

As a member of the IIROC, PWL is required to undergo two regulatory audits: The first covers sales compliance, i.e. compliance with investment objectives, risk parameters established with the clients, suitability of investments and compliance with regulated internal procedures. The second audit covers financial compliance: day-to-day administrative processes, validation of financial statements, regulatory capital requirements and the usual financial processes.

After each audit, IIROC issues an audit report to the member firm listing the modifications or improvements required. After IIROC has submitted its report, the member firm must indicate how it plans to correct the deficiencies that have been identified. IIROC then follows up on the implementation of corrective measures.

These multiple levels of monitoring and auditing are proof that PWL has taken all the necessary measures to ensure that the highest level of control is applied to its operations.

3. How can I make sure that the information on my PWL statement is accurate?

All the transactions done in your account (buying or selling of securities, withdrawals or deposits of cash or securities, transfers between accounts, etc.) must be reflected in your monthly statement.

Each transaction in your account must be documented. For market trades, your advisor must write up and sign an order to buy or sell. With respect to administrative matters, a written request describing the proposed action must be submitted. These supporting documents are then forwarded to the PWL Operations Department at the end of each day to validate the accuracy of the entries made in your account by NBIN.

As stipulated by regulations, each time a trade is processed, NBIN prepares a confirmation slip showing the details of the trade. This confirmation slip is sent from NBIN directly to you. This allows you to verify that your statement of account accurately reflects the information shown on the confirmation slips.

The monthly statement of account sent to you by NBIN, without PWL's intervention, is your official statement. It details all the transactions executed by PWL in your account. Your month end cash balance and all the positions held in your account are recorded on the statement. Any discrepancy must immediately be reported to PWL and will be corrected if necessary.



The Safe-Keeping of your Assets

PWL Montreal	PWL Ottawa	PWL Toronto	PWL Waterloo
3400 de Maisonneuve O. Suite 1501 Montréal, Québec H3Z 3B8	265 Carling Avenue 8 th Floor Ottawa, Ontario K1S 2E1	8 Wellington Street East 3 rd Floor Toronto, Ontario M5E 1C5	20 Erb St. West Suite 506 Waterloo, Ontario N2L 1T2
T 514-875-7566 1 800-875-7566	T 613-237-5544 1 800-230-5544	T 416-203-0067 1 866-242-0203	T 519-880-0888 1 877-517-0888
F 514-875-9611 capital@pwlcapital.com	F 613-237-5949 ottawa@pwlcapital.com	F 416-203-0544 toronto@pwlcapital.com	F 519.880.9997 waterloo@pwlcapital.com

The Safe-Keeping of your Assets

PWL Capital is structured such that all your assets are held in accounts **in your name** by our carrying broker, *National Bank Independent Network*. When you deposit money to your accounts, the cheque is made out to NBIN, never PWL. Any movements of funds or securities in or out of your accounts can only be executed **with your written authorization**. The monthly account statements that you receive for each one of your accounts is mailed directly from the Toronto offices of *National Bank Independent Network*, without our intervention, ensuring an unbiased and audited valuation of your holdings.

PWL Capital and our Investment Advisors are registered and regulated by the **Investment Industry Regulatory Organization of Canada (IIROC)**. By virtue of our registration with the IIROC, we are also subject to the oversight of the provincial regulatory bodies (e.g.: **Autorité des Marchés Financiers (AMF)** in Quebec or the **Ontario Securities Commission (OSC)** in Ontario.)

As member of the **IIROC**, we must comply with a series of rules and procedures governing securities transactions and portfolio management. Our firm must also undergo two annual inspections conducted by this self-regulatory organization.

Our Chief Compliance Officer is responsible to ensure that each transaction is verified. In addition, he conducts a full audit of the accounts under our management on a quarterly basis. The results of this audit are entered in a ledger available at all times for inspection by the **IIROC**.

PWL's chartered accountants, **Richter**, conduct an annual financial audit and review our financial results and controls. The results of their work are reported to the shareholders of PWL and industry regulators.

Portfolio management and brokerage services are offered by **PWL Capital Inc.**, regulated by Investment Industry Regulatory Organization of Canada (IIROC) and is a member of the Canadian Investor Protection Fund (CIPF).

Financial planning and insurance products are offered by **PWL Advisors Inc.**, regulated in Ontario by Financial Services Commission of Ontario (FSCO) and in Quebec by the *Autorité des marchés financiers (AMF)*. **PWL Advisors Inc.** is not a member of CIPF.

Frequently Asked Questions

1. How are funds accessed in my account?

All the funds to be invested in your account are deposited directly to your account held at *National Bank Independent Network* (NBIN) by cheque issued in the name of *National Bank Independent Network*. Electronic transfers of funds between financial institutions are deposited directly to your account held by NBIN. When a cheque is received at PWL Capital Inc. (PWL) it is immediately directed to the PWL Operations Department who deposits the cheque in your account on the same day and confirms the deposit to your advisor.

All requests for withdrawal of funds made to PWL are executed by NBIN. The funds can be disbursed to the client either:

- By electronic transfer. To do this, a client must first submit a specimen cheque and sign an electronic transfer agreement for the deposit of funds to his/her account.
- By cheque issued by NBIN in the name of the client, or in the name of a third party (provided that NBIN has received written authorization from the client). The cheque can be mailed to the client or he/she can pick it up at PWL's offices after submitting proper identification and signing the register. The PWL advisor never handles cheques.

2. What are the monitoring and auditing mechanisms in place at PWL?

There are three levels of monitoring and control:

1. **Internal controls:** Under the supervision of the compliance officer, the PWL team responsible for brokerage operations verifies each trade completed for each client's account in accordance with regulatory requirements. Moreover, PWL's compliance officer audits each managed account on a quarterly basis to ensure that the investments comply with the client's signed investment policy.
2. **NBIN:** The carrying broker, NBIN, monitors the execution of trade orders and administrative requests (withdrawal of funds or securities, transfers between accounts) to ensure that they comply with IIROC (Investment Industry Regulatory Organization of Canada) and with securities commissions' (*Autorité des marchés financiers* in Québec) regulations.
3. **IIROC:** The *Investment Industry Regulatory Organization of Canada (IIROC)* is the industry self-regulatory organization, and one of its mandates is to conduct annual audits of its members.