

CONFLICT OF INTEREST

At the core of Carte Financial Group (CFG) lies a fundamental value: "Clients are our foremost priority." This value is the bedrock of our achievements as an investment dealer and resonates across our nationwide team of employees and advisors who unite under a shared purpose. This purpose, in turn, directly enhances the outcomes for our diverse clientele.

A central objective is our unwavering dedication to maintaining the utmost ethical norms in delivering financial services and offering investment guidance. We firmly believe that the most effective approach to solidify this dedication is by transparently sharing significant details about potential conflicts of interest that may arise in our interactions with our esteemed clients.

Defining Conflict of Interest

There is a possibility that a conflict of interest may arise in connection with the business that CFG conducts for you. Securities laws of Canada require investment dealers and other advisers to take reasonable steps to identify disclose and address existing and potential material conflicts that might reasonably arise between you and your Advisor. If a conflict arises, CFG will take reasonable steps to advise you of the conflict in writing in a timely manner and will ensure that the conflict is addressed in a way that is in your best interest.

CFG has adopted policies and procedures to assist in identifying, addressing, and minimizing any conflict of interest that CFG, or its employees or CFG Advisors may face when working on your behalf. Our employees and CFG Advisors are required to address any conflict of interest by exercising responsible business judgment, influenced only by the best interests of the client; employees and CFG Advisors are encouraged to bring any conflict of interest to the attention of clients as soon as they become aware of them.

Every CFG employee and CFG Advisor is subject to a code of conduct, which includes, among other things, policies to address many common types of conflict-of-interest situations. For example, we have adopted policies to prohibit Advisors from borrowing from or lending money to clients or investing with clients. We have also adopted policies that prohibit an CFG Advisor from acting as a power of attorney, except in the case of immediate family members. Advisors are also required to obtain preapproval related to any outside business activity to ensure that such activities do not create potential conflict of interest or interfere with their ability to service clients.

In general, we deal with and manage relevant conflicts as follows:

Avoidance: This includes avoiding conflicts that are prohibited by law as well as conflicts that cannot effectively be addressed.

Control: We manage acceptable conflicts through means such as physically separating different business functions and limiting the internal exchange of information.

Disclosure: By providing you with information about conflicts, you can assess independently their significance when evaluating our recommendations and any actions we take.

Under certain circumstances, CFG may deal with you or for you in securities transactions where the issuer of those securities or the other party to the transaction is CFG or a party having an ownership or business relationship with CFG.

Since these transactions may create a conflict between CFG and you, we are required by securities law to disclose to you certain relevant matters relating to the transactions which are contained in the following sections entitled "Related Registrant" and "Related and Connected Issuers".

Important Concepts Related Issuer:

A related issuer is a person or company that is related in any way to CFG such as:

- the person or company issuing securities is an influential security holder of CFG;
- when CFG is an influential security holder of the person or company issuing securities;
- or
- when CFG and the person or company issuing securities, are a related issuer of the same third person or company.

Connected Issuer:

A connected issuer means an issuer or selling security holder distributing securities where the issuer or selling security holder, or a related issuer of the issuer or selling security holder, has a relationship with any of the following persons or companies that may lead a reasonable prospective purchaser of the securities to question if IPCSC and the issuer are independent of each other for the purpose of distribution:

CFG;

- a related issuer of CFG;
- a director, officer or partner of CFG; or
- a director, officer or partner of a related issuer of CFG.

Further in this document is a list of Related Issuers and Connected Issuers of CFG, together with a summary statement of the relationship between them and CFG.

Required Disclosure

When CFG acts as your dealer or advises you with respect to securities issued by CFG, or by a related issuer, or in the course of distribution by a Connected Issuer, CFG must disclose the nature and extent of its relationship with the issuer of the securities, or that CFG is the issuer. CFG will also disclose to you where CFG knows or should know, that if as a result of CFG acting as your dealer or advisor, or of CFG exercising discretion on your behalf, securities will be purchased from or sold to CFG, a related issuer, in the course of an initial distribution, from a connected issuer.

The following is a list of the timeline and way these disclosures must be made:

- Where CFG buys securities for your account or advises you with respect to the purchase of securities, the disclosure must be made prior to the purchase or the giving of the advice, either through the receipt of this disclosure or otherwise.

CFG may, from time to time, be deemed to be related or connected to one or more issuers for purposes of disclosure and other rules of the securities laws. CFG may have acted and is prepared to continue to act where permitted by law, as an advisor or dealer with respect to securities of such related and connected issuers and to provide the full range of services customarily provided by CFG in respect of securities of other issuers. CFG shall carry out such services in the ordinary course of its business in accordance with our usual practices and procedures and in accordance with all applicable disclosure and other regulatory requirements.

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.

Type	Conflict of Interest	How Conflicts Will Be Addressed
Products and Services	We earn compensation by selling products and services to you for which you pay us.	We will inform you of fees, commissions and other compensation in advance so that you know what you will be paying.
Product compensation levels	Different products and services have differing levels of compensation.	Our compensation is disclosed to you and we offer pricing alternatives intended to reduce the conflicts associated with commission-based pricing. We are required by industry regulations and firm policy only to make "suitable" investment recommendations. We may choose not to offer a complex product that carries a high commission.
Internal incentive programs	We would like you to use more of our services and buy more of our products.	We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you. Management has put in place compliance programs to monitor investment advisors to help identify and address concerns.
Fee and Commission Based Accounts	Our compensation, organizationally and individually, may involve commissions based on sales volume.	We offer fee-based accounts, as well as similar products such as no-load mutual funds, which have pricing structures designed to reduce commission incentives.
Referral Arrangements	We would like you to use more of the services offered by our referral business partners.	Where we use referral arrangements, we disclose and manage them according to regulatory standards. We have policies and procedures, against which we monitor our advisors' activities, prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you.
Issuer Compensation	We may receive compensation from securities issuers and other third parties based on their products we sell to you, such as "trailer fees" on mutual funds and commissions and "trailer fees" on segregated funds and insurance policies.	We will disclose to you the situations and type of third-party compensation we may receive. Securities regulations require issuers to provide specific disclosure in the offering document (e.g., prospectus) of such arrangements and the compensation we will receive.