

# Privacy Policy

## Table of Contents

TABLE OF CONTENTS	1
PRIVACY PROTECTION IN CANADA	2
OVERVIEW	2
OUR PRIVACY PRINCIPLES	3 - 8
QUESTIONS, CONCERNS, COMPLAINTS	8

## Privacy Protection in Canada

This privacy policy has been developed to meet the compliance standards established by Canada's *Personal Information Protection and Electronic Documents Act* (PIPEDA), the CSA *Model for the Protection of Personal Privacy* and the Province of British Columbia's *Personal Information Protection Act* (PIPA). *The Personal Information Protection and Electronic Documents Act*, formerly referred to as Bill C-6 and the *Personal Information Protection Act* Bill 38 are essentially about balance. On one hand, they respect an individual's right to privacy while on the other, they recognize the need for industry and organizations to collect, use and disclose personal information.

The Acts are based on the Ten Principles established by the Canadian Standards Association's *Model Code for the Protection of Personal Information*. These principles address the ways in which organizations should collect, use and disclose personal information. They also address an individual's right to access his/her personal information in addition to his/her right to have it amended where appropriate.

In order to govern the commercial information-handling practices within provincial jurisdictions, each province has been encouraged to enact legislation that is substantially similar to the federal law. As the provinces enact similar legislation, organizations conducting commercial activity within a province will be subject to their provincial laws rather than the Federal Act. However, the *Personal Information Protection and Electronic Documents Act* will continue to regulate cross-border, inter-provincial and international trade and commerce. On January 1, 2004, most organizations, regardless of their size, which collect, use or disclose personal information in the course of commercial activity will become subject to the provisions of this Act. For more information regarding these legislations, please visit the official web site of the Privacy Commissioner of Canada at <http://www.privcom.gc.ca> or the Office of the Privacy Commissioner in your Province.

At Canaccord Capital Corporation and its subsidiary companies (hereafter "Canaccord"), an important part of our commitment to provide you with service excellence is our respect for your right to privacy. Since our inception in 1950, we have been committed to keeping your information safe and the business you do with us in the strictest confidence. In any business, keeping personal information private is important; in financial services, it is critical. Our ongoing commitment to respect and protect the privacy and confidentiality of our clients' personal information, including that of sole proprietors and individuals carrying on business in a partnership, is addressed here in our Privacy Statement. We want you to know, in plain terms, why we ask for your personal information, how we use your personal information in establishing and maintaining your relationship with us, how we keep your personal information confidential, and how you can inquire about the personal information we hold about you.

Keeping our clients' information and affairs in strict confidence is a cornerstone of Canaccord's business. Canaccord offers our clients a broad range of financial services including banking, insurance, investment banking products and solutions, registered plans, retail trading, and wealth management. This range of products and services continues to expand, and the technology we use continues to change. However, no matter how our business changes, we will always protect your privacy. Our policies and the procedures that we practice in order to protect your privacy are in place across Canaccord.

In the following pages, we describe these policies and procedures and how we put them into practice so that you have control over how we collect, use and disclose your information.

### **Our Privacy Principles**

In relation to our Privacy Principles, "Canaccord" means: Canaccord Capital Corporation, Canaccord Capital (Europe) Ltd, Canaccord Capital Corporation (USA) Inc., Canaccord Financial Services, Ltd., the Immigrant Investor program and Pinnacle Correspondent Services.

Canaccord has always been, and will continue to be committed to maintaining the accuracy, confidentiality, and security of your personal and financial information. As part of this commitment, we have established Privacy Principles to govern our actions as they relate to the use of client information. Canaccord invites you to review our principles, which have been built upon the values set by the Canadian Standards Association's *Model Code for the Protection of Personal Information* and Canada's *Personal Information Protection and Electronic Documents Act*.

- Principle 1 - Accountability
- Principle 2 - Identifying Purposes
- Principle 3 - Consent
- Principle 4 - Limiting Collection
- Principle 5 - Limiting Use, Disclosure and Retention
- Principle 6 - Accuracy
- Principle 7 - Safeguarding Client Information
- Principle 8 - Openness
- Principle 9 - Client Access
- Principle 10 - Handling Client Complaints and Suggestions

**Protecting your Privacy Means:**

- ✓ We keep your information and the business you do with us in strict confidence
- ✓ Your information is not sold
- ✓ You have control over how we obtain, use, and give out information about you
- ✓ You have access to the information we have about you
- ✓ We respect your privacy when we market our products and services.

