

BOUTHILLIER CAPITAL

DISCLOSURE OF CLIENT-REPRESENTATIVE RELATIONSHIP

Version 2025

Addition of Sections: Temporary Account Freeze; Potential Impact of Fees on Your Investments

Bouthillier Capital Inc. is a portfolio manager and derivatives portfolio manager offering investment solutions tailored to your needs.

As an experienced portfolio manager, we are driven by an unwavering commitment to help you achieve your financial goals. This commitment involves providing sound, impartial investment advice from duly registered representatives with the Autorité des marchés financiers and the Ontario Securities Commission (the "**Advisor Representatives**") who have the freedom to recommend the most appropriate investment products and solutions. It is a commitment to ensuring that you reach your financial goals, regardless of market conditions or changes in your personal situation.

The commitment is simple: putting our clients' interests first, above all else.

The first important step in fulfilling this commitment is to provide you with an easy-to-understand description of:

- Our products and services;
- The nature of your account(s) with us and how they work; and
- Our responsibilities towards you.

This document is provided to you when you open an account with us. We will update it periodically, whenever a significant change is made.



BOUTHILLIER CAPITAL (« B-CAP »)

We are a portfolio manager registered with the Autorité des marchés financiers (AMF) in Quebec, the Ontario Securities Commission (OSC) and the British Columbia Securities Commission (BCSC) in the categories of Portfolio Manager and Derivatives Portfolio Manager.

OUR INVESTMENT PRODUCT OFFERING

Bouthillier Capital is a manager who can advise you on a variety of investment products. Here is a general list of the products offered by our firm:

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|------------------------------------|---|
| ■ Common and Preferred Shares | ■ Stripped Coupon Bonds |
| ■ Government-Guaranteed Securities | ■ Principal-Protected Notes |
| ■ Income Trusts | ■ Guaranteed Investments Certificates |
| ■ Corporate Bonds | ■ Exchange-Traded Funds |
| ■ Flow-Through Shares | ■ Cash Instruments |
| ■ Debentures (convertible or not) | ■ Mutual Funds (Collective Investment Scheme) |
| ■ New and Secondary Issues | ■ Derivatives Products
(Options and Futures Contracts) |

Your Advisor Representative can explain the characteristics of these products, including their structure, how they work, their risk and return profiles, and whether they are suitable for you.

The positions held in accounts managed by B-CAP will be held with one of the following custodians, as agreed with your Advisor Representative: National Bank Independent Network (NBIN) and Interactive Brokers (IB).

OUR ACCOUNT RELATIONSHIP OFFERING

B-CAP offers its management services solely in the form of managed accounts.

In a managed account relationship, the final investment decisions rest with the portfolio manager.

When making these decisions, B-CAP adheres to the specific investment mandate chosen by you or to a personalized investor profile you have filled out. You will not be asked to make specific investment decisions during this relationship.

Throughout the duration of the managed account relationship, it is the responsibility of your Advisor Representative to ensure that you receive impartial investment advice and that the chosen mandate continues to be suitable for you.

OUR RANGE OF ACCOUNT TYPES

B-CAP offers various types of accounts, including:

- Cash and Margin Accounts
- Registered Plans (RRSP, RRIF)
- Registered Education Savings Plan (RESP)
- Tax-Free Savings Accounts (TFSA)
- First Home Savings Account (FHSA)
- Automated Withdrawal Accounts (Scheduled Withdrawals or Periodic Income)



BOUTHILLIER CAPITAL INC.
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450 500-1839 | client@B-CAP.ca | www.B-CAP.ca

HOW YOUR ACCOUNTS WORK

Achieving your financial goals is very important both for Bouthillier Capital and your Advisor Representative. It is therefore essential for you to understand the various roles and responsibilities that you, your Advisor Representative, and B-CAP have regarding the functioning of your accounts.

i) Your Responsibilities

B-CAP and your Advisor Representative are required by law to ensure that the investments in your accounts are suitable. To assess suitability, we rely on the "Know Your Client" information you provided when opening the account. This information includes your investment objectives, risk tolerance, financial situation, time horizon, and investment experience. It also includes personal details such as your age, occupation, relevant situational factors, annual income, and net worth.

The Know Your Client information you provide must be accurate to ensure that the investments in your accounts are suitable. Therefore, you must provide us with complete and up-to-date information about your situational and financial circumstances and notify us immediately if there are any changes in your investment objectives, time horizon, risk profile, or any other significant change that could reasonably lead to a change in the types of investments appropriate for you.

Additionally, you must verify that the Know Your Client information you provided is accurately recorded in your account opening documents and in any subsequent updated documents and promptly inform us of any inaccuracies or changes to this information.

