

Appendix C: Conflicts of Interest Disclosure

Under Canadian securities laws, securities dealers and advisors are required to provide their clients with all information that a reasonable investor would consider important about their relationship with the dealer or advisor. Senior management of SANDSTONE are committed to maintaining the highest ethical standard and will strive to ensure that our client's interests are placed first.

SANDSTONE has processes in place to identify potential conflicts (as discussed below). Actual, potential, and perceived conflicts of interest exist in almost all human interactions. Our relationship with you is no different.

SANDSTONE is what is referred to as an "introducing broker" investment firm. Our client accounts are held in a custody arrangement with our "carrying broker" Fidelity Clearing Canada ULC – which executes, settles, and reports all your trade activity to you and provides SANDSTONE (and consequently you) with a contractual indemnity assuring you that the investments shown on your statements are held by them as custodian.

The general types of conflicts of interest which can arise are:

- Conflicts of interest between you and us
- Conflicts of interest between you and our other clients
- Conflicts of interest between us and our related and associated companies
- Conflicts of interest between you and our vendors

MANAGEMENT OF CONFLICTS OF INTEREST

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

1. **Avoidance:** Our primary method of managing conflict is to avoid business models and activities where conflicts of interest can be created.
2. **Control:** If we cannot avoid the potential conflict, we attempt to control conflicts of interest by physically separating different business functions and limiting the internal exchange of information to ensure a conflict is not acted upon to your detriment.
3. **Disclosure:** Finally, if we are not able to avoid or control the potential conflicts, we have a responsibility to provide you with information about the conflict which enables you to assess its significance to your investment decision independently.

SPECIFIC DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST – SANDSTONE Global Growth Pool

SANDSTONE began investing via the SANDSTONE Global Growth Pool (SGGP) to allow smaller accounts (e.g., RESP, TFSA, etc.) to mirror large accounts while providing access to investments restricted by size and liquidity.

The reasons there is no conflict of interest are as follows:

1. SANDSTONE does not directly compensate Directors, Portfolio Managers, or employees on any level.
2. There is no conflict between employees and clients, such as front running.
3. SGGP is not for sale outside of SANDSTONE and is exclusively for internal clients. There is no transferability.
4. All management fees and operating expenses are disclosed.
5. All employees are encouraged to invest in SGGP and avoid unintended conflicts.

Based on SGGP's transparency, consistent investment philosophy with SANDSTONE's other growth balanced accounts, and lack of direct compensation, we feel SGGP provides opportunities and is strictly a service to our clients and thus we feel SGGP does not pose a conflict in any way

SPECIFIC DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST - InterGen

Sharon Watkins is a Director of InterGen, a non-profit organization that is committed to accelerating the growth and scale of high potential Alberta companies by pairing them with business talent that are committed to our province's future. InterGen created InterGen Capital L.P. (the "Fund"), a for profit venture fund designed to enable high potential companies to seize global opportunities.

Overall, we will try to avoid conflicts of interest where possible, and in all other cases either disclose the conflict or manage it through internal controls and review processes. Disclosures will be made in a timely, meaningful, and prominent manner, and will sufficiently explain the conflict of interest and how it could affect the service being offered.

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SANDSTONE has purchased units of the Fund for its clients managed accounts and its Sandstone Global Growth Pool. The risk to the client is Sharon may have a conflict where her fiduciary duty to InterGen may conflict with her fiduciary duty to her clients. This risk is managed by Sandstone maintaining an Investment Committee and InterGen maintaining a Board of Directors to manage their investments. Sharon is one member of each of Sandstone's Investment Committee and InterGen's Board of Directors. Sharon is one of six Directors on the InterGen Board and her primary role is to ensure the investment mandates of the InterGen fund are met, as well as overall governance. This aligns with the fiduciary responsibility to SANDSTONE clients. In addition, Sharon does not receive any compensation from InterGen and is able to monitor the investment quality of the Fund, which is a benefit to Sandstone clients. The allocation invested on behalf of clients in managed

accounts and Sandstone Global Growth Pool is small and well within the mandate of our investment policies.

GENERAL DISCLOSURE OF CONFLICTS OF INTEREST

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 have any questions or concerns, whether they involve conflicts of interest or anything else, you should never hesitate to say so and ask your adviser for an explanation and more information.

