

***Hymas Investment Management Inc.***  
***Managed Account Agreement***

Name of Client \_\_\_\_\_ Account No \_\_\_\_\_  
\_\_\_\_\_  
Telephone (h) \_\_\_\_\_  
Address \_\_\_\_\_ Telephone (o) \_\_\_\_\_  
\_\_\_\_\_  
Principal \_\_\_\_\_

**APPOINTMENT AND DUTIES OF INVESTMENT MANAGER**

1. The undersigned (the "Client") hereby appoints Hymas Investment Management Inc. (the "Company") to provide discretionary portfolio management for the managed account of the Client established hereunder (the "Managed Account"). The Company is authorized to make and implement investment decisions for the Managed Account as the Company in its discretion deems necessary or desirable from time to time.
2. In carrying out its duties and responsibilities under this Agreement, the Company acknowledges that it will exercise such diligence, competence and skill as may reasonably be expected of a reputable, experienced and competent professional investment manager and that it shall act fairly, honestly and in good faith and in accordance with the Client's best interests (the "Standard of Care").
3. Without limiting the foregoing grant of absolute discretion, the Company, in exercising the powers hereby granted to it, shall act in accordance with the investment objectives of the Client which are communicated to the Company in writing from time to time. The Client confirms that its current investment objectives are set out in Schedule A hereto.
4. The Client may from time to time amend his/her objectives by giving the Company notice in writing of the amendment required and receiving acknowledgement of such advice from the Company. The Company shall not be in any way responsible for decisions made in the absence of such written advice. The Client agrees to advise the Company of any restrictions that may be applicable to investment for the Managed Account. Although the Company will diligently pursue the investment objectives of the Client, the Client acknowledges that those objectives are only guidelines and that the Company does not guarantee investment results and shall not be liable for any error of judgment or any other act or omission or loss sustained in the operation of the Managed Account or for any depreciation in the value of the Managed Account, absent a breach of the Standard of Care.
5. The Company shall endeavour to allocate securities among its managed accounts on the basis of suitability for such managed account and to allocate such securities fairly among such managed accounts in conformity with the Company's Fairness Policy. The Client acknowledges receipt of such Fairness Policy.

**POOLED FUND**

6. The Client authorizes \_\_\_\_\_ \does not authorize\ \_\_\_\_\_ the Company to invest all or any portion of the assets composing the Managed Account in the following pooled fund managed by the Company (the "Fund") to the extent an investment in the Fund conforms to the Client's aforementioned investment objectives.

\_\_\_\_\_  
Manager                      initial here                      \_\_\_\_\_  
Malachite Aggressive Preferred Fund

If authorizing the Company to invest in the Fund, the Client acknowledges that:

- (a) he/she/it has read the Statement of Policies of the Company concerning related and connected issuer disclosure and acknowledges receipt of a copy of this Statement of Policies;
- (b) he, she or it has read the risk disclosure relating to the Fund set out in Schedule B;
- (c) the Company and its associates may receive fees for management, investment advisory and related services in connection with the operation of the Fund;
- (d) the minimum investment in the Fund is \$50,000; and
- (e) on request, the Company will furnish to the Client a copy of the organizational documents for the Fund.

7. The Client further hereby acknowledges a 1.0% redemption fee will be charged by the Fund on redemptions of units of the Fund held for less than one year. Redemptions fees will not be charged on units purchased through the automatic reinvestment of distributions made by the Fund or on the redemption of units to satisfy the management fee payable hereunder. In the event of partial redemption of units, units not liable for redemption fees will be considered to have been redeemed first.

**FEES**

8. The Company will charge the Client with a management fee in respect of the Managed Account. The management fee will be calculated quarterly in arrears, commencing with the first calendar quarter following the date of this Agreement. Fees will be calculated in accordance with the following schedule, based on the average value of the client's portfolio being managed pursuant to this Agreement during the period measured:

_____ Client	On the first: _____	Rate charged: _____
	On the next: _____	Rate charged: _____
_____ Manager	On the balance: _____	Rate charged: _____

Such fee shall not be duplicative of any similar fees payable to the Company by the Fund to the extent that the Managed Account or any portion thereof is invested in the Fund. Accordingly, in calculating the management fees owing under this section 8, the value of any units of the Fund held in the Managed Account will be excluded.