It is your responsibility to carefully and promptly review all communications you receive from B-CAP, including account statements, and to notify your Advisor Representative of any inaccuracies or errors.

You are expected to actively engage in your account relationship, ask questions, and request information from your Advisor Representative about past transactions in your account, its holdings, and performance.

You should contact B-CAP immediately if you are dissatisfied with the handling of your account transactions.

You are responsible for reviewing communications about the products and understanding the potential risks of certain holdings. If necessary, you should seek legal and tax advice from qualified professionals.

You are responsible for paying all fees related to the management of your account. Your obligation to pay these fees is outlined in the Management Agreement, which specifies that B-CAP may deduct the applicable fees from your account.

ii) The Responsibilities of Your Advisor Representative

Managed Account Relationship

In a managed account relationship, it is the responsibility of your Advisor Representative to ensure that the investment mandate you select is suitable based on the Know Your Client information you have provided. Managed accounts are subject to continuous suitability assessments throughout the duration of the managed account relationship.

Your Advisor Representative is required to conduct a suitability assessment if the following events occur:

- A registered individual is designated as responsible for the account.
- The representative becomes aware of a change in a security within the account that could make the security or the account no longer suitable for the client.
- The representative becomes aware of a change in the client information, including that gathered during the account opening process, that could make the security or the account no longer suitable for the client.
- The representative reviews the client information at least once every 12 months.



iii. Responsibilities of Bouthillier Capital

It is our responsibility to assess the suitability of the investments in your accounts, and we are required to oversee your Advisor Representative. Additionally, we are responsible for the following aspects:

Account Documents

It is our responsibility to provide you with this Client-Representative Disclosure, which includes the disclosure of certain conflicts of interest and the relationship with the custodian. All applicable agreements will be presented to you upon account opening.

Additionally, we are responsible for providing you with other account forms, including but not limited to the following:

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| ■ Account Information Form | ■ Nominee Account Agreement (for informal trust accounts) |
| ■ RRSP and TFSA - Application Forms | ■ Product Knowledge and Agreement |
| ■ Application Form for Locked-in RRSP/RRIF | ■ Tax Agreement Declaration |
| ■ Investment Policy Statement | ■ Account Information Update |
| ■ Additional Account Profile | |
| ■ Corporate Resolution | |
| ■ Acknowledgment of No Solicitation | |

The documents you receive depend on the type of account and the account relationship you have chosen.

Account Statements

Through Ndex, you will receive a quarterly account statement for each of your accounts, and a monthly statement if requested. The account statements include, among other things, details of all transactions on securities (the name of the security, the price, and the quantity traded); opening and closing balances; the cost and market value of your holdings at the end of the statement period. Both B-CAP and Ndex are responsible for ensuring the completeness and accuracy of the account statements.

If your Advisor Representative has not heard from you within 30 days from the statement date, B-CAP considers the contents of the statement to be accurate, complete, and approved by you. If you have any questions about your account statement, you can contact:

Bouthillier Capital Inc.
577 avenue de Brixton
Saint-Lambert, QC
J4P 3A9
client@b-cap.ca

Ndex Systems Inc.
500 Saint-Jacques, Suite 400
Montreal, QC
H2Y 1S1
(514) 288-0908

Performance Reports

The disclosure requirements for performance adopted by the Canadian Securities Administrators include reporting on the costs of client accounts, cumulative performance information, and annual data on compounded return percentages. B-CAP complies with performance reporting requirements. We will ensure that this reporting is provided to you in accordance with applicable regulatory requirements.



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Performance Benchmarks

When properly chosen, benchmarks are an effective way to evaluate the relative performance of your investment strategy, and they represent an excellent starting point when assessing the overall success of your investment choices. Additionally, they can help you set realistic expectations for the potential returns generated by your portfolio over the long term. For example, an annual return of 5% in a diversified equity portfolio might seem low; however, if the benchmark return for the portfolio is 3% over the same holding period, the equity portfolio would have outperformed. For each strategy, B-CAP will determine a benchmark that most closely aligns with the strategy.

Information Regarding the Custody of Your Assets

Your assets are held in Canada in a segregated account with one of the three institutions mentioned above (the "Custodian"), each of which is a Canadian custodian and qualified under applicable securities laws.

Bouthillier Capital (B-CAP) has the authority to execute transactions on client assets held by the Custodian but does not have access to these assets and is not authorized to transfer securities or cash to or from client accounts held with the custodians. The Custodian, independent of B-CAP, is required to segregate client assets from their own assets and is subject to regulatory oversight by the appropriate authorities. The Custodian may hold securities in a client's name as a nominee on behalf of the client. The Custodian may appoint sub-custodians to hold client assets in foreign jurisdictions or to hold non-cash assets or securities.

