and equity securities and may make use of derivatives. *New Issues* - the different types of securities noted above may be purchased in the secondary market (e.g. on a stock exchange) or by a new issue under prospectus disclosure or under a private placement exemption. *Private funds* - these may hold of assets such as real estate, mortgages, precious metals, and royalties.

SAS does not primarily offer any proprietary products. We do not have any general limitations on the types of products or services noted above but reserve the right to refuse to receive in or effect transactions for certain securities. Structured Products, Mutual Funds and Private Funds may restrict the periods of time in which you may redeem units of the fund and/or the amounts you may redeem. For other types of securities your ability to sell will depend on the market conditions at the time you wish to sell.

ACCOUNT RELATIONSHIP Stephen Avenue offers two types of account relationships, Advisory and Managed (if you have completed a Managed Account Agreement). Advisory Relationship - this is an account where you are responsible for investment decisions, but your advisor is responsible for the advice he/she gives you. We only accept trading instruction from you verbally and accept electronic communication (email or text) for transaction details only. Prior to buying or selling a security in your account we must obtain your permission (verbally or in writing). It is your responsibility to monitor your account and advise us if you wish to sell any of the securities you hold. Managed Relationship - where a portfolio manager oversees your account and has discretionary authority to make investment decisions for your account on a continuing basis based on your investment objectives and risk tolerance. Your account is Advisory unless you have completed and SAS has accepted a Managed Account Agreement.

In all cases, your advisor must meet an appropriate standard of care and provide suitable investment recommendations.

KNOW YOUR CLIENT SAS will assess your personal and financial circumstances, investment needs and objectives, investment, time horizon, risk profile and investment knowledge by talking with you directly and recording this "Know Your Client" ("KYC") information on your New Client Application Form which we will ask you to sign confirming the information we have collected is accurate. It is your responsibility to advise SAS when there is a significant change to your KYC information. You will receive a copy of the KYC information we collect at account opening and when there is a material change and we update collect new KYC information.

SUITABILITY OF INVESTMENTS Whenever we purchase, sell, withdraw, exchange or transfer-out securities or transact in derivatives for your account or take any other investment action for you, make a recommendation or exercise discretion to take any such action or where there is a change in a security in your account, we will determine, on a reasonable basis, that the action satisfies the following criteria: the action is suitable for the you based on the following factors: (a) the KYC information collected, (b) our assessment of and your Advisors understanding of the security or derivative, (c) the impact of the action on your account, including the concentration of securities or derivatives within the account and the liquidity of those securities or derivatives, (d) the potential and actual impact of costs on your returns, and (e) a consideration of a reasonable range of alternative actions available to your Advisor through SAS at the time the determination is made. We will also ensure the action puts your interest first. This is referred to as the "Suitability Requirement".

The Suitability Requirement also applies when there is a change in the Advisor, Portfolio Manager or Associate Portfolio Manager responsible for your account or we become aware of a change in the know

your client information we collect or there is a change in a security in your account . It also applies **when** SAS reviews the information collected on your New Account Application Form no less frequently than once every 36 months, except for a managed account which will be reviewed no less frequently than once every 12 months.

We assess suitability on a portfolio basis, not on a separate account basis. A significant market fluctuation or other events may not result in a review of the suitability of your investments.

TRUSTED CONTACT PERSON If you provide us with the name and contact information for a Trusted Contact Person and we reasonably believe that you are subject to financial exploitation or that you do not have the mental capacity as it relates to making financial decisions, we may advise the Trusted Contact Person of our concerns but will not disclose to them any information regarding your account or any personal information we may have collected regarding you.

TEMPORARY HOLD If we reasonably believe you are a vulnerable client and are subject to financial exploitation or that you do not have the mental capacity as it relates to making financial decisions, for your protection we may place a temporary hold on your account(s) or a transaction requested. If done, you will be notified of the hold and reasons for it as soon as possible. You should not rely on SAS placing a temporary hold on your account to protect your interests.