No increases to the management fees shall be made unless, prior to implementing any such increase, not less than 60 days' prior notice of the same is given to the Client by the Company.

Fees are subject to G.S.T. or H.S.T. when services are supplied to Canadian residents. The Company will provide the Client with an invoice for the management fee as they are calculated.

9. The Client acknowledges that the management fee is in addition to the usual brokerage commissions charged on any investment transaction.
10. Clients whose Managed Account is invested in the Fund may pay the management fee through the redemption of units in the Fund. Please initial below to authorize the Company to automatically redeem units in the Fund to pay such management fees:

\_\_\_\_\_ (initial here) The undersigned Client hereby authorizes the Company to pay the management fee through redemption of units of the the Fund. Such redemptions shall not be subject to redemption fees. No further instructions are required for such redemptions to be processed.

## STATEMENTS

11. The Company shall, during the term of this Agreement, mail to the Client, and where requested, to any third parties as directed by the Client, a statement of portfolio setting out all transactions which have occurred in respect of the Managed Account and containing a valuation of all securities and cash balances held in the Managed Account. Such statements will be mailed to Clients on a quarterly basis, or monthly if the Client so request. The Company shall also mail to Clients any other statements required under any applicable law.

I wish to receive account statements  monthly  quarterly.

## INSTRUCTIONS FROM CLIENT

12. The Client will advise the Company of any material change in the Client's circumstances or in any other matter which could affect the Company's management of the Managed Account hereunder and will advise the Company of any restrictions that may exist with respect to trading in securities by or for the Managed Account, including any issuers in which the Client or any director, officer or shareholder of the

Client is an "insider" under applicable securities law. The Client agrees that any registration or custodial arrangements will be made with the prior approval of and on terms satisfactory to the Company.

13. All instructions and other communications given to the Company shall be given in writing by the Client or on behalf of the Client by any third parties duly authorized by the Client from time to time. In the case of an individual such instructions shall be signed personally, and in the case of a corporation, signed by an authorized signatory of the corporation. Instructions and other communications may also be given by email or telecopier, or by telephone confirmed forthwith by email, telecopier or letter. The Company is authorized to act upon such communications given without need for further verification of such instructions. However, the Company may, in its sole discretion, decline to act if it doubts the authenticity or lawfulness of any such instructions. The Client acknowledges that such instructions acted upon by the Company will, in the absence of a breach of the Standard of Care by the Company, be conclusively deemed to be valid and proper instructions, whether or not authorized by the Client or whether or not accurately transmitted.

**BROKER/CUSTODIAN**

14. The client hereby confirms that the assets of the Managed Account are being held as follows:

Name of discount broker (the "Broker") \_\_\_\_\_

Account Number: \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
Client

\_\_\_\_\_  
Manager

and that the Company has been granted the exclusive authority to manage the assets held in that account. Pursuant to the term of this Agreement, the Company agrees to effect all trades for the Managed Account through the Broker, who shall charge brokerage fees and other fees to the Client and not to the Company. The Client acknowledges that the Broker will be responsible for providing trading and settlement services for the Managed Account, receiving and collecting all proceeds, income, or other revenue derived from the assets held in the Managed Account and crediting same to the Managed Account, charging interest to cash/margin account debits, and credit interest on free credit balances for the Client's account, and providing custodial services and tax receipts and reports for the Client. The Client acknowledges that the Broker will not be responsible for determining or supervising the suitability of all trading activity including the nature of securities purchased and the portfolio structure of the Managed Account. The Broker does not control, audit or otherwise supervise the activities of the Company.

15. Notwithstanding the foregoing, the Client acknowledges that the Company may use third parties of its choice to provide trading services on conditions at least as

favourable as those offered by the Broker and provided that the Broker provide settlement services in connection with such trades.

