

CONFLICTS OF INTEREST DISCLOSURE

ZLC Wealth Inc. ("ZLC Wealth" or "the Firm") has the responsibility to deal fairly, honestly and in good faith with our clients, and to act in our clients' best interests. Situations can arise where the interests of ZLC Wealth and a client may diverge or conflict. A conflict of interest would arise in any situation where there is inconsistency between your interests and those of ZLC Wealth or any of our staff. ZLC Wealth has a regulatory obligation to identify and respond to existing and potential conflicts of interest. Accordingly, we have taken steps to help us identify conflicts of interest on an ongoing basis and have established policies to address material conflicts in the client's best interests.

Generally, existing and potential conflicts are dealt with as follows:

- **Avoidance:** ZLC Wealth avoids conflicts which are prohibited by law, as well as material conflicts which cannot be effectively addressed in the best interests of clients.
- **Management:** ZLC Wealth manages conflicts which cannot be avoided by utilizing internal controls and processes designed to resolve the conflict in the best interests of clients.
- **Disclosure:** ZLC Wealth discloses information as required about any identified conflicts to provide you with the ability to independently assess the significance of the conflicts when evaluating our recommendations and the actions we take on your behalf.

We have identified the following current and potential material conflicts of interest:

1. Compensation to ZLC Wealth – ZLC Wealth receives compensation in relation to products that you purchase through your accounts with us, including a commission based on a percentage of the value of the purchased products, management fees based on the value of assets held in your accounts, a trailing fee, or other similar forms of compensation provided to us for our role as Portfolio Manager or Exempt Market Dealer along with other services we provide to you as indicated in the *Managed Account Agreement* or *Advisory Account Agreement*.

When clients hold fee-based accounts, which are charged a fee directly by the firm for managing the investments, a conflict of interest could exist if securities held in the account have an embedded commission which is paid to ZLC Wealth by the issuer of the security. The Firm addresses this conflict by only including securities without embedded commissions in fee-based accounts. When it is not possible to avoid a security with an embedded commission, the Firm will remove the value of any securities with embedded commissions from the calculation of the management fees in order to eliminate the conflict of interest. The Firm will also evaluate fee-based accounts on an ongoing basis to ensure clients are receiving services which are consistent with the terms of the client account agreement.

2. Compensation to Representatives of ZLC Wealth – Representatives of the Firm receive compensation from ZLC Wealth in the form of a percentage of the management fees, commissions or other revenue earned by ZLC Wealth on the accounts they oversee. If you were introduced to the Firm by the Representative on your account, they will receive an increased percentage of the management fees, commissions or other revenue earned on your account as compensation for making the introduction. This compensation is paid to Representatives by ZLC Wealth from the revenue the Firm earns on your accounts and is not another fee which will be charged to your account. The payment of increased management fees to registered staff could give them an incentive to make recommendations and/or induce investments which could maximize management fees, commissions or other revenue, but are not in the client's best interest. Further, the ability to earn an increased percentage of management fees as the result of introducing clients to the firm may create the perceived conflict of some clients receiving preferential treatment over others. This perceived conflict is addressed below in the section titled Conflicts between Clients.

To manage this conflict and ensure all recommendations from ZLC Wealth are in your best interest, ZLC Wealth has implemented processes for the independent review and approval of new accounts introduced by Firm staff and the oversight of activity within managed accounts.

3. Compensation to Referring Parties – ZLC Wealth may enter into referral agreements with outside parties for introducing clients to the Firm. ZLC Wealth reviews any referral agreements related to client accounts to ensure the referral is in the client's best interest and does not result in an increased cost to the client for services provided by the Firm. The details of these arrangements will be communicated to clients under a separate Referral Agreement Disclosure form, which must be signed by a client in advance of any referral fee payments to the referrer. Please refer to that document if a referral arrangement applies to your account(s).

In some situations, the referral arrangement may be with an individual who is associated with ZLC Financial, which is an entity related to ZLC Wealth. This could result in a conflict of interest based on the potential for cross selling which could increase revenue for the firm's related entities. The firm will review these referral agreements to ensure the referral is in the client's best interest and there is no indication of "tied selling" or "forced purchases" which are practices prohibited in Canada.

4. Control or authority over the financial affairs of a client – When clients provide ZLC Wealth staff with power of attorney over their financial affairs, or names them as a trustee over a trust or as an executor of a client's estate, it creates an inherent conflict of interest.

To manage this conflict, ZLC Wealth avoids circumstances where personnel are named in these roles by clients, except in the case of clients who are family members of the employee and written approval by the firm for the employee to act in the designated capacity has been granted in advance.

5. Personal Trading – ZLC Wealth staff may trade in the same securities as our clients. Some ZLC Wealth staff hold securities in accounts managed by the Firm. As a result, trades for these accounts will be executed in the same individual securities held by ZLC Wealth's managed account clients. Where this is the case, trades for ZLC Wealth staff will be executed and allocated at the same time and prices as all other clients to ensure all accounts managed by the firm are treated fairly.

For ZLC Wealth staff members who hold their investment accounts outside of the Firm, there is a potential conflict based on their ability to conduct trades outside of the firm based on their knowledge of upcoming trades for ZLC Wealth client accounts. This could result in a benefit to the ZLC Staff member. To manage this conflict, ZLC Wealth has a personal trading policy which staff must adhere to when executing trade orders for any accounts where they, or an immediate family member, are a beneficial owner or where ZLC Wealth staff influences control over the account (the "**Trading Policy**"). The Trading Policy requires preclearance for all trades in mutual funds, ETFs, pooled funds and other products which the firm generally invests in for client accounts. The firm may enforce a blackout period where trading is prohibited under certain circumstances, if necessary. ZLC Wealth staff are also obligated to attest on an annual basis to a full and complete list of all accounts that would be subject to this policy.

6. Gifts and Entertainment – ZLC Wealth personnel may provide or receive gifts, entertainment, or other business courtesies in relation to their activities with ZLC Wealth which could be perceived to motivate them to put their personal interests ahead of clients.

This perceived conflict is managed through a policy which covers the giving or accepting of gifts, entertainment or other business courtesies which requires gifts, whether singular or recurring, with an established or intrinsic value over a fixed dollar amount to be disclosed to the firm's management. ZLC Wealth management will review the disclosed gifts, entertainment and other business courtesies to determine if they create a conflict of interest which does not put the interest of clients first and, if so, how to address the conflict in the best interest of clients.

7. Conflicts between clients – We have a fair allocation policy which applies to all clients holding portfolios managed by ZLC Wealth which ensures no client is placed above another when the Portfolio Managers allocate investment opportunities. Where more than one client of ZLC Wealth is engaged in the purchase or sale of the same security, the transactions will be completed on an equitable basis. ZLC Wealth will allocate opportunities to make and dispose of investments equitably among clients whether the security is currently held in any of the relevant investment portfolios or accounts, the relative size and rate of growth of the client and the other clients under common management and such other factors as ZLC Wealth may consider relevant in the circumstances.

In all other cases where a material conflict exists between ZLC Wealth and our clients, ZLC Wealth will address the conflict in the best interest of our clients. Unless the conflict is one that cannot be disclosed, our policy is to address conflicts primarily by disclosing them to clients in a timely manner upon identification of the conflict.