**Our Privacy Policies Protect All of Our Clients**

When you first become a Canaccord client and whenever you apply for more products and services, we let you know that, in addition to your name, address and telephone number we need information to:

- ✓ Establish your identification
- ✓ Protect you and us from error and fraud
- ✓ Understand your needs and eligibility for products and services
- ✓ Recommend particular products and services to meet your needs
- ✓ Provide ongoing service
- ✓ Comply with legal and regulatory requirements

Information that is essential for fulfilling most financial requests and account applications typically includes your name, a physical and mailing address, phone number(s), financial information, bank name, social insurance number and email address. We may verify some of the information you give us with your employer or your bank reference. We may offer other products that we believe are suitable to you.

When opening an interest bearing or investment account, there are various regulatory requirements. The Income Tax Act and Securities regulations require us to ask for your social insurance number and birth date. The Tax Treaty signed with the US requires a citizenship declaration and social security number (if applicable). The federal Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Bill C17) mandates the need to verify our clients by way of referring to a person's driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or any similar record, or by way of an account held at a recognized Canadian bank.

Provision of certain information, such as a driver's license, although necessary for federally mandated identification requirements, is voluntary. Which form of suitable identification you wish to provide is up to you. A detailed list of "suitable" identification is available upon request.

We use your personal and financial information to communicate with you, process applications and effectively provide the services you have requested. The better we know you, the better we can help you achieve your financial goals. By sharing information with us about you, we can begin identifying your financial service requirements – for now and for the future. When you become a Canaccord client, we make every effort to establish and maintain a positive relationship with you. To help us do this, we use the personal information you have provided to us to communicate with you and to safeguard your interests.

In the course of daily operations, access to private, sensitive and confidential information is restricted to authorized employees who have a legitimate business purpose and reason for accessing it. For example, when you call us, visit a branch, or email us, our designated employees will access your information to verify that you are our client and to assist you in fulfilling your requests. The majority of information we retain about you is in the form of transaction records that reflect your business dealings with us. We are required by law to update and maintain this information

on an ongoing basis and we will communicate this information back to you in the form of regular statements or through trade confirmations. If you have Internet access, this same account information reflecting your financial transactions may also be viewed online. We will keep you informed about your account activities, authenticate your identity, send you important notices, and respond to any special needs or enquiries you may have. With your consent, we may also send you information about other products and services in which we believe you would be interested. We also collect and analyze information from other sources for the same purposes. In other words, we collect, use and disclose personal information only for purposes that a reasonable person would consider appropriate in the circumstances.

### **Anonymous/Non-Personal Information**

At Canaccord, we routinely collect anonymous/non-personal information. Anonymous/non-personal information is information that cannot be associated with or traced back to a specific individual or business entity. For example, our web servers collect some anonymous/non-personal information automatically when you visit Canaccord web sites. Gathered electronically, this information may include the pages you visited, the type of web browser you are using, the level of encryption your browser supports and your Internet Protocol address. The anonymous/non-personal information collected is used for research and analytical purposes. For example, we are able to determine how many times our online privacy policy has been visited but we do not know any specific information about those visitors. To help us better understand our markets, we may also gather information for analytical purposes by conducting anonymous client surveys, or by extracting demographic information from existing files and from Statistics Canada.

### **Your Information is Obtained or Used Only With Your Consent**

We obtain your consent before we:

- ✓ Obtain a credit report
- ✓ Offer you other products and services
- ✓ Send you information about products and services by means of direct marketing. This does not include information on or enclosed with your written or electronic month end statements, posted at branch locations or on our web site, or conveyed to you in person by our employees.
- ✓ Share your information in confidence within the Canaccord group, provided it is legally permitted
- ✓ Obtain, use or disclose to other persons, information about you unless we are obliged to do so by law or to protect our interests
- ✓ Use your information in any way we did not tell you about previously.

### **We Ask For Your Consent Before Using Your Social Insurance Number (SIN)**

While the law requires us to ask for your SIN when you open an account that trades or earns income, we need to get your consent to use it in any other way. If you choose not to give us your SIN, this by itself will not prevent you from getting credit or any other service.

### **Your Consent Can Be Express or Implied**

Express consent can be verbal or written. For example, when you sign an account opening application you are giving your written consent for us to obtain a credit report. You imply consent when we can reasonably conclude that you have given consent by some action you have taken, or when you decide not to take action. For example, if we give you an opportunity to tell us you do not want direct marketing material and you do not tell us that you do not want us to send it, we can conclude that you have no objection. We rely on your consent to use and disclose identifying information about you, such as your name and address.