## **JOINT ACCOUNTS**

16. If the Managed Account is a joint account, each Client having an interest in the joint Managed Account shall be called a Joint Holder for the purpose of this Section 16. Each Joint Holder declares that his/her interest in the joint Managed Account is held as a joint tenant with full rights of survivorship and not as a tenant-in-common. In addition to the other provisions of this Agreement the parties agree that the assets of the joint Managed Account and the instructions relating to the joint Managed Account will be handled as follows:
- (a) The Company may accept any instructions regarding the joint Managed Account, including withdrawals and payment orders, from any one of the Joint Holders without requiring the authorization or consent of the other Joint Holders, subject to any contrary instructions received in writing and executed by all Joint Holders;
  - (b) The Company may credit the joint Managed Account with the proceeds of any cheque or other instrument payable to any one or more of the Joint Holders;
  - (c) Each Joint Holder will be jointly and severally liable with the others for all liabilities respecting the joint Managed Account including payment of fees, charges and if applicable, overdraft charges; and
  - (d) References to "Client" in this Agreement shall mean "Clients".
17. The death of one Joint Holder shall not terminate the Managed Account nor affect the rights of the survivor(s) to it; rather, all proceeds of and rights to the Managed Account pass automatically, without any additional instructions to the Company or to the surviving Joint Holder, or to the surviving Joint Holders jointly.

## **LIMIT OF LIABILITY**

18. Notwithstanding anything contained in this Agreement, the Company, its officers, directors, employees and agents, shall not be liable for any loss to or any diminution of the assets of the Managed Account except such losses or diminution as results from a breach by the Company of the Standard of Care. For greater certainty, the Company shall not be liable in any way for not acting on any specific investment opportunity or opportunities on behalf of the Client. The Company shall not be liable in any circumstances for any indirect, consequential or special damages. The Client indemnifies the Company against any liability or claims (including any costs or expenses relating thereto) arising from any matter in respect of which the Company has acted in accordance with the Standard of Care in reliance on the Client's instructions or the instructions of any authorized third party.

## **TERMINATION**

19. This Agreement may be terminated by the Client by notice in writing to the Company at any time and delivered or mailed by pre-paid post to the Company's office at 10 Page Avenue, YORK, Ontario, M6S 2P5, or at such other address as the Company may from time to time give to the Client. Such termination shall be effective on the day the same is delivered to the Company's office or, if mailed as aforesaid, on the day the same is received by the Company.
20. This Agreement may be terminated by the Company by notice in writing to the Client mailed by prepaid post to the Client at the address found above or at such other address as the Client may from time to time give to the Company. Such termination shall be effective on the date specified in the notice of termination which date shall not be earlier than 30 days from the date the notice of termination is mailed to the Client.

## **REPRESENTATION AND WARRANTIES OF THE CLIENT**

21. The Client represents and warrants to the Company that:
  - (a) The Client is the only owner of the property delivered to the Broker or Company as the case may be for administration hereunder and the property is free and clear of all liens, charges and other encumbrances, and that the Client is in compliance with all laws and regulations relating to the property and the Client's interests therein;
  - (b) The Client is authorized to deliver such property to the custodian for safekeeping and to give instructions either personally or by authorized third parties in relation thereto;
  - (c) The Client has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby; and
  - (d) This Agreement has been duly and validly authorized, executed and delivered by the Client.

## **CLIENT COMPLAINTS**

22. Any complaints regarding the Managed Account should be directed to the Company at the address set out in section 19. When the Company receives a complaint, it will advise the Client of the Company's obligations under section 13.16(2) of NI 31-103 and of how the Client can avail himself/herself/itself of the services of the Ombudsman for Banking Services and Investments ("OBSI") so long as the Client agrees that the maximum award to the Client is \$350,000.

