

SECTION 4 BOOKS AND RECORDS

Copies of Client Documents

Altimum maintains copies of all client documents - trade order forms, Financial Needs Analysis and Asset Allocation Survey (Analysis of Investment Suitability) forms, trade instructions, trade confirmations, statements of accounts, correspondence with clients, limited trading authorizations, etc., electronically, and in most cases, hard copies.

Altimum ensures that all client documents are accurately and adequately completed.

Altimum also maintains copies of all accounting records - annual, audited financial statements; monthly financial statements; monthly capital calculations; cancelled cheques, bank statements and bank reconciliations for bank accounts. Altimum is able to access or retrieve books and records or copies of all documents easily and within very reasonable time frames - almost immediately.

All electronic account information is backed up at the end of each day onto a web-based backup service in a secure location away from the office. Access to the information is limited. Each representative has access to his own client account information. The Chief Compliance Officer and the Chief Executive Officer will have access to the computer system. Each will have a protected password which is used to get access to the entire back office system.

Altimum ensures that all appropriate records are maintained at all times, to provide an audit or paper trail of transactions to confirm they have occurred, and to verify pertinent details in the event of a dispute. All client records are kept up to date and reflect any changes.

Altimum uses only Altimum's standard business forms (e.g. New Account Application Form, Financial Needs Analysis and Asset Allocation Survey (Analysis of Investment Suitability), Limited Trading Authorization Form, Leverage Disclosure Document, etc.) when dealing with clients. Only the Trade Order Form is to be used where a client signature is required to acknowledge receipt of the Fundfacts for the purchase of a fund that he does not already own. The Altimum Trade Order Form can also be used for subsequent purchases, redemptions, switches, or trades executed under a Limited Trading Authorization. Except in the case of the Limited Trading Authorization, an original client signature will be required on the Altimum Trade Order Form. Clients' records can be reconstructed, in the event of a fire or other disaster, from the web-based back office system.

A Fundfacts Receipt and PreTrade Cost Disclosure form must accompany purchase orders.

Record Retention

Head Office Files

As per MFDA Rule 5.1(b) Head Office keeps records of all trades, and instructions, given or received for the purchase or sale of securities, whether executed or unexecuted. Records of client instructions will be retained for a period of at least 7 years in accordance with MFDA Rule 5.6. and the provisions of the Income Tax Act.

If, in the future, Altimum destroys records after the statutory retention period of seven years, Altimum will ensure that it keeps a log of all documents destroyed with this log reviewed and signed off by the Chief Compliance Officer.

Records and documents of all business transactions and financial affairs containing at a minimum the following shall be kept:

- ☐ All purchases and sales of securities
- ☐ The name of the securities
- ☐ The unit and aggregate purchase or sale price
- ☐ The trade date and the name or other designation of the person for whom the securities were purchased or for whom they were redeemed
- ☐ The terms and conditions of any sale or purchase of securities whether executed or unexecuted and any modification or cancellation thereof
- ☐ The account number for which the order was entered or received
- ☐ The time of entry or receipt, the price at which executed or cancelled
- ☐ The name of the individual placing the order or instructions shall be recorded
- ☐ Copies of confirmations of all purchases and sales of securities
- ☐ All limited trading authorizations in respect to any account, and copies of resolutions empowering an agent to act on behalf of a corporation
- ☐ All written agreements (or copies thereof) entered into including leveraging documentation, disclosures and agreements relating to any account
- ☐ All debits and credits, the account for which each transaction was effected
- ☐ A record or proof of cash balances of all ledger accounts in the form of trial balances and a record of calculation of minimum capital, adjusted liabilities and risk adjusted capital required
- ☐ All cheque books, bank statements, cancelled cheques and cash reconciliations
- ☐ All bills receivable or payable (copies thereof), paid or unpaid, relating to the business of the Member

The Member will maintain all records and documents either as a hard copy or electronically. See the section entitled Disaster Recovery and Business Continuity.

Approved Person Files

Altimum requires the Approved Persons to maintain their own copies of all client documents. Altimum also expects the Approved Persons to maintain their own computer systems, including equipment to scan, photocopy and fax documents as necessary, so as not to require Head Office to make copies for the Approved Person.

Approved Persons are required to keep the following files in their office:

1. Complaint File (even if empty)
2. Advertising File (Include a copy of business cards and letterheads)
3. Client Files including trade information and notes
4. Correspondence File where all client correspondence is kept in one file
5. Compliance File where all memos and compliance correspondence are stored
6. Copies of any communications made by the Approved Person to Head Office or from Head Office to the Approved Person
7. Do Not Call List File

Client Files

The provincial securities commissions and the Mutual Funds Dealer Association require appropriate supervision of client accounts at all times. Failure to do so may result in suspension or loss of registration.

Upon initial contact with a client (where investment information is provided or other activities Approved Persons with the sales process occur), the Approved Person must open a client file. Approved Persons must maintain complete and thorough client files to be able to show, if necessary, that the required level of account supervision has taken place. Altimum requires that client files be maintained for all existing clients. These files should be kept current at all times, and made available for compliance review by the Chief Compliance Officer or a securities examiner.

