



RELATIONSHIP DISCLOSURE INFORMATION

INTRODUCTION

Founded in 2004, Stornoway Portfolio Management Inc. ("**Stornoway**" or the "**Firm**") is an employee-owned asset management Firm located in Toronto, Canada. Stornoway's investment team conducts extensive fundamental analysis on idiosyncratic investments off the radar screen of other investors including distressed / out-of-favor securities and uses its expertise, experience and network to play an active role in restructuring and other value enhancing initiatives on behalf of the funds managed by the Firm. Stornoway currently manages the Stornoway Recovery Fund LP (the "**Stornoway Recovery Fund**"), the Stornoway Recovery Offshore Investor Fund LP (the "**Stornoway Offshore Investor Fund**," and collectively, the "**Stornoway Recovery Funds**") and the TSX listed Ravensource Fund (the "**Ravensource Fund**" or the "**Fund**").

This document is being provided to direct investors (each, a "**Client**"), meaning investors that wish to purchase units of the Ravensource Fund (the "**Ravensource Units**") on a private placement offering basis with Stornoway acting in its capacity as an exempt market dealer in respect of the offering.

It is important that a Client understand the nature of the services that are provided by Stornoway. To this end, we are providing this document which describes what a reasonable investor needs to know about Stornoway to better understand the nature of our role and responsibilities.

STORNOWAY'S REGISTRATIONS UNDER CANADIAN SECURITIES LAWS

Stornoway is registered as a portfolio manager in Ontario and as an investment fund manager in Ontario and Québec which permits it to make investment decisions and manage the investment portfolios of the Stornoway Recovery Funds and the Ravensource Fund.

Stornoway is also registered as an exempt market dealer in Ontario, Québec, British Columbia and Alberta which permits it to solicit prospective Clients and to distribute securities of the Stornoway Recovery Funds and the Ravensource Fund to those Clients that agree to purchase them on a private placement basis. Currently, Stornoway is acting as an exempt market dealer in connection with a private placement offering of Ravensource Units, the whole as further detailed in the subscription agreement (the "**Subscription Agreement**") that will be made available to prospective investors.

As an exempt market dealer, Stornoway has an obligation to determine that a purchase of Ravensource Units is suitable for a Client and would put that Client's interests first. Certain

institutional, high-net worth or other Clients that qualify as “permitted clients” under Canadian securities laws may explicitly waive Stornoway’s obligation to make a suitability determination.

In acting in its capacities as a portfolio manager, investment fund manager and exempt market dealer, Stornoway will exercise its powers and duties honestly, in good faith and put the interests of Clients, as well as the Stornoway Recovery Funds and the Ravensource Fund, ahead of its own. Stornoway will devote such time and attention and exercise such degree of care, diligence and skill as a prudent and experienced registrant under applicable Canadian securities laws would in comparable circumstances.

THE RAVENSOURCE FUND

As aforementioned, Stornoway can solicit prospective Clients and distribute Ravensource Units to those Clients that agree to purchase them on a private placement offering basis.

The Ravensource Fund, formerly the First Asia Income Fund, is a closed-end investment trust which was created under the laws of the Province of Ontario pursuant to a declaration of trust, dated April 28, 1997, as amended. Units of the Ravensource Fund are listed on the TSX under the symbol RAV.UN.

It is important for a Client to note that the Ravensource Units being distributed in the current private placement offering **will be subject to a hold period of four months and a day from the closing date of the private placement**, during which time the Client may not trade the Ravensource Units without filing a prospectus or being able to rely on one of the limited exemptions from the requirements to file a prospectus under applicable securities laws.

Stornoway makes the investment decisions and manages the investment portfolio of the Ravensource Fund.

The principal investment objective of the Ravensource Fund is to achieve absolute annual returns, with an emphasis on capital gains, through investment in selected North American debt instruments, creditor claims and equity securities that Stornoway may from time to time determine as being a suitable investment for the Ravensource Fund. To achieve its investment objectives, Stornoway will primarily follow three investment strategies:

1. *Distressed Opportunities*: investing in corporate debt, creditor claims and/or equity securities of companies that are in, perceived to be in, or emerging from financial distress at a price materially different from what we believe to be the underlying fundamental value of the securities.
2. *Alternative Credit*: investing in corporate debt, on either a primary or secondary basis, that we expect to be repaid at or above par at or before its stated maturity in a manner consistent with the terms of its indenture and earn a yield that we believe is attractive given the underlying credit risk.