CONFLICT OF INTEREST Stephen Avenue has procedures to ensure we take reasonable steps to identify existing and reasonably foreseeable material conflicts of interest that may arise between the interests of the SAS or its employees and the interests of our clients. Any material conflicts of interest that are reasonably foreseeable, which are not avoided, will be addressed in the best interest of the client and will be disclosed, where required, to the client in a timely manner, upon identification of the conflict. Refer to our Conflicts of Interest Disclosure for more details.

FEES AND CHARGES An Advisory or Trading account will be charged a commission or fee on each purchase or sale of a security, such as listed company shares. If you choose a Fee-Based or a Managed Account, we will charge a fee based on a percentage of assets and may include a per-trade fee. For Fixed Income and New Issues, the commission is normally included in the price you pay or receive. For New Issues a commission or fee is paid to SAS by the Issuer. For Mutual Funds, Private Funds and Structured Products we may charge a commission and the Fund may also charge a commission and the Fund manager will normally charge you an annual management fee and may periodically pay us a small 'Trailing Fee' (refer to the disclosure documents the fund provides). We may pass on third party fees charged to us for the operation of your account. Any fees or commissions described here may reduce the investment returns in your account, the effect of which may compound over time. A schedule of the fees and charges by SAS that you may incur in the operation of your account is provided after your account is opened.

If you asked us to pay a fee due in an account (e.g. your RRSP) by debiting another account (e.g. your Cash account) this will affect the financial performance of both accounts. The first account will have a higher percentage return because the fee was not charged. The second account will have a lower percentage return because the fee is charged to that account.

INVESTMENT PERFORMANCE BENCHMARKS Investment benchmarks provide a broad measure of the return generated by specific asset classes or 'baskets' of securities over a given period. For a useful comparison, the benchmark chosen should closely match the characteristics of the portfolio being monitored. Some well-known indexes are the S&P/TSX for Canadian stocks, the DEX Universe for Canadian bonds and the S&P 500 for U.S. stocks. Since our client's have many different portfolios and it is important to choose the right index as a comparison, Stephen Avenue will not provide investment performance benchmarks as part of our normal reporting to our clients.

ACCOUNT REPORTING We will send you a trade confirmation in the mail or provide it electronically each the next business day after we execute a trade for your account. We will also provide you with a monthly statement for each calendar quarter (March, June, September and December) and for any month where there is a transaction in your account. The account position cost and account activity information is contained in the trade confirmations and monthly statements.

We will provide you on an annual basis a Fees/Compensation Report which summarizes the amounts we received to service your investment account over the past year and a Performance Report (so long as your account has been opened for a calendar year). Percentage return reporting is not an option that SAS provides. These will normally be provided in mid January.

COMPLAINT HANDLING If you have a complaint regarding misconduct on the part of any employee of SAS, we ask that you make a written or verbal complaint to our Designated Complaints Officer (DCO). We will send you an acknowledgement letter within 5 days of receiving your complaint. Within 90 days, we will send you a substantive response letter. If we take longer than 90 days we will advise you of the delay, the reasons why, and a new expected response date. You may contact the DCO at any time during this process to get an update on the status of your complaint. Contact the DCO at 416- 217 Queen Street West, Toronto, M5V0R2 or by telephone at 416-479-4478.

DOCUMENTS PROVIDED We will provide you with the following documents with respect to your account: the New Account Application Form (and any updated forms), Relationship Disclosure; Introducing and Carrying Broker Disclosure; Privacy Statement; Complaint Handling Summary; the Leverage Risk Disclosure Statement; the Service Charges and Fee schedule; Accounts and Services Agreement and Disclosures; CIPF Brochure; and An Investor's Guide to Making a Complaint. When you apply to trade Options you will be provided a copy of the Option Account Application and the Risk Disclosure Statement for Options and Futures.