

## STATEMENT REGARDING RELATED ISSUERS AND CONNECTED ISSUERS

The securities laws of the Canadian Provinces require securities dealers such as Cape Cove Financial Management Inc. (“CCFM”), when they advise on or exercise discretion with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require securities dealers, prior to advising their clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients should refer to the applicable provisions of the securities laws of the province in which they reside for the particulars of these rules and their rights or consult a lawyer.

### GENERAL

‘We’ or ‘us’ or ‘the firm’ shall mean CCFM for the purpose of this statement.

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

Since these transactions may create a conflict or the appearance of a conflict between our interests and yours, we are required by securities laws to disclose to you certain relevant matters relating to the transactions. This statement contains a general description of the required disclosure.

### KEY CONCEPTS

**‘Related Issuer’** is a person or company related to us if:

- (a) the person or company issuing securities is an influential securityholder of us,
- (b) we are an influential securityholder of the person or company issuing securities, or
- (c) we, and the person or company issuing securities, are each a related issuer of the same third person or company.

**‘Connected Issuer’** means an issuer or selling securityholder distributing securities:

where the issuer or selling securityholder, or a related issuer of the issuer or selling securityholder, has a relationship with any of the following persons or companies that may lead a reasonable prospective purchaser of the securities to question if we are independent of the issuer or selling securityholder for the distribution:

- (a) us;
- (b) a related issuer to us;
- (c) a director, officer or partner employed by us; or
- (d) a director, officer or partner of a related issuer to us.

**‘Influential Securityholder’** – An influential securityholder generally means a person, company or professional group that directly or indirectly:

- (a) owns, controls or has the power to direct the voting of more than 20 percent of the votes to determine the directors of the issuer, or is a general partner of the issuer if the issuer is either a general or limited partnership;
- (b) owns, controls or has the power to direct the voting of more than 10 percent of the votes to determine the directors of the issuer, and either

- (i) is entitled to nominate at least 20 percent of the directors or has officers, directors or employees in common with and constituting at least 20 percent of the directors of the issuer or a related issuer; or
  - (ii) the issuer is entitled to nominate at least 20 percent of the directors of their influential securityholder or has officers, directors or employees in common with and constituting at least 20 percent of the directors of the influential securityholder; or
- (c) is owned or controlled by the issuer if the issuer has the power to direct the voting of more than 10 percent of the votes to determine the directors of a company that is an influential securityholder (other than a professional group), and either
- (i) the company is entitled to nominate 20 percent of the directors of the issuer or has officers, directors or employees in common with and constituting at least 20 percent of the directors of the issuer or of the related issuer; or
  - (ii) the issuer, together with its related issuers, is entitled to nominate at least 20 percent of the directors of the company or has officers, directors or employees in common with and constituting at least 20 percent of the directors of the company.

## REQUIRED DISCLOSURE

We must make certain disclosures where we advise you, or exercise discretion on your behalf with respect to securities issued by us, by a related issuer or, in the course of a distribution, by a connected issuer. In these situations, we must disclose either our relationship with the issuer of the securities, or that

we are the issuer. We must also make disclosure to you where we know or should know that, as a result of our acting as your dealer, or of our exercising discretion on your behalf, securities will be purchased from or sold to us (as principal), a related issuer or, in the course of a distribution, a connected issuer.

The following is a list of the time and manner in which these disclosures must be made:

- (a) Where we exercise discretion to buy or sell securities for your account, the required disclosures will be contained in a statement which we prepare and send to you and we will obtain your prior specific and informed written consent.
- (b) Where we advise you with respect to the purchase or sale of securities, the disclosure must be made prior to our giving advice, either through the receipt of this statement or otherwise.

In addition, where we exercise discretion under your authority in the purchase or sale of securities for your account, we may not exercise that discretion for the types of transactions described above unless we have obtained your prior specific and informed written consent.

We may, from time to time, be deemed to be related or connected to one or more issuers for the purpose of the disclosure and other rules of the securities laws referred to above. We may have acted, and are prepared to continue to act, as a dealer with respect to securities of such related or connected issuers and to provide the full range of services customarily provided by us in respect of securities of other issuers. We shall carry out such services in the ordinary course of our business in accordance with our usual practices and procedures and in accordance with all applicable disclosure and other regulatory requirements.

CCFM has a relationship with the companies listed in this statement. CCFM, its directors, officers, partners, sales staff, or other employees may from time to time provide you advice about a security issued or managed by those listed companies. If you wish further information concerning the relationship between the firm and those listed companies, please contact us.

*This 'Statement Regarding Related Issuers and Connected Issuers' is updated annually.*



## RELATED AND/OR CONNECTED ISSUERS AND/OR INFLUENTIAL SECURITYHOLDERS

The following entities are Related and/or Connected Issuers and/or Influential Securityholders to Cape Cove Financial Management Inc. (CCFM):

### **Calixa Capital Group Inc. (aka 1183-3405 Canada Inc.)**

Calixa Capital Group Inc. owns 25% of CCFM. Calixa Capital Group Inc. is a privately-owned holding company. Shareholders of this company consist of directors, officers, associates, and representatives of CCFM. Calixa Capital Group Inc. owns 15% of Calixa Capital Partners Inc. and owns 15% of Calixa Capital Solutions Inc.