Approved Persons must segregate mutual fund client files from other files, e.g., insurance files. This also ensures privacy and confidentiality, and makes it easier for an examiner to review only those records which are requested, i.e., mutual fund records. If the Registered Approved Person operates and is registered out of a Sub-Branch, i.e. a detached location such as their home or other office location, then the Approved Person's copies of the client files should be maintained at the Sub-Branch in a secure location.

Correspondence File

Approved Persons and Head Office will each maintain a correspondence file, filed alphabetically in the Approved Person's file.

A copy of all correspondence from or to existing clients or prospective clients must be kept by the Approved Person in a file as well as forwarded to Head Office.

Altimum will ensure that Altimum's Approved Persons understand the record keeping requirements.

Client File Contents

The Registered Approved Person will maintain a copy of all completed forms, applications and other correspondence with the client. The following documentation must be kept by the Approved Person in hard copy in a client file:

- 1) Account Application including Financial Needs Analysis and Asset Allocation Survey, Leverage Disclosure Document (whether or not account is leveraged) Client Complaint Form and other forms required to open the account such as the Fundfacts Receipt and PreTrade Cost Disclosure form.
- 2) Client correspondence
- 3) Trading Documentation – including but not limited to any additional required information, such as trade requests, copies of cheques and executed Limited Trading Authorizations.
- 4) Client Contact Log
- 5) Client Complaints
- 6) Cancelled trades
- 7) Rejected Trade Queries
- 8) Trust documentation
- 9) Corporate account documentation

It is also recommended that Approved Persons also include the following in their records:

1. A summary of the discussions between the client and the Approved Person including any recommendations made (regardless of whether or not the client acted on the recommendation) and a summary of the various alternatives discussed with the client; and
2. Confirmation as to the discussion regarding fees or charges to be paid on the transaction or fees or charges that may apply (e.g. deferred sales charges).

Account Applications should be kept in chronological order on the left hand side of the file folder with the most recent on the top. Any signed documents such as application forms, leverage disclosures, e-mail authorization, etc. should be in chronological order with the most recent at the top (reverse chronological order).

For further information you may refer to MFDA Member regulation Notice MR-0035.

Disaster Recovery and Business Continuity

Records

Altimum is responsible for maintenance and preservation of books and records generated by Altimum. It is the policy of Altimum that information should be accessible to Altimum, Approved Persons, and the public in the event of a disaster. Altimum has several policies in place to deal with the potential disruption of business from such a disaster.

Client account information, including input from Approved Persons and downloads from Fundserv, is retained on the company's back office system. These records include, but are not limited to, the following:

1. Account Applications
2. Trade Blotters
3. Compliance Reports
4. Supporting and Additional Documentation required for trading as well as copy of client cheques
5. Client statements
6. Pending Business Reports
7. Accounting and general entries report
8. Account payable invoices
9. Payroll and commission statements
10. Client complaint files and complaint log
11. Dealer registrations
12. Approved Person registrations and files
13. Personnel files
14. Advertising files

Items 2 through 9 above are maintained electronically on the back office system. All information is backed up daily and back up tapes are kept off-site. Clients' records can be reconstructed, in the event of a fire or other disaster, from the company's web-based system.

All computerized records are available to be downloaded, as appropriate, by the Approved Person, the Chief Compliance Officer, and the Chief Executive Officer. Altimum Head Office will maintain separate hard copy files for items 10 through 14 listed above.

1. Daily backup
 - a. Servers maintain website files, application programs, data files and databases which are backed up on the back office system on a daily basis.
2. Redundant backup
 - a. Servers are also maintained in a secondary Canadian data backup centre where website files, application programs, data files and databases are backed up on a monthly basis.

3. Dual internet connection for fault tolerance

a. There is a land-line internet connection and a wireless internet connection into the building of the service provider. The wireless internet connection automatically picks up traffic if the land line internet connection is severed for any reason. A wireless solution with an antenna is intentionally chosen for the following reasons:

- i) To offer different mediums to reduce the chance of interruptions. Most providers use the same pipe for a land-line internet connection. Numerous construction activities and new developments are always happening around the area and by accident a land line can be severed. Therefore, choosing a wireless line eliminates that possibility.
- ii) Companies offering wireless services belong to a separate domain of companies and their PCO locations are different than traditional ones.
- iii) Line of sight for the wireless connection is in a remote city unlikely to be affected by burnouts and blackouts.

b. Altimum uses two different types of internet connection from two different internet service providers, one being a cable connection and one being a wireless connection, in tandem.

3. Uninterrupted Power Supply (UPS)

The servers are connected to UPS units for power failure situations. These units last for several hours.

4. Air-Gapped Computer for corporate financial reporting

Altimum's accounting books and records are retained on a separate computer which is not connected to the internet.

5. Accessibility of Information

Because the back office is web-based, Altimum or an Approved Person can access their account information from any remote location that is served by the Internet. They can even access their information if the Head Office location no longer existed due to fire or other disaster.

6. Paper copies

Paper copies of all documents are kept at Head Office for accessibility in the event of a hydro blackout. Copies of fund group contact information are kept both in electronic and paper format.

Altimum reviews and tests the plan on an ongoing basis and not less than annually by ensuring that it can receive information downloaded from the internet from each different service provider and by ensuring that backed-up information can be retrieved and used.