### **You Can Withdraw Your Consent After You Have Given It**

You can withdraw your consent any time after you've given it to us, by sending us a written request to do so, provided there are no legal requirements to prevent this. We do reserve the right to respond to your instructions within 30 business days. However, in order to maintain the integrity of the credit reporting system, we do have to update your credit information with the credit bureau as long as you have an account with us. Your consent for this purpose cannot be withdrawn during this time. If you do not consent to certain uses of information, or if you withdraw your consent, we may not be able to provide you with a particular product or service. If so, we will explain the situation to you to help you with your decision.

### **We Ask For Your Consent Before Sharing Information With Other People**

We do not share information about you within the Canaccord group or release it to anyone outside of the Canaccord group without your consent. For example, we give information to a credit bureau only with your consent. There are some exceptions to the above rules. For example, we may collect, use or disclose information without your consent if we:

✓ **Use an outside company to process information**

At times we may use the expertise of an outside company to do work for us involving some of your information - for example, the printing of month end statements or the processing of a mutual fund transaction. When we contract our suppliers to provide specialized services, they are given only the information necessary to perform those services. Additionally, they are prohibited from storing, analyzing or using that information for purposes other than to carry out the service they have been contracted to provide. We select the company carefully and confirm that it uses security standards comparable to those of Canaccord.

✓ **Must disclose information for legal reasons**

We may be compelled to release certain information to a court of law or other legal or regulatory authority. If so, our policy is to release only the information specifically requested and we take precautions to satisfy ourselves that the authorities who are making the request have legitimate grounds to do so.

✓ **Have to protect the interests of Canaccord**

In certain circumstances, Canaccord may have to collect, use or release information for its protection. For example, we may do so when collecting an overdue account, when realizing on security pledged for a margin account, or to detect or prevent fraud.

**We Protect Your Information From Error, Loss and Unauthorized Access**

Each and every one of our employees is responsible for maintaining the confidentiality of all personal information to which they have access. As a condition of employment, our employees are required to sign a confidentiality agreement binding them to this responsibility and governing their actions, even if they leave or retire from Canaccord. We keep our employees informed about our policies and procedures for protecting personal information and reinforce the importance of complying with them. All employees are also required as a condition of employment to conform to these policies and procedures.

Canaccord has a designated Privacy Officer who oversees privacy governance including policy, dispute resolution, education, and communications'. Findings are reported to our Board of Directors and Senior Management. The Privacy Officer can be contacted at Canaccord Capital Corporation, P.O. Box 10337 Pacific Centre, 609 Granville Street, Vancouver, BC V7Y 1H2.

Electronic client files are kept in a highly secured environment with restricted access. Paper-based files are stored in locked fire-resistant filing cabinets. Access is also highly restricted. Our computer security specialists build security into all our computer systems. Through these and other measures, we endeavour to protect your information at all times; whether it is stored in data files or handled by our employees. Our systems also protect your information when it is transmitted, for example, between our data processing centres and a Canaccord branch. We manage our server environment appropriately, and our firewall infrastructure is strictly adhered to. Our security practices are reviewed on a regular basis and we routinely employ current technologies to ensure that the confidentiality and privacy of your information is not compromised.

Canaccord web sites use Secure Socket Layer (SSL) and 128 bit encryption technologies to enhance security when you visit the secured areas of these sites. SSL is the industry standard tool for protecting and maintaining the security of message transmissions over the Internet. When you access your accounts or send information from secured sites, encryption will scramble your data into an unreadable format to inhibit unauthorized access by others.

To safeguard against unauthorized access to your accounts, you are required to "sign-on" using an encrypted password to certain secured areas of Canaccord web sites. If you are unable to provide the correct password, you will not be able to access these sections. Your password information is encrypted which is presently the most effective way to secure data. To protect your Online Account Information, the systems are designed to automatically terminate if extended inactivity is detected. If your session is terminated, you will be required to sign-on again to continue.

A cookie is a small text file containing a unique identification number that a web site sends to your computer's web browser. While you visit a particular site, a cookie may be used to track the activities of your browser as well as provide you with a consistent, more efficient experience. Cookies may be used by Canaccord web sites to improve functionality and in some cases, to provide visitors with a customized online experience.

The following section describes how cookies may be used by Canaccord web sites:

✓ **To Improve Functionality**

Canaccord web sites may use non-persistent cookies to improve operations and functionality. For example, these cookies improve navigation, maintain connectivity and ensure online service sessions are secured. They do not contain personal or financial information and they are not permanently stored for future use.

