

CONFLICTS OF INTEREST

General Information

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.

Queensbury Securities Inc. is 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.

As an investment dealer, we are a financial intermediary. We 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.

Management of Conflicts of Interest

In general, we deal with and manage relevant conflicts through controls which require any conflicts of interest to be resolved in the best interests of the client. Conflicts of interest which can not be effectively controlled will 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 advisor for an explanation and more information.

Below, we provide examples of how we manage potential conflicts of interest. We hope this provides our clients with a better understanding about how our policy is applied.

On an ongoing basis, Queensbury’s board of directors ensures that the firm has in place the required resources, supervision, and compliance procedures to manage conflicts of interest in a timely and effective manner.

Our employees are obliged to comply with various policies and procedures which are designed to ensure that they maintain a high standard of integrity.

When we become aware of a material conflict of interest, we will avoid it unless we are able to address it in the best interest of our affected clients.

We provide our employees with ongoing compliance training which includes education about identifying, reporting and handling of conflicts of interest.

We require our employees to maintain the confidentiality of all confidential information and prohibit them to use such information for their personal gain.

We require our employees to discuss any potential conflicts of interest they identify with their supervisor.

Our remuneration structure for our employees is designed to avoid rewarding any behaviour that could lead to the disadvantage of any client. Our internal compensation practices are specifically designed to ensure that our investment advisors are not motivated or influenced to make investments in client accounts in specific issuers or financial products.

We have implemented policies concerning best execution procedures, client priority and the allocation of investment opportunities to ensure that our clients receive trade execution ahead of the firm's employees and receive a fair allocation of investment opportunities.

We disclose our fees and commissions in accordance with industry requirements. Income earned on account of interest rate spreads on uninvested cash deposits and margin debit interest are earned in accordance with industry regulations and the express terms of your account agreement.

We are required by industry regulations and firm policy to make suitable investment recommendations to our clients. We disclose all third-party compensation we receive, including underwriter fees, finder fees on non-brokered and brokered private placements, trailer fees on mutual funds, and amounts paid to us for acting as agent for financial institution term deposits and similar types of investments.

We have policies in place which require our approved persons to disclose any outside business or volunteer activity which could create a conflict of interest and to obtain the firm's permission and where necessary, the approval of securities regulators to engage in such activities.

Our advisors are prohibited from entering into any kind of personal financial dealings with clients, including borrowing or lending.

Advisors who have personal relationships with their clients are not permitted to provide different services or recommendations to those clients than they would for unrelated clients. Our approved persons are also required to report any gifts or inducements of any significance that they receive from clients.

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 to safeguard the investing public.