**GENERAL**

- 23. The Client hereby acknowledges that he/she/it has read and understands the terms of this Agreement and acknowledges receipt of a copy of this Agreement.
- 24. This Agreement constitutes the entire Agreement between the parties hereto with respect to matters herein and this Agreement may not be amended except by a memorandum in writing signed by the parties or by the Company alone provided the Company has forwarded to the Client 30 days' written notice of such amendments.
- 25. This Agreement may be assigned, in whole or in part, by the Company to an affiliate without the written consent of the Client. The Client may not assign this Agreement to any other party without the written consent of the Company.
- 26. Any notice or other communication which may be or is required to be given or made pursuant to this Agreement may be given in writing by personal delivery, by registered mail, postage prepaid, or by telecopier and addressed to the Client at the latest address provided by the Client or to the Company at the address set out in section 19 hereof, or at such other address as may be given by either of the parties to the other in writing from time to time. Any notice or other communication given by mail shall be deemed to have been received on the fourth day following the date of mailing. Any notice or other communication delivered or sent by telecopier shall be deemed to have been received on the date on which such notice or document was transmitted or sent by telecopier.
- 27. This Agreement shall be made and construed in accordance with the laws of Ontario and shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, liquidators, administrators, successors and permitted assigns.

DATED at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name and Position (if applicable)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name and Position (if applicable)

Accepted by Hymas Investment Management Inc. on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Authorized Signature



## SCHEDULE A

### A.1. ABOUT YOU – INDIVIDUAL ACCOUNT HOLDER

Mr.  Mrs.  Miss  Ms.  Dr.

<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>First Name          Initial                  Last Name</p>	<p><b>Are you married or living common law?</b></p> <p><input type="checkbox"/> No   <input type="checkbox"/> Yes – <i>please complete the following:</i></p>
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>Home Address</p>	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>Full Name of Spouse or Partner          Occupation</p>
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>City                  Province                  Postal Code</p>	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>Employer                                  Type of Business</p>
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>Home Phone Number                  E-Mail Address</p>	<p><b>What is your primary financial institution?</b> <i>(Required)</i></p>
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>Date of Birth (mm/dd/yyyy)          Social Insurance No.</p>	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>Bank Name</p>
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>Mailing Address                  (if different than above)</p>	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <p>Branch Address</p>

<hr/> Occupation	<hr/> Transit Number                      Account Number
<hr/> Employer	Age: <input type="checkbox"/> 18 - 29 <input type="checkbox"/> 30-39 <input type="checkbox"/> 40 -49 <input type="checkbox"/> 50 – 59
<hr/> Type of Business	<input type="checkbox"/> 60 – 69 <input type="checkbox"/> 70+
<hr/> Employer’s Address	
<hr/> Business Phone Number	
<hr/> Citizenship*	

**Valid Identification/Citizenship Required – For all clients – Provide one of:**

- |  |   |   |                                       |
|--|---|---|---------------------------------------|
| <input type="checkbox"/> Passport                              | <input type="checkbox"/> Provincial Health Insurance Card (Restriction: Alberta or BC only) | <input type="checkbox"/> Confirmation of Permanent Residence IMM5292 (issued prior to 1/1/2004) | <input type="checkbox"/> B.C. ID Card |
| <input type="checkbox"/> Drivers Licence                       | <input type="checkbox"/> Permanent Resident Card  | <input type="checkbox"/> Canadian Forces ID Card  |                                       |
| <input type="checkbox"/> Canadian Citizenship Card             | <input type="checkbox"/> Record of Landing IMM1000 (issued prior to 1/1/2004)               | <input type="checkbox"/> Certificate of Indian Status   |                                       |
| <input type="checkbox"/> Birth Certificate (under age 21 only) | <input type="checkbox"/> Alberta Photo ID Card  |   |                                       |

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ID of Client

Expiry Date (mm/dd/yyyy)

Where the Client is not able to provide the Manager with the original of one of the documents referred to above in a fact-to-face meeting, the Client must provide a copy of such document signed by a commissioner of oaths or guaranteed by an individual engaged in one of the following professions in Canada: (i) a dentist, a medical doctor or a chiropractor; (ii) a judge, a magistrate or a lawyer; (iii) a notary (in Quebec) or a notary public; (iv) an optometrist or a pharmacist; (v) an accredited public accountant (APA), a chartered accountant (CA), a certified general accountant (CGA), a certified management accountant (CMA), a public accountant (PA) or a registered public accountant (RPA); (vi) a professional engineer (P. Eng., in a province other than Quebec) or engineer (Eng. in Quebec); or (vii) a veterinarian.

**A.2 JOINT INDIVIDUAL CLIENTS**

Each joint individual Client should complete the following information.

*First Joint Client*

Mr.  Mrs.  Miss  Ms.  Dr.

