

### **Policies on Fairness in Dealing With Clients**

Hymas Investment Management Inc. (“HYMAS”) will ascertain the investment objectives, risk tolerance, amount of funds to be invested and tax status for each of its clients and advise them to select an appropriate product (or portfolio of products) taking into account:

- asset class return and risk characteristics
- credit class return and risk characteristics
- income versus capital gains requirements
- portfolio volatility affected by industry, security characteristics and security selection investment style
- liquidity requirements of the client
- most efficient investment management fee relative to client service requirements,

subject to the specialization of HYMAS in investment products and styles disclosed to the client.

Pooled investment management accounts and specific segregated investment management accounts will have clearly defined investment policy statements covering the investment parameters noted above and published minimum investments and/or fees. All clients in the respective account types will be subject to the same investment and/or fee minimums. Fee schedules will be negotiated with each client and be graduated according to the size of funds being committed to reflect differential costs.

Specific securities bought or sold in one pooled or segregated account will be bought or sold in all other accounts whose investment policy is the same, on a modified pro rata basis according to assets under management, so that no account would achieve unfair advantage with respect to the other. Reasons for modification of a mathematically exact pro-rata allocation include:

- A desire to hold only “board lots” (as defined by the Toronto Stock Exchange) in client portfolios in order to enhance the liquidity of each portfolio.
- Differing third-party costs incurred by the individual portfolios in executing and settling a trade, such as brokerage commissions and trust company fees.
- Differing tax effects of the trade in the portfolios, due to, e.g., adjusted cost base of securities sold, and expected future marginal tax rates.
- Differing portfolios held by the clients prior to the contemplated trade, which may arise from, e.g. differing cash flows to and from the portfolio as directed by the client.

Transactions of securities between accounts will be subject to review and approved by the Directors of HYMAS with documentation made available upon request to the affected clients. This documentation would describe the circumstances under which the investment characteristics became unsuitable for one account while they were nonetheless appropriate for the other account. Such circumstances could include:

- change in dividend-paying status,
- change in fulfilment of market capitalization criteria;
- securities received in reorganization not suited to the original account class but appropriate for others;
- business restructuring changing the risk profile of the security.
- passage of time changing the maturity characteristics of the security.
- change in the liquidity and/or marketability of the security.
- cash flows as directed by the client

Under no circumstances, would any one client or class of clients be permitted to profit at the expense of another client or class of clients through the sale and purchase of a security assessed by HYMAS to have capital loss potential or to have inferior future reward potential relative to risk. These securities would be sold to third parties only.

Employees of HYMAS will be subject to personal trading compliance policies governing both private placement and publicly-traded securities, ensuring that they are unable to profit from their knowledge of the intended transactions of HYMAS client accounts. All employees of HYMAS with input to the investment selection process are subject to fulfilling the Standards of Practice set by the CFA Institute (CFAI)

HYMAS will treat discretionary investment management account clients and fee for investment advisory service clients fairly. Advisory clients will be advised after the close of each trading day of trades that may become feasible

for execution (in the considered opinion of HYMAS) at a specified price spread on the next trading day. Discretionary clients will have their portfolios monitored and trades attempted throughout each trading day.

Composite discretionary performance results compliant with CFAI standards will be publicly posted on a monthly within two weeks of the end of the month. All discretionary accounts will have their individual returns reported to them which will reflect their component of the composite in which they are included. The specific composite in which the account is included will be disclosed to the client. Trading histories of the “Malachite” Unit trusts will be made available to advisory clients within three months of trade execution .