



PRIVACY POLICY – February 2006

Privacy is Important

Protecting the privacy of your personal information is an important part of the services that Paradigm provides to all of the clients and employees of Paradigm Capital Inc. ("Paradigm"). Whether you are a personal client, an individual associated with one of our corporate or institutional accounts or an employee, it is imperative that we safeguard the personal information that you have entrusted to us.

The following Policy has been designed to protect this information, prevent its misuse and demonstrate our commitment to your personal privacy. The policy outlines the personal information collected about you, how Paradigm uses this information, who we share this information with and how we protect this information while under our control.

What Personal Information Does Paradigm Have About You?

Personal information about individuals is primarily collected from new client/account application forms and other documents submitted to us in opening an account. We also collect information about securities transactions and other business relationships with us.

As a private client on an individual basis, a settler or beneficiary of a trust or a beneficial owner of a non-individual company, the personal information obtained would include:

- Your name, address and other contact information
- Your age, occupation and marital status
- All-embracing financial information such as investment experience and risk tolerance, investment objectives and information concerning net worth, current income and employment status
- Date of Birth
- Social Insurance Number to comply with Canada Customs and Revenue Agency's reporting requirements
- Certain unexpired government-issued identification documentation (i.e. passport, driver's license, etc.). These must be examined directly by a Paradigm employee or agent (i.e. no faxed or photocopied documents without photo ID). This also assists in addressing money laundering matters.
- Records of trading and account activity
- Cheques and Financial records of all transactions in relation to trading in securities



In opening a corporate or institutional account, the personal information obtained would be for persons authorized to initiate trading orders and for beneficial owners that would include:

- Name and contact details
- Role, position or title
- Certain unexpired government-issued identification documentation (i.e. passport, driver's license, etc.). These must be examined directly by a Paradigm employee or agent (i.e. no faxed or photocopied documents without photo ID). This also assists in addressing money laundering matters.
- Corporate documentation and financial reports
- Records of trading and account activity
- Cheques and Financial records of all transactions in relation to trading in securities

You would always have the option not to provide the personal information requested or to refuse consent to our obtaining personal information about you from other resources; however, Paradigm may not be able to open or maintain your account(s) or provide certain services to you.

How is Your Personal Information Used by Paradigm?

Upon opening your account and depending upon the nature of the relationship with you, Paradigm will be required to obtain information sufficient to provide the proper level of service and supervision to your account. The products and services that Paradigm supplies to its clients are based on the relationship and information that is obtained. Your personal information is used to administer, operate, communicate and manage your relationship with Paradigm and to provide you with any applicable information, research, recommendations and advice that service your relationship. Your personal information is also used in our internal business operations and is necessary in fulfilling Paradigm's legal and regulatory requirements.

With Whom Does Paradigm Share Your Personal Information?

Paradigm is an introducing broker of National Bank Correspondent Network ("NBCN") and as such your accounts are held on the books of NBCN. NBCN as our carrying broker provides back-office and record keeping services to Paradigm and accordingly Paradigm has an operating agreement with NBCN that incorporates all the appropriate privacy matters.

Upon written request, Paradigm and NBCN may also be required to provide your personal information to various organizations and government agencies that regulate Paradigm and its business, including (but not necessarily limited to) the various Provincial Securities Commissions, the various marketplaces of which Paradigm may be a member and Canada Customs and Revenue Agency.



Also for regulatory purposes, various Self-Regulatory Organizations (“SRO’s”) such as the Investment Dealers Association (“IDA”), Market Regulation Services (“RS”) and the Canadian Investor Protect Fund (“CIPF”) may require access to personal information of current and former clients, employees, agents, officers, directors and others that has been collected or used by Regulated Persons. SRO’s collect, use or disclose such personal information obtained from regulated persons for regulatory purposes including:

- Surveillance of trading related activity
- Sales, financial compliance, trade desk review and other regulatory audits
- Investigation of potential regulatory and statutory violations
- Regulatory databases
- Enforcement or disciplinary proceedings
- Reporting to securities regulators
- Information sharing with securities regulatory authorities, regulated marketplaces, other self-regulatory organizations and law enforcement agencies in any jurisdiction in connection with any of the foregoing

Paradigm may also be required to provide a client’s personal information if provided with a court order requiring this information or in any civil litigation in which Paradigm is a participant.

Paradigm will not sell you personal information.

How Long is Your Personal Information Kept by Paradigm?