### **9368-2037 Quebec Inc.**

9368-2037 Quebec Inc. owns 40% of CCFM. 9368-2037 Quebec Inc. is a privately-owned holding company. Shareholders of this company consist of directors, officers, associates, and representatives of CCFM.

### **Agrotech Ventures 1 Inc.**

Mr. Dany Bergeron, a director and officer of the Corporation and direct beneficial shareholder of the Minority Shareholder of the Corporation, was also at the time, a dealing representative (and presently an associate advising representative) of CCFM, which acted as a selling agent under the Offering. As such, the Corporation could be considered a “connected issuer” of CCFM and/or Mr. Bergeron. Mrs. Kerasina Vountas, director and officer of the Corporation and the other direct beneficial shareholder of the Minority Shareholder of the Corporation is a Processing Administrator of CCFM.

Dany Bergeron is also a shareholder of Calixa Capital Group Inc. which in turn makes him an indirect 1% shareholder of CCFM.

Calixa Capital Partners Inc. also is part of the Advisory Committee for the Corporation and is entitled to consulting fees.

Calixa Capital Partners Inc and CCFM representatives are entitled to an allocation of profit (“Profit Participation”) equivalent to 15% and 10% respectively (with 75% allocated to investors of Agrotech Venture 1 Series B).

### **Malina Capital Inc.**

Mr. Dany Bergeron, a director and officer of the Corporation and direct beneficial shareholder of the Minority Shareholder of the Corporation, was also at the time, a dealing representative (and presently an associate advising representative) of CCFM, which acted as a selling agent under the Offering. As such, the Corporation could be considered a “connected issuer” of CCFM and/or Mr. Bergeron. Mrs. Kerasina Vountas, director and officer of the Corporation and the other direct beneficial shareholder of the Minority Shareholder of the Corporation is a Processing Administrator of CCFM.

Dany Bergeron is also a shareholder of Calixa Capital Group Inc. which in turn makes him an indirect 1% shareholder of CCFM.

Calixa Capital Partners Inc. also is part of the Advisory Committee for the Corporation and is entitled to consulting fees. Calixa Capital Partners Inc and CCFM representatives are entitled to an allocation of profit (“Profit Participation”) equivalent to 15% and 10% respectively (with 75% allocated to investors of Malina Capital).

### **LendEase Direct Mortgage Investment Corporation**



Dr. Victor Quach is the Vice President, Business Development of the LendEase Direct Mortgage Investment Corporation. He is also a dealing representative of CCFM. Therefore, a related issuer. CCFM will receive a sales commission for the sale of shares. In turn, Dr. Quach is eligible to receive compensation from CCFM for the sale of shares.

#### **Silvermont Finance Inc.**

Ms Elpida Tzaferis, a director and officer of the Corporation and sole shareholder and director of 9159908 Canada Inc. which in turn is the direct beneficial shareholder of the Minority Shareholder of the Corporation. Ms. Tzaferis is a sibling of Nick Tzaferis, a director, officer, shareholder and representative of CCFM. Jana Di Giovanni, officer of the Corporation is a dealing representative of CCFM, which acted as a selling agent under the Offering.

Nick Tzaferis is also a shareholder of Calixa Capital Group Inc. which in turn makes him an indirect 1% shareholder of CCFM.

Calixa Capital Partners Inc. also is part of the Advisory Committee for the Corporation and is entitled to consulting fees.

Calixa Capital Partners Inc and CCFM representatives are entitled to an allocation of profit ("Profit Participation") equivalent to 10% and 10% respectively (with 10% allocated to investors) from the Corporation's series C offering.

#### **Transition Innovation VC Income Trust**

The Trust had retained Cape Cove Financial Management Inc., a registered exempt market dealer, as lead selling agent in respect of the distribution and sale of the Units. Dany Bergeron, a dealing representative (and presently an associate advising representative) of Cape Cove at the time, was also a Trustee of the Issuer and, as such, the Issuer could be considered a "connected issuer". Also, Guillaume Côté, registered as dealing representative of Cape Cove at the time, was also the Chief Financial Officer of Cannasher.

Dany Bergeron is also a shareholder of Calixa Capital Group Inc. which in turn makes him an indirect 1% shareholder of CCFM.

In addition to applicable regulatory provisions and contractual provisions respecting any business arrangements that may exist between CCFM and the above-mentioned issuers, the directors, officers, and employees of these issuers are subject to guidelines or codes of conduct governing their actions. These guidelines are supplemented by our internal compliance policies and procedures.

#### **For further information, please contact your representative or our Chief Compliance Officer:**

Cape Cove Financial Management Inc.  
Attention : Chief Compliance Officer  
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