3. *Special Situations Equities*: investing primarily in Canadian and U.S. small- and mid-cap equities that are attractively valued with catalysts to unlock value.

As Stornoway also manages the Ravensource Fund, recommending that a Client subscribe for Ravensource Units presents a material conflict of interest. This material conflict of interest is further detailed under Schedule “C”.

Prior to making its decision to subscribe for Ravensource Units, a Client should review the Annual Information Form and other publicly filed continuous disclosure documents maintained for the Ravensource Fund that are available via the SEDAR+ website (<https://www.sedarplus.ca/landingpage/>). Stornoway encourages prospective Clients to carefully read these documents as they provide detailed information designed to assist prospective investors in the Ravensource Fund make investment decisions.

CLIENTS

Clients in this private placement offering of Ravensource Units must be permitted to subscribe for Ravensource Units on a prospectus-exempt basis.

Accordingly, this relationship disclosure information (“**RDI**”) document is provided to clients that:

- (i) qualify as “accredited investors” under National Instrument 45-106 *Prospectus Exemptions*; or
- (ii) can rely on another exemption from the prospectus requirement under applicable Canadian securities laws in order to purchase Ravensource Units.

In order to subscribe for Ravensource Units, a Client will enter into a Subscription Agreement. Stornoway does not exercise discretionary investment authority over any Client’s assets.

ENSURING WE KNOW OUR CLIENTS

As a registrant under applicable Canadian securities laws, Stornoway is subject to “know-your-client” obligations. These rules require us to learn about each Client, including obtaining information related to their personal and financial circumstances. Accordingly, we require our Clients to provide us with current and accurate information about them, including their age, marital and employment status, income, net worth, investment needs and objectives, investment knowledge and experience, risk tolerance and risk capacity and investment time-horizon. For Clients that are not individuals, information concerning the nature of a prospective Client’s business, control structure, the identity of directors, officers and signing authorities, and specified beneficial ownership is also collected.

Additionally, we must take reasonable steps to:

- establish a Client's identity and if we have a cause for concern, make reasonable inquiries as to its reputation;
- establish whether a Client is an insider of a reporting issuer or any other issuer whose securities may be publicly traded;
- obtain information to establish the identity of any individual who, in the case of a partnership or trust, exercises control over the entity or, in the case of a corporation, is a beneficial owner of or exercises voting rights of the outstanding voting securities of the corporation; and
- ensure that we have sufficient information overall to meet our obligations regarding suitability.

The above information is referred to collectively as "Know Your Client" ("KYC") information. Stornoway collects KYC information by asking Clients to complete and sign the Firm's Application Form and/or Subscription Agreement, as well as various related forms and schedules. By completing this documentation, a Client consents to our collection, use and disclosure of their personal information as necessary to comply with applicable legislation, it being understood that this personal information may only be used and disclosed for the purposes it was collected.

As the KYC information we collect from Clients will be relied upon by us to assist in determining whether an investment in the Ravensource Fund is / continues to be suitable, we ask Clients to please promptly notify us of any change to their KYC information, including, in particular, any change to their risk tolerance, risk capacity, investment time horizon or investment needs and objectives, as well as any other change that would reasonably be expected to have a significant impact on the Client's net worth or income.

Stornoway will also use reasonable efforts to obtain from Clients the name and contact information for a person that can be trusted to assist protecting the Client's investment in the Ravensource Fund (a "**Trusted Contact Person**"). By providing a Trusted Contact Person, the Client allows Stornoway to contact and share information with the Trusted Contact Person in the following circumstances:

- when there are concerns identified about the Client's mental capacity as it relates to financial decision-making;
- to confirm the identity and contact information of the Client's legal representative (if any);
- to confirm the Client's current contact information; and/or
- when there are concerns identified that the Client might be subject to financial exploitation, which could include fraud, coercion or unauthorized transactions.

INVESTMENT SUITABILITY

As an exempt market dealer, Stornoway has an obligation to determine that a purchase of Ravensource Units is suitable for a specific Client in a manner that puts that Client's interests first. Certain institutional, high-net worth or other Clients that qualify as "permitted clients"

under Canadian securities laws may explicitly waive Stornoway's obligation to make a suitability determination, and this would also lessen the amount of KYC information that the Firm would be required to collect from the Client.

Stornoway bases its suitability assessment on its review of the Client's KYC information vis-à-vis its knowledge of the Ravensource Fund and its specific investment attributes. Stornoway also verifies that the investment would be in line with the Client's investment objectives and constraints as set out in its subscription documentation.

