

### **Relationship Disclosure**

This Relationship Disclosure sets out terms and conditions that govern the operation of your account. These terms and conditions form a part of the contract between you and M Partners Inc.

M Partners Inc. is an independent full-service Investment Dealer located in Toronto, Ontario, Canada. M Partners Inc. focuses on delivering service which includes trading and research for institutional and retail clients. M Partners Inc. also provides issuers with innovative corporate finance and advisory services.

At the time of opening your account(s) with M Partners Inc., you will receive a Welcome Package which includes the following documents:

- M Partners Inc. Account Relationship Disclosure Statement
- Standard Service Charges and Fees Schedule
- Your Account Statement brochure
- Canadian Investor Protection Fund (“CIPF”) brochure
- IROC – An Investor’s Guide to Making a Complaint

#### **Products and services:**

M Partners Inc. provides investment advice and trade execution services to investors. M Partners Inc. offers several products to investors including:

- Institutional Accounts
- Retail Client Accounts (Cash, Margin and Registered Accounts)
- Investment Advisory Services
- New Issues
- Equity Trading
- Canadian and US Research

#### **Account relationship:**

Retail Advisory (or Non-Discretionary) Account Relationship

#### **Assessment of suitability:**

At account opening, you will complete a New Client Application Form (NCAF). The information gathered on the NCAF will assist your M Partners Inc. investment Advisor in understanding, your financial situation, investment objectives, risk tolerance, financial experience, and time horizon (KYC). This information is crucial in making investment recommendations and providing you with the necessary advice to ensure that the products we offer to you are suitable for your accounts and in your best interest.

You are under no obligation to accept your M Partners Inc. Advisor’s recommendations. It is the responsibility of your M Partners Inc. Advisor to review the NCAF and ensure the KYC information is complete, and it is your responsibility to provide the correct information. A copy of the KYC will be provided to you at account opening, when material changes are made, and upon request.

Your M Partners Inc. Advisor will assess suitability for your account(s) in circumstances where:

- a trade is accepted
- a recommendation is made
- securities are transferred or deposited into the account

- there is a change to the Advisor of the account
- there is a material change to your KYC information
- trigger events (such as major market fluctuations) impact account your accounts

It is the Advisor's job to evaluate your investment choices and advise you when an investment is unsuitable and not in your best interest. It is important that you keep your information current with us; therefore, you will need to let your Advisor know whenever there is a material change to your circumstance that could affect your investment decisions. M Partners Inc. will perform periodic suitability assessments and reviews.

**Account statements and trade confirmations:**

You will receive an account statement either monthly or quarterly depending on the level of activity in your account. A trade confirmation will be sent to you for each trade that is done in your account.

**Account performance benchmarks:**

Comparing your portfolio's performance to that of an appropriate benchmark is a useful exercise for monitoring purposes. Benchmark comparisons can help you determine if your investment approach is delivering the desired results. Investment benchmarks are also helpful for developing realistic expectations about returns your portfolio can generate over the long term.

Investment benchmarks usually provide a broad measurement of the return generated by the specific asset classes over a given period. The benchmark used must replicate the security or portfolio you are monitoring as closely as possible for the comparison to be meaningful. The most common forms are referred to as indices, such as the S&P/TSX for Canadian stocks and S&P 500 for U.S stocks.

You will be provided with annual reports intended to help you better understand the cost and performance of your investments. M Partners Inc. will provide you the option to receive a performance report, including cumulative account performance information and annualized compound percentage return information. You will receive a charges and compensation report summarizing the charges you paid for the maintenance and servicing of your account and any third-party compensation paid to M Partners Inc. over the period covered by the report. A charges and compensation report will not be provided if there are no charges or compensation in the period.

For more information speak with your investment M Partners Inc. Advisor.

**Account fees and charges:**

Your M Partners Inc. Advisor will discuss with you the associated commission or fee that will be applied to a trade.

**Conflict of interest:**

Canadian securities regulations require securities dealers and advisors to resolve material conflicts of interest to their client's best interest. Clients are encouraged to raise any questions or concerns that they may have with their Advisor.

M Partners Inc. is committed to dealing fairly, honestly and in good faith with its clients and has implemented policies and procedures to identify and resolve material conflicts of interest that may arise. In some instances, M Partners Inc., its officers, or directors may have relationship(s) with, or financial interests in, one or more corporate entities.

In the case of an existing or potential conflict of interest, M Partners Inc. will:

- inform its clients with the nature and extent of the conflict of Interests
- disclose the potential impact and risk that the conflict of interest may pose to its clients
- Share with its clients how the conflict will be or has been addressed in clients' best interest

If there is an actual or potential conflict of interest between you, M Partners Inc. and/or your Advisor, you will be given a written disclosure at the time of account opening or when a potential conflict arises, outlining the (potential) conflict of interest.