CONFLICT OF INTEREST	STRATEGY	HOW THE CONFLICT IS MANAGED
SANDSTONE is registered to manage and sell its own product – Sandstone Global Growth Pool.	Disclose	SANDSTONE does not directly compensate employees for investments sold to investors. We endeavor to be transparent in disclosing management fees to fully inform clients in advance so that they know what they will be paying.
Personal trading of management and staff of SANDSTONE.	Avoid, Control & Disclose	SANDSTONE encourages all employees to invest in SGGP and avoid unintended conflicts. Firm and employee trades are identified as such and client trades are given priority to firm and employee trades in accordance with industry regulations. Employees are allowed personal trading accounts at other registered firms on approval by the CCO. They must supply a duplicate copy of all external statements to SANDSTONE's CCO.
If the client has a managed account, we have discretion or control over the transactions in their account.	Disclose	Regulations require that we disclose and obtain the client's specific approval to invest their funds based on criteria agreed upon in their Managed Account Agreement. We have oversight mechanisms in place to ensure we adhere to the MAA.
We may receive compensation from third parties based on their products that we invest in on clients' behalf, such as 'trailer fees' on mutual funds.	Avoid & Disclose	We avoid where possible. If we are unable to offer a certain account/product (e.g., RDSP) we disclose the special situation and type of third-party compensation we may receive.
SANDSTONE may have access to commercially sensitive or inside information.	Control	We have specific procedures for responding to conflicts of interests that involve inside information and for complying with insider trading provisions.

We have a Revenue Sharing Agreement with our custodian where they compensate SANDSTONE on interest spreads earned on un-invested cash deposits with us. Although this is standard for investment firms with our registration, it does pose a conflict of interest as higher amounts of cash than what is required for liquidity and cash flow purposes can be allowed to accumulate because of this incentive.	Disclose & Control	SANDSTONE has implemented supervisory controls designed to prevent a breach of its fiduciary responsibilities in this regard. The cash in our clients' accounts are scanned monthly (at a minimum). Based on liquidity needs, cash flow needs, short-term and long-term objectives, and current interest rates, the portfolio manager determines if that cash (or portion thereof) should be invested at more competitive rates. This is documented in our Managed Account Binders quarterly.
Employees of SANDSTONE may volunteer from time-to-time as a Board of Director and/or on an advisory committee of various charities, foundations and not-for-profits.	Disclose	All employees estimate how many hours per month their commitment requires and reports this via a <i>Conflicts Log</i> to the CCO.
We may need to select which clients will be offered certain securities if availability is limited.	Avoid	We have a 'fair allocation' policy for management accounts.
We may permit individuals who are registered with SANDSTONE to be employed by, participate in, or accept compensation from other persons or firms, outside the scope of his/her relationship with SANDSTONE.	Disclose	These relationships are subject to industry and regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm. We have also adopted internal policies and procedures that supplement the regulatory requirements, including policies on privacy and confidentiality of information.
If you hold a security of a public issuer that is involved in a takeover bid, corporate reorganization, solicitation of proxies and other corporate actions, we may receive compensation from issuers, offerors or others, to solicit your proxy or vote in their favour with respect to these actions.	Disclose	Securities regulations require specific disclosure by the issuer of such arrangements and the compensation we will receive in documents such as information circulars, takeover bid circulars and issuer bid circulars.
Individuals who are registered or employed with SANDSTONE may participate in non-brokered private placements in advance of the shares being available on public markets.	Control	Members of the committees oversee Non-Brokered private placements are either prohibited from personally participating in these deals or not allowed to participate in the approval process if they plan to participate in the deal under consideration.
SANDSTONE may receive soft dollars when executing trades.	Disclose	We inform our clients that all soft dollars that we receive are invested in research.

MORE INFORMATION

Canada has comprehensive and extensive securities regulatory rules and regulations, many of which are directed at protecting client and investor interests, including dealing with conflicts of interest.

We suggest that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators (CSA) and Canadian Investment Regulatory Organization (CIRO) for more information on how Canadian securities regulations address conflicts of interest to safeguard the investing public.