



PRIVACY POLICY

Canadian Personal Information Protection and Electronic Documents Act (The "Act")

The Act aims to protect the privacy of personal information collected, used or disclosed in the private sector. The Act requires "knowledge and consent" when collecting personal information.

The law provides a mechanism whereby individuals may file written complaints against an organization with the federal Privacy Commissioner for a violation of the Act's mandatory provisions and recommendations. The Office of the Privacy Commissioner is required to investigate such complaints and report on its findings.

When requested, you have a right to be informed of the existence, use and disclosure of your personal information and also have a right to access and review that information. You may challenge the accuracy and completeness of the information and request that Northern Securities Inc. (NSI) makes amendments as appropriate.

Overall responsibility lies with Vic Alboini, CEO, while day to day responsibility has been assigned to the Chief Compliance Officer, who is also the designated Privacy Officer.

THE POLICY

The Ten Principles of Privacy as Legislated under the Act (Schedule 1, Section 5)

1: Accountability

NSI is responsible for personal information under its control. The Chief Compliance Officer is accountable for the Company's compliance with the following principles.

NSI is not only responsible for personal information in its custody but also accountable for personal information that has been disclosed to a third party for processing (i.e. Penson Financial Services Canada Limited). It has safeguarded this personal information through contracts or agreements with these third parties.

NSI also oversees compliance with this policy through its compliance procedures.

2: Identifying the Purposes of Personal Information

NSI will identify the purpose of collecting personal information, before or when it is collected. NSI will not use or disclose it for any purpose. Should we wish to use your information for other purposes, you can refuse to give NSI such permission. However, if you choose not to provide requested personal information or consents, we may not be able to provide certain or any products or services to you.

NSI collects personal information for the following purposes only:

- To process or make a decision about the client, including opening an account;
- To monitor, evaluate credit worthiness, service and collect the client's account;
- To respond to client inquiries about applications, accounts or other services;
- To understand the client's needs and to offer products and services to meet those needs;
- To promote products and services to clients; and
- To meet legal and regulatory requirements.

For regulatory purposes, Self Regulatory Organizations (SROs) require access to personal information of current and former clients, employees, agents, directors, officers, partners and others collected or used by Regulated Persons. SROs collect, use or disclose such personal information for:

- Surveillance of trading-related activity;
- Sales Compliance, Financial Compliance, Trade Desk reviews and other regulatory audits;
- Investigation of potential regulatory and statutory violations;
- Regulatory databases
- Enforcement or disciplinary proceedings;
- Reporting to securities regulators; and
- 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.

NSI must identify the purpose in writing, orally in person, or over the telephone, or by any other means it communicates with clients. NSI will use words that you can easily understand.

3: Obtaining the Client's Consent

NSI must make a reasonable effort to make sure you understand how the personal information will be used and disclosed. We will obtain consent from you before or when we collect, use or disclose personal information. NSI may not deceive you into giving consent. Your consent can be expressed, implied, or given through an authorized representative. You can withdraw consent at any time, with certain exceptions. NSI may, however, collect, use or disclose personal information without your consent for legal, security, or certain processing reasons.

NSI will make a reasonable effort to ensure you understand how your personal information will be used and disclosed. Generally, NSI seeks consent to use and disclose personal information at the same time it is collected. Sometimes, however, we may identify a new purpose and seek consent to use and disclose personal information after it has been collected.

Clients can express consent orally, in writing or electronically. You can imply consent through action or inaction. Expressed consent is the preferred form. Clients can express consent:

- When information is collected over the telephone; or
- In writing, such as when completing and signing an application form.

Clients can imply their consent by:

- Using NSI's services
- Not responding to NSI's offer to have their personal information removed from a direct marketing list. In this case, NSI may assume that you consent to the use of the personal information.

NSI can collect, use, or disclose personal information without the knowledge and consent of the client when legal, security or certain processing reasons make it impossible or impractical to get this consent. For example, NSI will not ask for consent when personal information is collected, used or disclosed to:

- Detect and prevent fraud;
- Detect and prevent the laundering of the proceeds of crime;
- Collect overdue accounts;
- Comply with the Law.

When NSI obtains client lists from another organization, it assumes that the organization providing the personal information obtained each client's consent before disclosing it to NSI.

Subject to legal and contractual restrictions, you can refuse or withdraw consent at any time, as long as NSI is given reasonable notice of the withdrawal.

4: Limiting Collection of Personal Information

NSI limits the amount and type of personal information it collects. NSI will collect only the amount and type of personal information needed for the purposes it has already identified to you.

NSI collects personal information using procedures that are fair and lawful. Although NSI collects personal information primarily from its clients, it may also collect it from external sources.

