



BARLOW CAPITAL MANAGEMENT Inc.

Statement of Corporate Policies

2010

Barlow Capital Management Inc. will make available to all clients or potential clients, a copy of this Policies and Procedures manual upon request.

All Partners/Employees of Barlow Capital Management Inc. are expected to know and abide by the policies and procedures set forth herein.

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CORPORATE POLICIES

I - INTRODUCTION

The BC Securities Commission (BCSC) has disclosure policies in place for investment counsel and portfolio managers. The objectives of these policies are, among others, the disclosure of “connected issuers”, fees and other potential conflicts of interest.

In the spirit, as well as the letter, of the regulations, we have set out to disclose the following “relationships” that Barlow Capital Management Inc. (BCM) has in place. We believe the list is exhaustive.

II – RELATED AND CONNECTED ISSUERS

The securities laws of certain jurisdictions in Canada require securities dealers and advisers, when they trade in or advise 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. In certain provinces or territories, these rules require dealers and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities statutes for the particulars of these rules and their rights or consult with a legal adviser.

List of Related, Connected and Associated Parties

As at 3/31/10

<u>Company</u>	<u>Relationship</u>	<u>Reporting / Non-Reporting</u>
National Bank Financial	Related – Custodian, Trading	Reporting
CIBC	Related – Trading	Reporting
TD Bank	Related – Trading	Reporting
Desjardins Securities	Related – Trading	Non-Reporting
Canaccord Capital	Related – Trading	Reporting
Vertex One Asset Management	Related – Sub-Advisor	Non-Reporting
Picton Mahoney Asset Management	Related – Sub-Advisor	Non-Reporting
Man Group PLC	Related – Sub-Advisor	Non-Reporting
C.A. Bancorp Inc	Connected – Ownership Interest	Reporting
C.A. Bancorp Ltd	Connected – Subsidiary of C.A. Bancorp, Shared Officer	Non-Reporting

Private Client Custodian

National Bank Correspondent Network (NBCN) / National Bank Financial (NBF)

In 2008, BCM initiated an institutional prime brokerage relationship on the Investment Counsel platform of National Bank Correspondent Network, a division of National Bank Financial. Prior to this, BCM clients utilized the broker codes of Investment Advisors at CIBC Wood Gundy and Wellington West Capital for asset custody, administration and trade execution.

By establishing a direct institutional relationship with NBCN, BCM was able to realize the following benefits for clients:

Cost savings. Previously, BCM clients were charged between 0.25% and 0.35% of portfolio assets annually for custody and execution through Wellington West and CIBC. At NBCN, asset custody is provided to BCM clients at zero cost, with trade execution provided at institutional rates. Trade execution costs for most client accounts are expected to approximate 0.10% of total assets per annum at NBCN, for a total savings of between 0.15% and 0.25% per year.

Better rates. Asset custodians provide more favorable rates to institutional prime brokerage clients such as BCM. Relative to CIBC and Wellington West, BCM clients at NBCN are paid more on their account cash balances, they pay less on their drawn margin facilities, and they receive more favorable rates on foreign exchange transactions.

Better trade execution. The NeoVest trading platform provided to BCM on the institutional platform at NBCN provides direct, real-time access to electronic exchanges, alternative exchanges, and dark pools, allowing BCM clients faster access to far greater sources of liquidity than the manual trading platforms provided at CIBC and Wellington West. NeoVest uses “smart-routing” technology to automatically seek out the best price for a security across all available exchanges. NeoVest also provides an extremely sophisticated level of order management, allowing for trades to be executed in baskets (groups of different securities) or according to complex trading models called algorithms.

100% of BCM client accounts reside at NBF.

Trading Relationships with Prime Broker (NBCN)

BCM utilizes the trading systems and services of its prime broker for the majority of its securities transactions. Using the NeoVest DMA platform BCM clients pay between \$0.004 and \$0.0125 per share for equity trades. These are the same low execution rates paid by major mutual fund companies or pension funds.

BCM has the ability to inventory securities in its Average Price Account in order to build positions to a desired size before allocating to client accounts. This is a major benefit for trading in less liquid securities such as certain debentures or income trusts, and was not previously available at CIBC or Wellington West.

Trading Relationships with Third Party Brokers

In addition to its prime brokerage relationship with NBCN, BCM has securities trading accounts at 4 third-party financial intermediaries with specialties in various markets. We utilize these relationships to ensure access to a wide range of investment opportunities for private clients. Because BCM can sometimes trade in small cap securities and other securities that have lower levels of market liquidity, having relationships with intermediaries who make markets, hold inventory, or have trading relationships with other large holders benefits all BCM clients.

