

CONFLICTS OF INTEREST

General Description

Actual, potential and perceived conflicts of interest exist in almost all human interactions. Our relationship with you is no different. For instance, Queensbury Securities Inc is a business. 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

Queensbury Securities Inc is what is referred to as a “retail/introducing broker” investment firm, serving retail clients and not regularly representing both sides to a transaction, namely, the buyer and the seller. Your investments are held by our “carrying broker”, Haywood Securities Inc. which executes, settles and reports all your trade activity to you and provides us (and effectively, you) with a contractual indemnity assuring that the investments on their statements are as shown on your statements.

You can learn more about our firm at www.queensbury.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. More often, however, 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. Sometimes 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.

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 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.

Possible Conflicts and How They Are Managed

Conflict of Interest	Address By	How Conflicts Will Be Addressed
Ongoing Conflict of Interest		
We earn compensation by selling products and services to you for which you pay us.	Disclose Control	<ul style="list-style-type: none"> - We will inform you of fees, commissions and other compensation in advance so that you know what you will be paying. - We offer a variety of pricing options to choose from.
Different products and services have differing levels of compensation.	Disclose Avoid	<ul style="list-style-type: none"> - Our compensation is disclosed to you and we offer pricing alternatives intended to reduce the conflicts associated with commission-based pricing. - We are required by industry regulations and firm policy only to make “suitable” investment recommendations. - We may choose not to offer a complex product that carries a high commission.
We would like you to use more of our services and buy more of our products.	Avoid Control	<ul style="list-style-type: none"> - We do not engage in “tied selling”, where purchase of one service is conditional on buying another as well, a practice that is prohibited by regulation in any event.
	Control	<ul style="list-style-type: none"> - We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you.
	Control	<ul style="list-style-type: none"> - Management has put in place compliance programs to monitor investment advisors to help identify and address concerns.
If you have a managed account, we have discretion or control over transactions in your account	Control	<ul style="list-style-type: none"> - When we have discretionary power to manage your account for you, regulations require that we disclose to you and obtain your specific approval to buy securities of either related and connected companies or issuers for whom we are offering securities as syndicate agent
Conflict of Interest May Occur		
Our compensation, organizationally and individually, may involve commissions based on sales volume.	Disclose	<ul style="list-style-type: none"> - We offer fee-based and managed accounts, as well as similar products such as no-load mutual funds, which have pricing structures designed to reduce commission incentives.
We would like you to use more of the services offered by members of the Queensbury Group and buy more of the products offered by other members of the Queensbury Group.	Avoid Control Disclose	<ul style="list-style-type: none"> - Where we use referral arrangements, we disclose and manage them according to regulatory standards. - We have policies and procedures, against which we monitor our advisors’ activities, prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you.
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 commissions and	Disclose	<ul style="list-style-type: none"> - We disclose to you the situations and type of third party compensation we may receive. - Securities regulations require issuers to provide specific disclosure in the offering document (e.g., prospectus) of such

Conflict of Interest	Address By	How Conflicts Will Be Addressed
"trailer fees" on segregated funds and insurance policies.		arrangements and the compensation we will receive.
We are compensated in other ways as a result of the business you may do with us, including interest spreads on uninvested cash deposits with us.	Disclose	- Various forms of other compensation we may receive are disclosed to you.
We may sell you securities which we own (called principal trades) and profit by doing so.	Disclose	<ul style="list-style-type: none"> - 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 usually sell as principal) we provide you with a stated yield to maturity so you can assess the competitiveness of our pricing.
We have discretion or control over transactions in your account if it is a managed account.	Avoid	- We are required by securities legislation to prohibit transactions where the individual advisor may have an interest or have influence or control.
We may need to select which clients will be offered certain securities if availability is limited.	Control	<ul style="list-style-type: none"> - We have a "fair allocation" policy for managed accounts. - For non-discretionary accounts, individual advisors make the determination based on individual client relationships.
We are paid by issuers of securities when we advise on or underwrite a new issue which we may recommend to you.	Control	- We have structurally segregated our institutional corporate finance and retail advisory businesses, which prevents the sharing of non-public information by our institutional corporate finance business (with the relationship with the issuer) with our retail advisory businesses (with the relationship with clients like you).
	Disclose	- The offering documents provide full disclosure of all relationships we may have with the issuer.
When we advise on or underwrite a new issue, we are 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.	Control	- We operate our corporate finance and retail advisory businesses separately and all relationships and other material facts about our relationship with the issuer are described in the offering documents.
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.	Control	- We operate our corporate finance and retail advisory business separately so that such information is tightly controlled and not shared by corporate finance with our retail advisory businesses.
	Control	- Our 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 our corporate finance businesses.
We may have access to commercially sensitive or inside information.	Avoid Control	<ul style="list-style-type: none"> - We may decline to provide a service to avoid insider trading provision in securities legislation. <p>We have specific procedures for responding to conflicts of interests that involve inside information and for complying with insider trading provisions.</p>

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<p>Individuals registered with us may also be registered with another registered firm related to Queensbury Securities Inc and provide services to clients of that firm.</p>	<p>Avoid Control</p> <p>Avoid Control</p>	<ul style="list-style-type: none"> - These relationships are subject to legislative and industry regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm. Such restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. - We have adopted internal policies and procedures that supplement the regulatory requirements, including policies on privacy and confidentiality of information.
<p>We may permit certain individuals who are registered with us (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 us.</p>	<p>Avoid Control</p> <p>Avoid Control</p> <p>Avoid</p>	<ul style="list-style-type: none"> - These relationships are subject to legislative and industry regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm. Such restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. - We have 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 our firm.
<p>Individuals may serve on a board of directors or take on other activities that could take time or attention away from your account.</p>	<p>Avoid Control</p>	<ul style="list-style-type: none"> - These relationships are subject to legislative and industry regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm. Such restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. - We have 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 our firm. - 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.