5: Limiting Use, Disclosure and Retention of Personal Information

NSI uses or discloses personal information only for the reasons it was collected, unless a client gives consent to use or disclose it for another reason. Under certain exceptional circumstances, NSI has a legal obligation or right to disclose personal information to protect NSI's or the public's interest without client consent. NSI keeps personal information only as long as necessary for the identified purposes.

Personal information retention periods are generally determined by legislation. NSI destroys, erases or makes anonymous any personal information no longer needed for its identified purposes or for legal requirements.

NSI may disclose personal information without client consent when required by law. For example:

- Subpoenas, search warrants or other court and government orders; or
- Demands from other parties who have a legal right to personal information.

In these circumstances, NSI protects the interests of its clients by making sure that:

- Orders or demands appear to comply with the laws under which they were issued; and
- It discloses only the personal information that is legally required, and nothing more.

NSI does not comply with casual requests for personal information from government, law enforcement authorities, or any other parties.

NSI will notify you that an order has been received, if legally permitted. This may be by telephone, or by letter to your usual address.

NSI permits only authorized employees, who are trained in the proper handling of client information, to have access to personal information. Employees who violate NSI's Privacy Policy will be subject to disciplinary action.

NSI may use personal information (except for health records/information) to market products and services to its clients, either directly through NSI or through its existing subsidiaries or affiliates. However, as previously stated, we must obtain your consent prior to using personal information for this purpose.

NSI does not use or share, internally or externally, information for any purpose other than routine administration of your accounts, or as disclosed to you when the information was collected and to which you have consented. When you apply for a product or service and provide personal information, NSI will:

- Inform you that this personal information may be used by NSI or its subsidiaries or affiliates to market other products and services to the client;
- Describe the types of subsidiaries and affiliates that might market their products or services;
- Ask for consent, telling you that this use of personal information is optional.

6: Keeping Personal Information Accurate

NSI keeps personal information as accurate, complete, current, and relevant as necessary for its identified purposes. You may challenge the accuracy and completeness of your personal information and have it amended as appropriate. NSI makes reasonable efforts to minimize the possibility of using inaccurate, incomplete, or outdated personal information to make a decision about the client. NSI updates personal information only if it is necessary for the purposes for which it was collected.

NSI relies on clients to keep certain personal information (such as client addresses) accurate, complete and current. If a client shows that personal information is inaccurate, incomplete, out of date, or irrelevant, NSI will revise the personal information. If necessary, NSI will disclose the revised personal information to third parties to revise their records.

7: Safeguarding Personal Information

NSI protects personal information against loss or theft and from unauthorized access, disclosure, duplication, use or modification regardless of the format in which it is held. NSI's safeguards vary depending on the sensitivity, amount, distribution, format, and storage of the personal information. NSI will give the highest level of protection to the most sensitive personal information.

NSI may disclose personal information to third parties for data processing services, collection, or for other goods and services. NSI requires these third parties to safeguard all personal information in a way that is consistent with NSI's measures, or as regulated by law.

NSI uses care when disposing of or destroying personal information, to prevent unauthorized access to personal information. NSI exercises due diligence when selecting a third-party vendor to store and destroy our records.

8: Openness about NSI's Policies and Procedures Relating to Managing Personal Information

NSI is open about the policies and procedures they use to manage personal information. You have access to information about these policies and procedures.

NSI makes available information about the policies and procedures it uses to manage personal information. Information is easy to understand and readily available to clients. Through brochures or other documents, you are able to find out:

- The name or title and office address of the persons in NSI who are responsible for protecting the privacy of your personal information, so that you know where to address complaints and questions;
- How to access personal information in NSI's control;
- What type of personal information is in NSI's control, and what it is used for;
- The personal information disclosed to subsidiaries or affiliates of NSI.

9: Access to Personal Information

On request, NSI will advise you what personal information NSI has, what it is being used for, and to whom it has been disclosed. On request, NSI will give a client access to their personal information.

You have the right to challenge the accuracy and completeness of personal information and to have the information corrected accordingly. A client requesting access to their personal information may be required to provide sufficient information to permit NSI to identify and locate the information being requested, e.g., the type of account, where the account was established, etc. NSI will only use the information provided to assist in locating the account.

In some instances, NSI will not record in our clients' files routine disclosures to third parties, such as reporting to Canada Revenue Agency (T5 and other reports).

NSI will respond to a client's request for access to personal information as directed by the Act. NSI is permitted under section 8.(6) of the Act to obtain reimbursement from the client for making personal information available. NSI will take personal information from its records and will provide it to the client in a form that is easy to understand, providing explanations for abbreviations and codes.

10: Challenging Compliance

You may challenge NSI's compliance with its own Privacy Policy.

NSI will investigate all complaints. If it finds a complaint justified, NSI will resolve it. If necessary, NSI will change policies and procedures to codify our high standards of performance, service and client care.

Inquiries and suggestions regarding NSI's personal information practices may be made by contacting our Privacy Officer at 416-644-8155, or compliance@northernnsi.com.