Established fees that BCM pays for these execution services range from between \$0.01 to \$0.035 per share based on the number of shares traded, the price of the underlying shares, and the level of expertise required to execute the transaction. For new issue allocations secured through these channels, established fees range between 3% and 6% of the total value allocated and are paid by the issuing firm to the distributing broker, not to BCM.

BCM feels it necessary to maintain a number of relationships because not every broker actively trades in every stock, and not every dealer has access to every new issue. These intermediaries generally choose to specialize in a certain area of the market (e.g. Materials, or Large Capitalization stocks). It should be noted however, that the vast majority of trades executed by BCM for private clients are done via electronic means directly into the market.

Soft Dollars

The term “Soft Dollars” refers to the method of an advisor like BCM receiving a financial or non-financial benefit from a broker or other

related party that the advisor would otherwise have to pay themselves. Examples are the supply of computer terminals, publications like the Wall Street Journal and the Economist, football or hockey tickets, etc.

BCM and / or its employees receive absolutely no financial benefits from directing client commissions to a specific broker-dealer, nor from any other relationship with any supplier, customer, or other business relationship.

Non-financial benefits that BCM may receive from time to time from broker-dealers with which we have trading relationships include proprietary research, and invitations to attend conferences, company site tours, or meetings with management. We wish to explicitly state that BCM only attends conferences, tours, meetings or other sponsored events that provide a direct and measurable benefit to the investment selection abilities of its employees, and that BCM covers all costs associated with attendance.

BCM utilizes proprietary research received from trading brokers only in the context of a wider investment selection process and we always conduct our own independent research before making an investment decision.

Best Execution

In directing trades to the market, we are primarily concerned as a portfolio manager with achieving best execution for our clients. Due to our arrangement with NBCN, the cost of transacting has been dramatically reduced for our private clients. As a result, we execute the majority of our buy and sell orders directly to the market through this intermediary.

In instances where we are attempting to buy or sell large blocks of shares (e.g. aggregate values > \$200,000 or volume > 50,000 shares) in less liquid securities “best execution” becomes an issue. The commissions charged by intermediaries are relatively standardized and we will seek to direct the trade through the channel that provides the best execution for our clients.

New Issue Allocations

BCM’s policy on allocating new issues is summarized as this: We try to be fair and when in the odd situation that we cannot receive an adequate allocation from the underwriters, we will determine who among our clients the new security best fits. Otherwise, we will simply fill client orders on a pro-rata basis to ensure fairness. We want to assure everyone that our own families are at the bottom of the food chain in this regard. No one gets special treatment.

Sub-Advisors

In managing portfolios for both private clients and pooled funds, BCM utilizes the special talents of other managers to add exposure in areas where we lack specific expertise, such as alternative investment or emerging market equities.

Vertex One Asset Management (VRT)

Previously, BCM spent 18 months looking for a suitable hedge fund to include in private client portfolios. We decided on VRT as we got to know and admire their approach to the capital markets. VRT exclusively concentrates on hedge fund management. In recognition of our diverse corporate directions, and the fact that neither firm employs a sales force, we agreed to a joint marketing effort. BCM refers potential fund clients to VRT and they will refer potential discretionary clients to BCM. A service fee is paid out of each company's revenue – not a single cent from the clients. Would this fee somehow affect our objective opinion of VRT? Not likely. BCM has significantly reduced allocations to Vertex over the past 2 years, and began utilizing the services of a second hedge fund commencing in January 2007 and a third in March 2009.

Picton Mahoney Asset Management (PMAM)

BCM began utilizing PMAM in early 2007 to manage long-short and market neutral equity mandates for certain private clients. PMAM is primarily an institutional asset manager for pension funds and other large investors, but also manages funds for private clients. To maintain access to the skills of PMAM's managers, BCM has secured future capacity with PMAM prior to their retail close.

Man Group PLC / AHL Diversified Investment Program

BCM began utilizing Man Group's AHL Investment Program in early 2009 to execute a managed futures mandate for certain private clients. The UK-based, publicly traded Man Group PLC is considered to be the world's largest hedge fund manager with over \$60 billion in assets under management. Man is primarily an institutional asset manager for pension funds and other large investors, but also manages funds for high net worth private clients. Over its 20-year track record, Man's AHL Diversified Program has demonstrated very low correlation to equities, excellent portfolio diversification, and capital protection in down markets.

Ownership Interest / Shared Officer

C.A. Bancorp Inc. (CAB)

C.A. Bancorp owns 85% of BCM. CAB is a widely held public company that trades on the Toronto Stock Exchange under the symbol

BKP. CAB is in the business of acquiring large - often majority - equity stakes in private companies that it views as having significant growth potential. CAB has representation on BCM's board of directors and BCM reports full financial and operational performance to CAB on a quarterly basis. To prevent the possibility – real or perceived – of insider trading or a conflict of interest, BCM will not hold CAB shares in client accounts.