**Disclosure on conflicts of interests**

Securities laws in certain jurisdictions in Canada require investment dealers and their representatives, prior to trading in or advising with respect to their own securities or securities of other issuers to whom they, or other related persons or entities are connected, or related with, to comply with certain disclosure rules. These rules require dealers and representatives to inform clients of the relevant connections or relationships with the issuer of the securities.

**Currently, M Partners Inc., its officers, directors, or representatives have relationships with the following issuers:**

- Rivalry Inc.
- Urbanfund Corporation
- GG Corp.
- Tembo Financial Inc.
- New Skew

**The following are activities M Partners Inc. may engage in, in respect of the securities of its related issuers or the distribution of securities of its connected issuers:**

- act as an adviser, underwriter or selling group member in the distribution of such securities
- trade in such securities with or on behalf of customers of M Partners Inc.
- purchase such shares from or on behalf of customers of M Partners Inc.
- make recommendations in respect of such securities

M Partners Inc. also discloses related and/or connected issuers on its website. Once the firm has provided clients with the Relationship Disclosure Statement, future changes will be communicated to you by way of an insert in your monthly statement, along with a referral to information changes available on our website.

In the case of a transaction related conflict of interest, your Advisor is required to disclose the conflict of interest and resolve it by assuring that you are aware of the conflict and that the security in question is suitable to your financial needs, financial level of experience, risk tolerance and is in your best interest. Your acceptance and thorough understanding of suitability and the conflict will be documented.

<http://www.mpartners.ca/about-m-partners/m-partners-disclosure>

**Complaint procedures:**

The Chief Compliance Officer (“CCO”) is the designated Complaints Officer for M Partners Inc. When you have a complaint regarding the servicing of your account(s), promptly raise your concern in writing and send it to the address below.

M Partners Inc.  
Chief Compliance Officer  
70 York Street  
Suite 1500, Box 3  
Toronto, ON M5J 1S9

You can also call M Partners Inc. at 416-603-7381 ext. 235 and ask to speak to the Chief Compliance Officer. Please also refer to IIROC’s brochure “An Investor’s Guide to Making a Complaint” which will be provided to you in the Welcome Package when you open your account(s).

The Chief Compliance Officer will provide you with written acknowledgement of your complaint within five business days. A final response will be provided to you within 90 days from the acknowledgement of receipt. If a final response cannot be made within that timeframe, a letter will be sent to you outlining the reasons for the delay. Should you be dissatisfied with our response, M Partners Inc. will provide you with the alternative options of recourse that are available to you.



## **CONFLICT OF INTEREST DISCLOSURE**

In the case of an existing or potential conflict of interest, M Partners Inc. will:

- Inform our clients with the nature and extent of the conflict of Interests
- Disclose the potential impact and risk that the conflict of interest may pose to our clients
- Share with our clients how the conflict will be or has been addressed in clients' best interest

### **M Partners Inc. earns compensation by selling products and services to you for which you pay M Partners Inc.**

Prior to a transaction, M Partners Inc. will disclose fees, commissions, and other compensation so you know what you will be paying. All clients receive the current fee schedule of service and administration fees. Clients are provided advance notice prior to any changes to fees noted in the fee schedule.

### **M Partners Inc. offers various products and services with diverse levels of compensation.**

Clients are provided pre-trade disclosure of commissions and fees prior to executing a transaction. Commissions charged are disclosed in the trade confirmation. **Commissions and fees are a factor taken into consideration by your Investment Advisor in advising securities in your best interests.** Clients and their Investment Advisors may negotiate commission terms depending on the level of trading activity. M Partners Inc. has supervision systems in place to detect any unnecessary transactions such as churning. M Partners Inc. is obligated by industry regulations to ensure that investment recommendations are suitable and in your best interest.

### **M Partners Inc. would like you to use more of our products and services.**

M Partners Inc. has policies and procedures prohibiting recommendations solely for the purpose of generating revenue without any benefit to you. M Partners Inc. has compliance programs to monitor investment Advisors to help identify and address concerns, such as M Partners Inc. does not engage in "tied selling" where the purchase of one service is conditional on buying another, a practice that is prohibited by regulation.

### **M Partners Inc. may receive compensation from securities issuers and other third parties based on their products M Partners Inc. sells to you, such as "trailer fees" on mutual funds and commissions and "trailer fees" on segregated funds.**

M Partners Inc. discloses to you the situations and type of third-party compensation it may receive. Securities regulations require issuers to provide specific disclosure in the offering document (e.g., prospectus) of such arrangements and the compensation the issuer will receive. M Partners Inc. is obligated by industry regulations to ensure that investment recommendations are suitable and in your best interest.