<hr/> <p>First Name          Initial          Last Name</p>	<p><b>Are you married or living common law?</b></p> <p><input type="checkbox"/> No <input type="checkbox"/> Yes – <i>please complete the following:</i></p>
<hr/> <p>Home Address</p>	<hr/> <p>Full Name of Spouse or Partner          Occupation</p>
<hr/> <p>City          Province          Postal Code</p>	<hr/> <p>Employer          Type of Business</p>
<hr/> <p>Home Phone Number          E-Mail Address</p>	<p><b>What is your primary financial institution?</b> <i>(Required)</i></p>
<hr/> <p>Date of Birth (mm/dd/yyyy)          Social Insurance No.</p>	<hr/> <p>Bank Name</p>
<hr/> <p>Mailing Address          (if different than above)</p>	<hr/> <p>Branch Address</p>

<hr/> Occupation	<hr/> Transit Number                      Account Number
<hr/> Employer	<b>Age:</b> <input type="checkbox"/> 18 - 29 <input type="checkbox"/> 30-39 <input type="checkbox"/> 40 -49 <input type="checkbox"/> 50 – 59
<hr/> Type of Business	<input type="checkbox"/> 60 – 69 <input type="checkbox"/> 70+
<hr/> Employer’s Address	
<hr/> Business Phone Number	
<hr/> Citizenship*	

Where the joint Client is not able to provide the Manager with the original of one of the documents referred to above in a fact-to-face meeting, the Client must provide a copy of such document signed by a commissioner of oaths or guaranteed by an individual engaged in one of the following professions in Canada: (i) a dentist, a medical doctor or a chiropractor; (ii) a judge, a magistrate or a lawyer; (iii) a notary (in Quebec) or a notary public; (iv) an optometrist or a pharmacist; (v) an accredited public accountant (APA), a chartered

accountant (CA), a certified general accountant (CGA), a certified management accountant (CMA), a public accountant (PA) or a registered public accountant (RPA); (vi) a professional engineer (P. Eng., in a province other than Quebec) or engineer (Eng. in Quebec); or (vii) a veterinarian.

*Second Joint Client*

Mr.  Mrs.  Miss  Ms.  Dr.

<p>_____</p> <p>First Name            Initial                    Last Name</p>	<p><b>Are you married or living common law?</b></p> <p><input type="checkbox"/> No <input type="checkbox"/> Yes – <i>please complete the following:</i></p>
<p>_____</p> <p>Home Address</p>	<p>_____</p> <p>Full Name of Spouse or Partner            Occupation</p>
<p>_____</p> <p>City                    Province                    Postal Code</p>	<p>_____</p> <p>Employer    Type of Business</p>
<p>_____</p> <p>Home Phone Number                    E-Mail Address</p>	<p><b>What is your primary financial institution?</b> <i>(Required)</i></p>
<p>_____</p> <p>Date of Birth (mm/dd/yyyy)            Social Insurance No.</p>	<p>_____</p> <p>Bank Name</p>
<p>_____</p> <p>Mailing Address                                    (if different than above)</p>	<p>_____</p> <p>Branch Address</p>

<hr/> Occupation	<hr/> Transit Number                      Account Number
<hr/> Employer	Age: <input type="checkbox"/> 18 - 29 <input type="checkbox"/> 30-39 <input type="checkbox"/> 40 -49 <input type="checkbox"/> 50 – 59
<hr/> Type of Business	<input type="checkbox"/> 60 – 69 <input type="checkbox"/> 70+
<hr/> Employer’s Address	
<hr/> Business Phone Number	
<hr/> Citizenship*	

**Valid Identification/Citizenship Required – For all applicants – Provide one of:**

- |  |   |   |                                       |
|--|---|---|---------------------------------------|
| <input type="checkbox"/> Passport                              | <input type="checkbox"/> Provincial Health Insurance Card (Restriction: Alberta or BC only) | <input type="checkbox"/> Confirmation of Permanent Residence IMM5292 (issued prior to 1/1/2004) | <input type="checkbox"/> B.C. ID Card |
| <input type="checkbox"/> Drivers Licence                       | <input type="checkbox"/> Permanent Resident Card  | <input type="checkbox"/> Canadian Forces ID Card  |                                       |
| <input type="checkbox"/> Canadian Citizenship Card             | <input type="checkbox"/> Record of Landing IMM1000 (issued prior to 1/1/2004)               | <input type="checkbox"/> Certificate of Indian Status   |                                       |
| <input type="checkbox"/> Birth Certificate (under age 21 only) | <input type="checkbox"/> Alberta Photo ID Card  |   |                                       |