C.A. Bancorp Ltd. (CABL)

C.A. Bancorp Ltd. is a wholly owned subsidiary of C.A. Bancorp Inc. that, like BCM, is also a registrant with the Ontario Securities Commission. CABL is registered under the categories of Portfolio Manager and Exempt Market Dealer. CABL operates the “C.A. Bancorp Canadian Realty Finance Corporation”, a TSX-listed closed-end mortgage fund trading under the ticker symbols RF.A (common shares) and RF.PR.A (preferred shares). BCM and CABL share an officer - The Compliance Officer of BCM is also the Compliance Officer of CABL. This made sense because of the relatively limited and complementary scope of registered activities for each firm and was approved by the Provincial Securities Commissions. To prevent the possibility – real or perceived – of insider trading or a conflict of interest, BCM will not hold any shares of any entity either managed or brought to market by CABL in client accounts.

III – TRADING SECURITIES OF RELATED OR CONNECTED, ISSUERS

Under certain circumstances we may deal for private clients 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 between our interests and yours, we are required by provincial law to disclose certain relevant matters relating to the transactions. 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 where we know or should know that, as a result of our acting as your dealer or adviser, or of our exercising discretion on your behalf, securities will be purchased from or sold to us, an associated party or, in the course of an initial distribution, a connected party.

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

Where we underwrite securities, the required disclosure will be contained in the prospectus or other document being used to qualify those securities.

Where we buy or sell securities for client accounts, the required disclosure will be contained in the confirmation of trade which we prepare and send to you.

Where we advise clients with respect to the purchase or sale of securities, the disclosure must be made prior to our giving the advice.

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.

IV – INSIDER TRADING OF SECURITIES

Employee Insider Positions in Invested Companies

BCM's policy in this regard is to prevent individual employees from acquiring any material ownership position in a publicly traded company such that they may become exposed to, or gain access to, material non-public information on either a temporary or a permanent basis,

In order to prevent any real or perceived conflict of interest, or potential for employees to engage in insider trading in client or personal accounts, BCM employees are not permitted to engage in external assignment or employment with any non-affiliated publicly traded company. This policy includes but is not limited to BCM employees serving on a board of directors or advisory board to any public company, unless that public company is a direct affiliate of BCM and the employee has received approval from the board of directors of both companies. To the extent that a BCM employee may be engaged on assignment with an affiliate who is also a publicly traded company, employee trading in the shares of that company will be restricted during the period of engagement, and then for an additional 3 months after the engagement's conclusion.

Client Insider Positions in Reporting Issuers

All BCM private clients are required to complete a separate insider disclosure form for each company in which they have access to material non-public information or would otherwise be classified as an "inside" trader. These companies are identified on a firm-wide watch list.

BCM will make all reasonable efforts to ensure that insider disclosures are full, complete and up to date. Employees may receive inside information from a client in the course of executing their client service or investment management duties. In this situation employees are bound by client-advisor confidentiality and are prohibited from acting on or passing along any inside information.

Employee access to client information is not equal and limited by fire walls that ensure client files remain sealed to unauthorized eyes. BCM's firm-wide watch list identifies companies in which we have insiders as clients and employees are required to obtain approval prior to trading in listed names.

V – PROXY VOTING GUIDELINES

Public companies call upon holders of their securities to vote on a wide range of matters relating to those companies. In most cases these matters are proposed by management, however, shareholders also make proposals. Barlow Capital Management's Proxy Voting Guidelines have been formulated with the following guiding principles in mind:

Proxies will be voted in a manner that seeks to enhance shareholder value.

Proxies will be voted in a manner that is consistent with leading corporate governance practices.

In formulating these guidelines, we have reviewed proxy-voting guidelines from many other sources including Phillips, Hager & North Investment Management Inc., the Pension Investment Association of Canada Corporate Governance Standards, the Investment Counsel Association of Canada Principles of Corporate Governance, and the Canadian Coalition for Good Governance. We have used these sources as a guide to the current and emerging corporate governance issues, and the standards adopted to deal with them. Our guidelines have been adapted for effective application by Barlow Capital Management in both Canadian and global equity contexts, and we believe that they are in line with current best practices.

BCM's Proxy Voting Guidelines document is included as Appendix 2.

VI – EMPLOYEE PERSONAL TRADING

Employees of BCM

Employees are restricted from trading in securities that are being purchased in client accounts for a period that includes the dates of purchase, 3 days before the purchase begins, and 3 days after the purchase ends. Employees are strongly encouraged to invest alongside BCM clients.

The securities laws of the Province of Ontario require securities dealers and advisors, when they trade in or advise 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 dealers and advisors, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consults with a legal advisor. R.R.O. 1990, Reg. 1015, s.223(1); O.Reg. 80/95, s.29(1); O.Reg. 542/98, s.1(1).