Client assets are subject to the risk of loss if: (i) the Custodian becomes bankrupt or insolvent; (ii) there is a failure of the Custodian's information systems; or (iii) there is fraud, willful misconduct, negligence, or error by the Custodian or its staff. B-CAP has reviewed the Custodian's reputation, financial stability, relevant internal controls, and ability to provide custodial services and has determined that the Custodian's control and monitoring systems are adequate to manage the risk of loss in client assets in accordance with prudent professional practices.

Investment fund securities or other issuer securities held by the client (each being a "Fund") that are registered in the Fund's or its transfer agent's records solely in the client's name are not held by the Custodian. These Fund securities are subject to the applicable custodial and recordkeeping arrangements for the Fund as disclosed in the investment documents and/or constituent documents and/or disclosure documents of the Fund. Client assets are exposed to the risk of loss if the Fund or its Custodian becomes bankrupt or insolvent, or if the Fund, its Custodian, or its transfer agent suffers an information systems failure. B-CAP will review the control and monitoring systems maintained for each Fund in which it intends to invest and must conclude, before investment, that the system is adequate to manage the risk of loss for clients in accordance with prudent professional practices.

The Custodian's account manager is responsible for managing B-CAP's accounts, which includes: the safekeeping of assets in client accounts, account and transaction reconciliation, exercising proxy voting according to B-CAP's instructions, providing B-CAP with transaction files containing positions and activities, offering B-CAP the "back-office" technology to execute transactions directly in client accounts, and providing B-CAP clients with quarterly (or monthly upon request) reports of positions and activities in client accounts.

On its part, B-CAP is responsible for the following: After approval by B-CAP's Chief Compliance Officer, opening investment accounts through the Custodian's systems and having the accounts approved by the Custodian's compliance department, taking the necessary steps to determine if the client is an insider investor, ensuring compliance with anti-money laundering regulations, ensuring the investment management agreement is signed with clients, ensuring that each transaction made on behalf of the client adheres to the "Know Your Client" principle and the suitability of the product to meet the client's risk tolerance, ensuring the client has sufficient cash in their account to complete transactions, creating and managing mandates, reviewing policies and procedures to meet regulatory requirements, and providing clients with annual reports in accordance with regulatory requirements.

Conflicts of Interest

There is a conflict of interest if the interests of different parties, such as yours and those of your Advisor Representative, are incompatible.

It is the responsibility of B-CAP, from a regulatory perspective, to identify and address these conflicts in the best interests of the client. We manage relevant conflicts and address them as follows:

Avoid: Conflicts prohibited by law or otherwise unmanageable.

Control: Some conflicts must be controlled; for example, by physically separating units or services to limit the flow of



highly sensitive information.

Address: B-CAP addresses all significant conflicts of interest between a client and itself, including every individual acting on its behalf, in the best interests of the client.

Disclose: Most conflicts can be managed through full disclosure to you, allowing you to independently assess their significance, for instance, in the case of investment recommendations made by your Advisor Representative.

In the provision of investment advice, conflicts may occasionally arise between you and your Advisor Representative, or between you and B-CAP. It is important that you understand these conflicts and how B-CAP will resolve them.

Below are some of the most common conflicts of interest that your Advisor Representative or B-CAP may face in providing services to you. This list will help you understand how these conflicts will be managed. Any conflict of interest that has not already been disclosed or arises during your relationship with your Advisor Representative or B-CAP will be communicated to you as it occurs.

B-CAP offers discretionary management accounts. For discretionary accounts (managed accounts), management fees are charged as a percentage of the market value of the client's account. These fees, along with their calculation and negotiation methods, are disclosed to the client upon account opening.

Advisor Representatives and employees may have personal trading accounts. Employees are allowed to hold personal trading accounts outside of B-CAP, with a firm approved by the Chief Compliance Officer. The Chief Compliance Officer receives and verifies, monthly, the investment statements of these accounts, including the positions held and activities in the employee's account. All transactions made for B-CAP employees must be pre-approved by the Chief Compliance Officer and recorded in the employee transaction log. The Chief Compliance Officer reviews transactions to detect the following: Trading ahead of the market; trading contrary to recommendations made to the client; trading based on favorable research reports; and trading based on the knowledge of material non-public information.

Advisor Representatives may refer clients to a professional or firm other than B-CAP and receive a referral fee in return. Official referral agreements between B-CAP and a professional or firm must be signed before clients can be referred. B-CAP will provide written disclosure of the terms of the agreement to the clients.

B-CAP may trade securities for its own account (a practice known as "proprietary trading"). We do this to generate a profit. All proprietary trades by B-CAP must be pre-approved by the Chief Compliance Officer before execution, unless specifically exempted. Securities are exempted if transactions in those securities generally will not affect their price or availability for clients. We are prohibited from intentionally holding or trading ahead of the market against a client order.