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ID of Client

Expiry Date (mm/dd/yyyy)

Where the joint Client is not able to provide the Manager with the original of one of the documents referred to above in a fact-to-face meeting, the Client must provide a copy of such document signed by a commissioner of oaths or guaranteed by an individual engaged in one of the following professions in Canada: (i) a dentist, a medical doctor or a chiropractor; (ii) a judge, a magistrate or a lawyer; (iii) a notary (in Quebec) or a notary public; (iv) an optometrist or a pharmacist; (v) an accredited public accountant (APA), a chartered accountant (CA), a certified general accountant (CGA), a certified management accountant (CMA), a public accountant (PA) or a registered public accountant (RPA); (vi) a professional engineer (P. Eng., in a province other than Quebec) or engineer (Eng. in Quebec); or (vii) a veterinarian.



If you wish this account to be a joint account with right of survivorship (JTWROS), please so indicate below:

JTWROS:  Yes or  No

**A.3 CLIENTS THAT ARE CORPORATIONS**

Clients that are corporations should provide a copy of the following documents:

- (a) a certificate of status or confirmation or other government confirmation of its existence; and
- (b) an officer's certificate in the form attached hereto as Appendix D.3.

**A.4 CLIENTS THAT ARE TRUSTS**

Clients that are trusts should provide a copy of the following documents:

- (c) the declaration of trust or trust agreement, including all amendments, governing the trust; and
- (d) a trustee's certificate in the form attached hereto as Appendix D.4.

**A.5 CLIENTS THAT ARE LIMITED PARTNERSHIPS**

Clients that are limited partnerships should provide a copy of the following documents:

- (e) the limited partnership agreement, including all amendments, governing the limited partnership; and
- (f) a certificate of an officer of the general partner of the limited partnership in the form attached hereto as Appendix D.5.

**B. SECURITIES REGULATORY AND COMPLIANCE INFORMATION**

Have you ever been licensed by the Ontario Securities Commission or another Canadian provincial securities commission:

- No
- Yes If yes, is the license currently in force?  Yes or  No

Are you or your spouse considered to be an insider (as defined in a provincial Securities Act) of a publicly traded company: \_\_\_\_\_.

If "yes", state company: \_\_\_\_\_

*(List companies in a separate schedule if more than one)*

**C. CLIENT PORTFOLIO OBJECTIVES**

**General:**

**Investment Objectives:**

- Growth     Income     Growth & Income

**Risk Tolerance:**

- High         Medium     Low

**Investment Experience:**

- Excellent    Good         Fair     Nil

How many years have you been investing: \_\_\_\_\_ years

Do you have accounts with other investment firms:  Yes     No

If yes, what is the approximate value of your entire portfolio held at such other firms:  
\$\_\_\_\_\_. How much of that is invested in fixed income securities:  
\_\_\_\_\_.

**Investment Time Horizon:**

- up to 6 months     6 months to 1 year     1 – 2 years  
 2 – 5 years         5 years or more

**Liquidity Needs:**

I/We do not expect to need the monies being invested in the Fund for at least:

- 6 months             6 months to 1 year     1 – 2 years  
 2 – 5 years         5 years or more

**If a Personal Account:**

**Income – Household (\$):**

- 0-25,000     25,000-50,000  
 50,000-100,000     100,000-200,000  
 200,000-300,000     over 300,000