✓ **Site Personalization**

Some Canaccord web sites use persistent cookies as a means of offering visitors a personalized experience. For example, Canaccord Capital Corporation uses cookies to allow visitors to create and save stock portfolios that may be retrieved during future visits. On Canaccord web sites, cookies are used to increase the robustness of these sites and to provide more efficient navigation. These cookies are intended to enhance navigation and the security of your session. Our cookies may view or retrieve data from other cookies; they may also capture files and data stored on your computer to provide us with information regarding the effectiveness of our web site and the information provided through it. Canaccord does not associate any of the information collected via cookies with your financial information.

### **How You Can Protect Your Information**

At Canaccord, we do our utmost to protect and safeguard your personal and financial information. We believe there are measures you should take as well. The following is a list of things you can do to protect yourself against fraud and uninvited intrusion.

- ✓ **Passwords** - Passwords are necessary to identify you and authenticate your permission to access your accounts. When you enrol in online services such as “**CC Access**” the passwords you use are encrypted. Encryption is presently the most effective way to achieve data security. Just as it is important for us to employ strict procedures to safeguard your information, you also should take precautions in handling your passwords. When selecting a password, we suggest that you use a combination of letters and numbers and do not use words that can be easily associated with you such as the name of a family member, a pet or the street on which you live. We also suggest that you change your password regularly.
- ✓ **Personal Information** - You should not share personal or financial information such as your personal identification number, social insurance number or credit card number with others unless you clearly understand the purpose of their request and you know with whom you are dealing.
- ✓ **Online Security** - To make sure your connection to the protected areas of Canaccord web sites is secured look for either a 'closed lock' or an 'unbroken key' icon located at the bottom right hand side of your browser's task bar. You may also check the Address bar to determine if SSL (Secure Socket Layer) is active by looking at the beginning of the address. If it starts with “https” rather than the standard “http”, then SSL is operating.
- ✓ **Suspicious Solicitation** - From time to time, Canaccord will engage in promotional campaigns via telephone, mail and email. If you are unsure of the information you receive from us, please call us at 1-800-663-1899 (Canada) or 1-800-663-8061 (USA) to verify that the campaign is a legitimate Canaccord activity.

### **Your Information Is Destroyed When It Is No Longer Needed**

We keep your information only as long as we need it for the products and services you are using, to offer you products and services when you are a client and for a reasonable time thereafter, or to meet any legal requirements. We have industry regulated retention standards, which we must also meet. We destroy your information when it is no longer needed, or we remove your name from the information.

### **You Can See and Verify the Accuracy of Your Information**

It is important that your personal and financial information is accurate and complete as decisions are often made based on it. As a client, you can check the information held in your personal and financial files to verify, update and correct it, and to have any obsolete information removed. We encourage you to amend inaccuracies and make corrections as often as necessary. Despite our best efforts, errors sometimes do occur. Should you identify any incorrect or out-of-date information in your file(s), we will make the proper changes and provide you with a copy of the corrected information. Where appropriate, we will communicate these changes to other parties who may have unintentionally received incorrect information from us.

Most of this information is available in the form of transaction records. Account statements and trade confirmation slips are generally the best source for this type of information. If you are a subscriber to "CC Access", you can also obtain much of your account information through that avenue. Additional transactional details about your accounts may be acquired through your branch. There is no charge for verifying or correcting your information. We ask you to put your request in writing. There may be a charge if you want a duplicate copy of records that we have already given you - for example, a historical month end statement or trade confirmation. We will let you know in advance if there is a charge. You can check much of your information routinely - for example, by keeping track of the buy and sell orders you place or by carefully examining your account statements.

If we have obtained information about you from other people, upon your request, we will let you know the person we received it from. In some cases we may be prohibited from sending certain information directly to you.

#### **You Can Find Out to Whom We Have Given Information About You**

If you ask, we will let you know the names of outside companies or organizations we have given information to, unless otherwise prohibited by law. This will not include information given to outside companies we have used to work for us, such as statement printers. It will not include T5 reports to the Canada Customs and Revenue Agency or regular updates of credit information to the credit bureau.

#### **We Respond to Your Request Promptly**

We will deal quickly with your request to see your information, and always respond to you within 30 days. If we need to extend the time, or we have to refuse your request, we will tell you why, subject to any legal restrictions, and we will notify you of the new deadline, the reasons for the extension, and your rights under applicable legislation respecting the extension.

#### **We Correct Your Information**

Whenever possible, we will correct any information which we may have given to an outside organization. If a third party, such as a credit bureau, has given us information which you tell us is wrong, we will give you the name and address of that party so that you can correct the information.