We may need to select which clients will be offered certain securities if availability is limited. All new issues for individuals must be offered to clients first. The client pool must be exhausted before any participation by our employees or agents is allowed. In exercising its client priority and fair allocation mandates, B-CAP is guided by the CFA Institute's Code of Ethics and Standards of Professional Conduct, which is a global association of investment professionals setting the standard for excellence in professional ethics and behavior in the global financial community.

Advisor Representatives may occasionally receive gifts, tickets to events, and other gratuities from individuals representing an issuer, such as a mutual fund. Gifts are prohibited if they are deemed excessive or recurring and may be perceived as a conflict of interest. Gifts must be in good taste to avoid causing embarrassment or tarnishing our reputation.

Complaint Handling

It is our responsibility to respond to your feedback effectively and efficiently, and to resolve any complaints regarding your accounts or your Advisor Representative at B-CAP. In most cases, your Advisor Representative can resolve the complaint. However, if you believe your complaint cannot be resolved by your Advisor Representative, please contact our Chief Compliance Officer directly at:

Chief Compliance Officer
Bouthillier Capital Inc.
577 avenue de Brixton
Saint-Lambert, QC
J4P 3A9

The Chief Compliance Officer is responsible for acknowledging receipt of your complaint within ten (10) days. The acknowledgment will include the contact details of the person handling your complaint, a summary of our complaint handling procedures, the estimated timeframe within which you will receive a substantial response to your complaint, and alternative measures available if



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you are dissatisfied with our findings on the complaint.

If you are not satisfied with how your complaint is handled and are a resident of Quebec, you may request that we forward your complaint file to the Autorité des marchés financiers. Please refer to the website of the Autorité des marchés financiers (www.lautorite.qc.ca).

The substantial response letter we send you will include a summary of your complaint, an explanation of our investigation, our final decision, and the options available to you if you are dissatisfied with that decision.

Temporary Account Freeze

Bouthillier Capital or your Advisor may impose a temporary freeze (as known as “hold”) on the purchase, sale, or subscription of securities, or on the withdrawal or transfer of funds or securities in your account. Freezes may be applied for various reasons, including:

1. Protection against financial exploitation

- When it is reasonably believed that a vulnerable client could be financially exploited;
- When there are concerns about the client’s capacity to make informed financial decisions.

2. Suspicion of criminal activity

- Money laundering;
- Terrorist financing;
- Fraud.

3. Regulatory or internal non-compliance

- Failure to provide information required in regulatory questionnaires;
- Breach of diligence or compliance obligations.

4. Compliance with law and regulatory guidance

- B-CAP and its Advisors may also impose a temporary freeze to comply with applicable laws and guidance issued by the relevant regulatory authorities.

A temporary freeze must be imposed solely to protect the client’s interests and cannot be used for inappropriate purposes, such as delaying a payment or refusing an instruction for commercial reasons.

When B-CAP imposes a temporary freeze, it documents the facts and reasons for the decision and informs you in writing as soon as possible. The facts are regularly reviewed to determine whether the freeze should be maintained. The freeze ends as soon as B-CAP determines that the initial reason is no longer relevant or that the client is capable of acting in an informed manner.

THE FEES FOR SERVICES CHARGED IN THE OPERATION OF YOUR ACCOUNTS

B-CAP deducts portfolio management fees from your account.

Managed Account – Fees

Management fees are calculated as a percentage of the market value of the account. The fees vary depending on the specific investment mandate you have chosen or the personalized investor profile you have completed.

All these fees, along with their calculation and negotiation methods, are disclosed in the management agreement.

Potential Impact of Fees on Your Investments

Investment accounts may incur various types of fees, including, but not limited to, management fees, transaction fees, brokerage fees, and product-specific fees. These fees reduce the net return on your investments and can accumulate significantly over time. Even modest fees, if recurring, can have a substantial cumulative effect on the growth of your portfolio. It is therefore essential to understand which fees apply to your account and how they are calculated. Your Advisor can provide examples or simulations



to illustrate the potential impact of these fees on your holdings. More information is available on the [website of the Canadian Securities Administrators \(CSA\)](#).

Taxes

Applicable taxes may be deducted from your account, including but not limited to:

- Goods and Services Tax (GST) and any other federal, provincial, or municipal taxes due or calculated in relation to the commissions, fees, or expenses payable under the Management Agreement;
- Tax withholdings from U.S. and other source-based investments;
- Tax withholdings from payments to non-residents of Canada;
- Tax withholdings payable to government authorities resulting from contributions, withdrawals, or de-registrations in a retirement savings plan.

Please contact your Advisor Representative if you have any questions or need further information regarding Bouthillier Capital's products and services.