**Income - Individual (\$):**

- 0-25,000     25,000-50,000

50,000-100,000     100,000-200,000

200,000-300,000     over 300,000

**Net Worth – Personal Unencumbered (Excluding Real Estate) (\$):**

0-100,000                       100-500,000

500-1,000,000                 1,-2,000,000

2,-5,000,000                 over 5,000,000

**Net Worth – Real Estate (Net of Associated Liabilities) (\$):**

0-250,000                       250-500,000

500,000-1,000,000             over 1,000,000

**If a Corporate Account:**

**Net Assets – Corporate Unencumbered (\$):**

0-100,000                       100-500,000

500-1,000,000                 1,-2,000,000

2,000,000-5,000,000         over 5,000,000

**D. GENERAL AML COMPLIANCE**

The Client represents that to the best of his, her or its knowledge, based upon reasonable diligence and investigation, the amounts contributed by the Client to the Managed Account (i) do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) and regulations thereunder (the “AML Laws”), (ii) were not and are not directly or indirectly derived from activities that contravene Canadian or international anti-money laundering and anti-terrorist financing legislation and regulations, and (iii) neither the Client nor, to the best of the Client’s knowledge and to the extent applicable, any person controlling the Client or controlled by the Client, or any person having beneficial ownership in the Client, is a person involved with or a person disclosed as being connected with terrorist financing.

The Client acknowledges that if, as a result of any information or other matter which comes to their attention, any director, officer or employee of the Company knows or suspects that an investor is engaged in money laundering, such person is required to report such information or other matter to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and such report will not be treated as a breach of any restriction upon the disclosure of information imposed by Canadian law or otherwise. In order to enable it to perform the anti-money laundering checks in relation to the Client as required by applicable

law, the Company may be required to disclose identification information in relation to such Client to a third party service provider of web-based anti-money laundering identity verification and search applications, which applications are commonly used as a component of anti-money laundering compliance programs.

**E. POLITICALLY EXPOSED FOREIGN PERSONS**

For purposes of the AML Laws, a politically exposed foreign person is a person who holds or has held one of the following offices or positions in or on behalf of a foreign state (include the principal political subdivisions of a foreign state):

- head of state or head of government;
- member of the executive council of government or member of a legislature;
- deputy minister or equivalent rank;
- ambassador or attaché or counsellor of an ambassador;
- military officer with a rank of general or above;
- president of a state-owned company or a state-owned bank;
- head of a government agency;
- judge;
- leader or president of a political party represented in a legislature; or
- holder of any prescribed office or position (at present there are no such prescribed officers or positions).

In addition, a politically exposed foreign person includes any prescribed family member of such a person, meaning (i) the person’s spouse or common-law partner; (ii) a child of the person; (iii) the person’s mother or father; (iv) the mother or father of the person’s spouse or common-law partner; and (v) a child of the person’s mother or father.

The Client hereby certifies that he, she or it is  or is not  a politically exposed foreign person. If the Client is a politically exposed foreign person, indicate below that basis on which the Client is a politically exposed foreign person:

\_\_\_\_\_

Client

\_\_\_\_\_

Company

## **SCHEDULE B**

### **Additional Risk Disclosure Regarding the Fund**

#### **No Assurance of Returns**

There can be no guarantee against losses resulting from an investment in Units and there can be no assurance that the Fund's investment approach will be successful or that its investment objectives will be attained. The Fund could realize substantial losses from some or all of its investments. An investment in the Fund is not intended as a complete investment program. A purchase of Units should be considered only by persons financially able to bear the risk of loss associated with an investment in the Fund.

#### **Fluctuations in Unit Values**

Unit values fluctuate with changes in the market value of the assets of the Fund, and the value of such securities owned will be affected by factors beyond the control of HIMI. The value of the Fund's Units may fluctuate as a result of various factors, including general economic and market conditions, changes in interest rates, changes in the financial condition or performance of the issuers in which the Fund invests, and currency fluctuations to the extent holds non-Canadian securities.

#### **Concentration of Investments**

The Fund's investment portfolio may become concentrated in a limited number of companies in specific industry sectors. Accordingly, the return of the Fund may be dependent upon the performance of a relatively small number of investments or the performance of a one or a few industry sectors. This may involve the Fund in more risk than funds with broadly diversified equity or bond portfolios since the performance of the specific stock, industry, market sector or asset class could significantly and adversely affect the overall performance of the Fund. In addition, this concentration means that the Fund is not intended to be, and would generally not be suitable as, a complete investment program for any investor.