Record retention laws and industry rules provide that Paradigm must keep and update all personal information for as long as the accounts are open and service is provided to the client. Paradigm is also required to retain this information after any client relationship ends for as long as legally necessary (to a minimum of seven years) in order to respond to any issue that may arise at a later date.

When no longer needed, Paradigm and NBCN have proper procedures to properly destroy physical records and erase or delete all personal information maintained in electronic format.

How Does Paradigm Protect Your Personal Information?

Paradigm maintains the utmost standards of information security in order to prevent unauthorized access and protect the privacy and confidentiality of all personal information. Paradigm’s procedures are designed to prevent unauthorized access to confidential information and, as such, limits access to personal files only to authorized Paradigm employees or agents. Paradigm and our service provider, NBCN, educate and train our employees about the importance of confidentiality and customer privacy in dealing with your account. Since most of your personal information is in the form of account documentation and transaction records, Paradigm undertakes all reasonable steps to protect it through the use of lockable filing



cabinets, computer passwords and limiting access to only those employees who need it to service your needs quickly, completely and accurately.

What Are Your Rights Under the Privacy Act?

By opening the account and/or confirming our Privacy Policy and Agreement, you have consented to us obtaining, using and disclosing (as described) the personal information that you have provided to us.

Under the Personal Information Protection and Electronic Document Act (“PIPEDA”) you have a right to access your personal information by contacting Paradigm’s Privacy Officer (see below) in writing. Once your identity has been confirmed, Paradigm will provide you with copies of your information within a reasonable length of time. Paradigm encourages you to review information received on a regular basis such as account statements and trade confirmations and to contact your representative to correct any inaccurate, incomplete or outdated information.

If at any time you wish to withdraw consent, Paradigm must be advised in writing and, once withdrawn, you must be aware that Paradigm may not be able to open or maintain your account(s) or provide certain services to you. The withdrawal of consent, however, may also be subject to legal and contractual restrictions.

If you have any questions or concerns regarding Paradigm’s Privacy Policy and Agreement you may address your concerns to our Privacy Officer c/o:

Paradigm Capital Inc.
Chief Compliance Officer
95 Wellington Street West, Suite 2101
Toronto, Ontario
M5J 2N7



PRIVACY AGREEMENT – February 2006

1. Collection and Use of Personal Information by Paradigm Capital Inc. (“Paradigm”)

When you open an account with Paradigm, we will obtain personal information about you which will be kept on file in accordance with industry regulations.

Only authorized individuals and entities have access to this information. The information that we collect allows us to identify you, to protect you against possible fraud, to assess your potential investment needs so that we may suggest products and services to you which are appropriate for you, and to comply with legal and regulatory requirements.

2. Social Insurance Number

If you are an individual, Paradigm may collect, use and disclose your SIN for income tax reporting purposes.

3. Disclosure of Personal Information to External Sources

Paradigm may from time to time disclose your personal information to external sources such as credit agencies, other financial institutions and other parties who provide services to Paradigm.

4. Consent

Your consent is required before we may provide your information to any third parties. The consent that you provide to Paradigm with regards to the collection, use and disclosure of your personal information may be cancelled by you at any time by providing written notice to Paradigm. Paradigm does not require your consent to the collection, use and disclosure of your personal information where:

- Such collection, use and disclosure is reasonably required in the normal course of providing service to your account
- For the collection of a debt owed to Paradigm by you
- To a law enforcement agency, securities regulatory authority or self-regulatory organization
- To legal counsel for the purpose of obtaining advice.

By opening an account at Paradigm, you are providing consent to Paradigm to collect, use and disclose your personal information as set out in this agreement.



6. Corrections to Personal Information

You may review the information you have provided to Paradigm and make corrections to it. We may request that you provide corrections in writing. You may address corrections, questions or privacy-related complaints to the Chief Compliance Officer, Paradigm Capital Inc., 95 Wellington Street West, Suite 2101, Toronto, Ontario M5J 2N7.

7. Retention of Personal Information

Paradigm may retain your personal information on file after you cease to be a client of Paradigm for as long as Paradigm requires such information or as long as is demanded by our regulatory requirements.

BY OPENING AN ACCOUNT AT PARADIGM, YOU ARE PROVIDING CONSENT TO PARADIGM TO COLLECT, USE AND DISCLOSE YOUR PERSONAL INFORMATION AS SET OUT IN THIS AGREEMENT.