### **M Partners Inc. is compensated in other ways because of the business you may do with it, including interest spreads on uninvested cash deposits with M Partners Inc. and foreign exchange spreads when you convert currencies.**

Various forms of other compensation that M Partners Inc. may receive are disclosed to clients upon request.

### **M Partners Inc. may trade securities of companies that are related or connected to it.**

M Partners Inc., its officers, directors, or representatives have relationships with the following issuers:

- Urbanfund Corporation
- Rivalry Inc.
- GG Corp.
- Tembo Financial Inc.
- New Skew

The following are activities M Partners Inc. may engage in, in respect of the securities of its related issuers or the distribution of securities of its connected issuers:

- act as an adviser, underwriter or selling group member in the distribution of such securities
- trade in such securities with or on behalf of customers of M Partners Inc.
- purchase such shares from or on behalf of customers of M Partners Inc.
- make recommendations in respect of such securities

Prior to making any recommendations your Advisor will disclose any conflict of interest that this may create. Your Advisor will ascertain that the investment recommended is suitable, fits your financial capacity, investment experience, understanding of risk and is in your best interest. M Partners Inc. Advisors receive the same commission compensation payout as a percentage of gross revenue regardless of the product originator.

**M Partners Inc. may need to select which clients will be offered certain securities if availability is limited.**

Trade allocations are determined by the M Partners Inc. Trade Allocation Policy that can be found on our website.

**M Partners Inc. is paid by issuers of securities when it advises on or underwrites a new issue which may be recommended to you.**

M Partners Inc. has structurally segregated its institutional corporate finance and retail advisory businesses, which prevents the sharing of non-public information. The offering documents that clients receive provide full disclosure of all relationships M Partners Inc. may have with the issuer and the underwriting or advisory fees M Partners Inc. is paid. M Partners Inc. is obligated to ensure that all investment recommendations, including purchase of new issues are in the best interest of its clients.

**When M Partners Inc. advises on or underwrites a new issue, it is 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.**

M Partners Inc. operates our corporate finance and retail advisory businesses separately and all relationships and other material facts about its relationship with the issuer are described in the offering documents.

**As a result of business relationships with issuers of securities, M Partners Inc. may know confidential information that cannot be disclosed to you when an Advisor recommends the securities, even if that information might lead you to not buying the recommending securities.**

M Partners Inc. operates its corporate finance and retail advisory business separately so that such information is tightly controlled and not shared by corporate finance with the retail advisory businesses. Internal information barriers are designed to ensure regulatory requirements are complied with and retail advisory employees do not have access to any non-public information that may be available to the corporate finance business.

**M Partners Inc. may have access to commercially sensitive or inside information.**

M Partners Inc. may decline to provide a service to avoid insider trading provision in securities legislation. M Partners Inc. has specific procedures for responding to conflicts of interests that involve inside information and for complying with insider trading provisions.

**Relationships with issuers of a security may mean that M Partners Inc. directly benefits from you buying the issuer's securities, such as when the issuer is using the funds to repay or secure a loan to M Partners Inc.**

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.

**M Partners Inc. provides investment research on securities of companies that may have other business relationships with it.**

Research and recommendations are subject to extensive and detailed regulatory requirements and internal standards. M Partners Inc. research reports disclose all pertinent information regarding its own and its business analysts' relationship with the issuer. M Partners Inc. has policies and procedures to address conflicts of interest faced by its research department and analysts. Research is disseminated to clients and firm employees at the same time. Personal trading by Research Analysts is subject to review and pre-approval and employees are restricted from trading for 24hrs after the publication of a note. M Partners Inc. does not pay any bonus or salary or any other form of compensation to

Research Analysts based on any corporate finance activities.

**Your Advisor or representative may make permitted personal investments.**

Personal trading by your Advisor is subject to supervision by the firm. Your advisor must declare and have approved any private investments in companies that manufacture investment products. If such personal investments have been approved, your Advisor will provide you with proper disclosure.

**M Partners Inc. may permit certain individuals who are registered with it (including 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 M Partners Inc.**

All Outside Business Activities ("OBA") are subject to industry and regulatory requirements intended to minimize the potential for conflicts of interest. All OBAs are subject to review and approval of the Chief Compliance Officer. M Partners Inc. has adopted internal policies and procedures that supplement the regulatory requirements, including policies on privacy and confidentiality of information. Securities legislation prohibits an individual from serving as a director of another registered firm that is not an affiliate of M Partners Inc. When an advisor or representative sits on a board of directors of a charity or undertakes other community activities in any substantive way, they are subject to regulatory guidance on the disclosure and approval of Outside Business Activities (OBA).

**M Partners Inc. and its employees may periodically receive from and give gifts and entertainment to third parties.**

M Partners Inc. has a policy in place prohibiting the giving and receiving of gifts and entertainment with a value exceeding \$100 CAD.