#### **Reliance on Key Individual**

HIMI is relying upon the services of its President, James Hymas, to fulfil its obligations as the Fund's investment manager. Should Mr. Hymas become incapable of providing portfolio management services to the Fund for any reason, HIMI would seek to provide a replacement, or retain a sub-advisor, but if it was unable to do so it would need to take steps to terminate the Fund.

#### **Illiquidity of Units**

While the Units are transferable, Units are being offered on a private placement basis, and any such transfer will be subject to resale restrictions under applicable Canadian securities laws. Units are redeemable, but these redemption rights may be suspended in certain circumstances. Consequently, investors may be unable to liquidate their Units, and are therefore cautioned that an investment in Units will not be suitable for investors with a short

investment horizon. Furthermore, this lack of liquidity, plus the fact that Unit certificates are generally not issued, means that Units generally cannot be used by a Unitholder as collateral for any loan the Unitholder may have, whether undertaken in order to purchase Units or otherwise.

### **Effect of Substantial Redemptions of Units**

Substantial redemptions of Units may require the Fund to sell assets it would not otherwise sell and at less than optimal prices in order to raise the necessary cash to fund redemptions. This could generate additional capital gains which would need to be distributed to Unitholders. A smaller asset base could limit the investment opportunities available to the Fund and increase its management expense ratio. Such factors could adversely affect both the value of Units being redeemed and of the Units remaining outstanding.

### **Investment Outside Canada**

The Fund may invest its assets outside of Canada. If it does so, the value of its investments will be affected, among other things, by the value of the Canadian dollar relative to the value of the currency in which the foreign investment is denominated. If these foreign investments are made outside the United States, there may be less publicly available information about a foreign company than a Canadian or U.S. company; the company may be less regulated and have lower accounting, auditing or financial reporting standards; and volume and liquidity of the foreign markets in which the investment trades may be less and transaction costs higher than in Canada or the United States.

### **Exchange Rate Fluctuations**

Units of the Fund are issued and redeemed, and the Fund's net asset value is calculated, only in Canadian dollars. Unitholders resident outside Canada will bear all risks associated with fluctuations in the exchange rate between the Canadian dollar and their local currency.

### **Status of the Fund**

While units of a trust are equity securities similar to shares of a corporation, trusts are not governed by any corporate statutes. Therefore, unlike shares of a corporation, Unitholders will not have the statutory rights normally associated with ownership of shares, such as the right to bring "oppression" or "derivative" actions or the right to attend an annual meeting of shareholders of the corporation. The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. While the Fund is a mutual fund as defined in provincial securities legislation, it does not operate in accordance with the requirements of Canadian securities regulations (such as National Instruments 81-101, 81-102 or 81-107) applicable to public mutual funds. Units are not "deposits" for the purposes of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation.

## **Changes in Canadian Tax Legislation**

There can be no assurance that income tax laws relating to the treatment of mutual fund trusts or other investment trusts or in the treatment of preferred shares under the *Income Tax Act* (Canada) (the “Tax Act”) will not be changed in a manner which adversely affects the distributions received by the Unitholders and/or the value of the Units of the Fund. In particular, the returns to investors of an investment in Units of the Fund will be sensitive to any changes in the dividend tax credit and gross-up provided for in the Tax Act.

## **International Information Reporting**

Pursuant to the Canada-United States Enhanced Tax Information Exchange Agreement entered into between Canada and the United States on February 5, 2014 (the “IGA”) and related Canadian legislation in the Tax Act, the dealers through which Unitholders hold their Units are required to report certain information with respect to Unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents and/or citizens of Canada), and certain other “U.S. Persons”, as defined under the IGA (excluding trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts), to the Canada Revenue Agency (“CRA”). The CRA is expected to provide the information to the U.S. Internal Revenue Service.

Canada will also implement the OECD Multilateral Competent Authority Agreement and Common Reporting Standard (“CRS”) which provides for the automatic exchange of certain tax information. The CRS will be effective in Canada as of July 1, 2017 with the first exchanges of financial account information beginning in 2018. Affected investors will be required to provide certain information including their tax identification numbers for the purpose of such information exchange.