#### **We Protect Other People's Privacy When We Make Information Available to You**

There may be files that include information about you and other clients or that have information confidential to Canaccord or are the property of Canaccord. As we must protect everyone's confidentiality and legal rights, we cannot make these files available to persons outside of the Canaccord group. However, we will make available to you any factual information about you contained in such files.

#### **We Monitor Our Compliance With the Canaccord Privacy Policies**

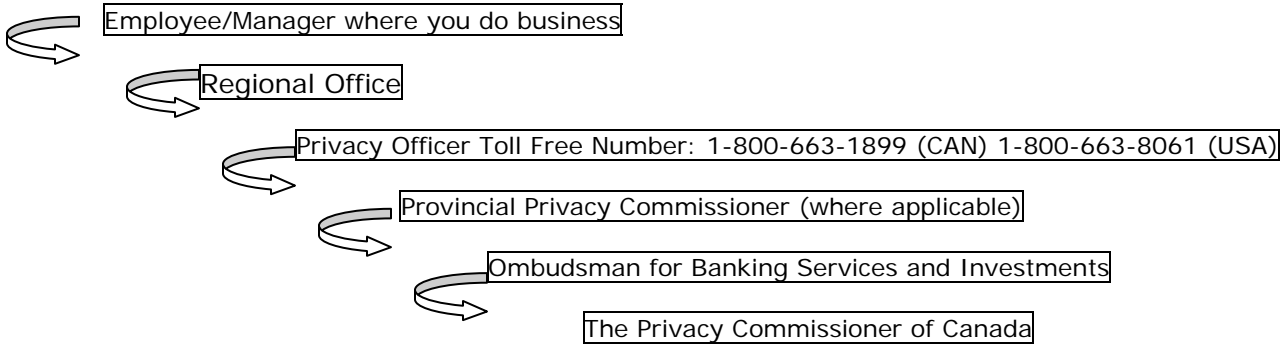
We have procedures in place to assist our employees in the practice of the Canaccord privacy policies. Our auditors will be monitoring the practice of these policies on a regular basis and will report their findings to a committee of the Board of Directors.

#### **We Are Committed to Upholding the Canaccord Privacy Policies**

If you have any questions or complaints about our privacy policies or about how we are living up to them, let us know right away. Resolving your concerns is important to us; Canaccord is committed to treating you with the greatest respect and consideration, and providing the highest level of service. Even so, from time to time, something may go wrong. There may be a misunderstanding or you may feel you have been dealt with unjustly. Whatever the circumstances, resolving the problem for you is our primary concern.

## How to Resolve Concerns and Complaints at Canaccord

Talk to us! In most cases, simply telling us about it and discussing it with us resolves a complaint.



If a problem is not resolved to your satisfaction, you can contact our Privacy Officer, Bruce J. Maranda via email at [privacy@canaccord.com](mailto:privacy@canaccord.com) or in writing to Canaccord Capital Corporation, P.O. Box 10337 Pacific Centre, 2200 - 609 Granville Street, Vancouver B.C. V7Y 1H2

If after following the procedures your concerns have not been resolved to your satisfaction, feel free to contact your Provincial Privacy Commissioner directly by telephone or in writing. For example in British Columbia you may call the Office of the Provincial Ombudsman at: 1-800-308-6859, or in Victoria at (250) 861-3313. Fax the Office of the Provincial Ombudsman at: 1-800-308-6861, or in Victoria at (250) 980-3754. Email inquiries to [www.OIPC@gems5.gov.bc.ca](mailto:www.OIPC@gems5.gov.bc.ca) or write to: Information and Privacy Commissioner for British Columbia, P.O. Box 9038, Stn. Prov. Govt., Victoria, BC V8W 9A4

The Provincial Ombudsman's office will acknowledge your complaint; then, providing legal action has not been taken on the matter, the Provincial Ombudsman immediately goes to work. In most cases, you will receive a response within five working days. Should you not be able to accept the conclusion of the Provincial Ombudsman, you may contact the Ombudsman for Banking Services and Investments for a further independent review. Email inquiries to [www.obsi.ca](http://www.obsi.ca) or write to Ombudsman for Banking Services and Investments, P.O. Box 896, Station Adelaide, Toronto, ON, M5C 2K3. Call: 1-888-451-4519 (in Toronto (416) 287-2877) Or Fax: 1-888-422-2865 (in Toronto (416) 225-4722)

If the above steps fail to resolve your concern to your satisfaction, you may contact the Privacy Commissioner of Canada by writing to: The Privacy Commissioner of Canada, Place de Ville Tower B, 3rd Floor, 112 Kent Street, Ottawa, ON, K1A 1H3 or call: 1-800-282-1376 or fax: (613) 947-6850