To inform its suitability assessment, Stornoway may need to further discuss your KYC information and any proposed investment into the Ravensource Fund with you. However, Stornoway does not purport to provide advice or guidance on your general financial needs or circumstances, nor does Stornoway offer custody services, brokerage services, tax advice, actuarial advice or financial planning.

FEES AND COSTS RELATED TO YOUR INVESTMENTS IN THE RAVENSOURCE FUND

Stornoway will not receive a placement or any other fees from Clients or the Ravensource Fund itself for distributing, selling or redeeming Ravensource Units.

As further detailed in the Fund's Annual Information Form (publicly available via the SEDAR+ website: <https://www.sedarplus.ca/landingpage/>), the management fees and administrative fees payable by the Fund to Stornoway are based on the Fund's average weekly assets at the end of each week and are payable on the last business day of each calendar month as follows:

Average Weekly Assets	Portfolio Management Fee	Administrative Services Fee
Up to and including \$250 million	0.65% of NAV plus HST	0.35% of NAV plus HST
Between \$250 and \$500 million	0.60% of NAV plus HST	0.30% of NAV plus HST
\$500 million or more	0.55% of NAV plus HST	0.25% of NAV plus HST

An incentive fee is also paid to Stornoway in any year in which the NAV of the Ravensource Fund at the end of the year, adjusted for contributions and distributions during the year, exceeds the NAV of the Fund at the beginning of the year by more than 5%, plus any shortfall from prior years. The fee will be equal to 20% of this increase and will be calculated and accrued monthly but paid annually. In addition, Stornoway is paid an investor relations fee of \$1,000 per month as compensation for unitholder reporting and other services provided under a service agreement.

Additionally, Stornoway has the power to incur and make payment out of the Ravensource Fund any charges or expenses which, in the opinion of Stornoway, are necessary or incidental to, or proper for, carrying out any of the purposes of the Fund's Declaration of Trust, including without limitation all fees and expenses relating to the management and administration of the Fund.

SUBSCRIPTION PROCEEDS

All proceeds from Client subscriptions for Ravensource Units are delivered by the Client directly to the Ravensource Fund's corporate bank account at the Bank of Montreal until transferred to the Fund's prime broker account at BMO Nesbitt Burns Inc (the "**Prime Broker**"). Stornoway may only make transfers from the Ravensource Fund's corporate bank account with the approval of the Fund's administrator, SGGG Fund Services Inc., and may only effect transfers through the Fund's prime broker account by submitting detailed supporting documentation for the transfer to the Prime Broker and informing the Fund's administrator.

Holding assets with a prime broker rather than through a conventional custodial arrangement with a bank or trust company can present certain risks. Due to the use of leverage and the presence of short positions, some or all of the assets may be held in one or more margin accounts which may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. In the event that the Prime Broker experiences severe financial difficulty, the assets of the Ravensource Fund could, for example, be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time while the Prime Broker's business is liquidated, resulting in a potential loss to the Fund's investment due to adverse market movements while the positions cannot be traded. Furthermore, if the Prime Broker's pool of customer assets is determined to be insufficient to meet all claims, the Fund could suffer a loss.

The benefit of using a prime broker is the low cost and high operational efficiency of the package of services – which include, but are not limited to custody, settlement facilitation, reporting, banking facilities – that are provided by the Prime Broker to the Fund when compared to conventional custodial arrangements through a bank or trust company.

RESALE OR TRANSFERS OF THE RAVENSOURCE UNITS

It is important for a Client to note that the Ravensource Units being distributed in the current offering on a private placement basis **will be subject to a hold period of four months and a day from the closing date of the private placement**, during which time the Client may not trade the Ravensource Units without filing a prospectus or being able to rely on one of the limited exemptions from the requirements to file a prospectus under applicable securities laws.

REDEMPTIONS OF RAVENSOURCE UNITS

The annual redemption rights that apply to the Ravensource Units, as well the right for the Fund to purchase Ravensource Units for cancellation, are detailed in the Fund's Annual Information Form, publicly available via the SEDAR+ website: <https://www.sedarplus.ca/landingpage/>.

TEMPORARY HOLDS

Stornoway may have the ability to place a temporary hold on a Client's investment in the Ravensource Fund in the event an instance of potential financial exploitation of an older or vulnerable Client arises or in the event Stornoway believes the Client no longer has the mental capacity to make decisions that are relevant to its investment in the Ravensource Fund.

In the case a temporary hold is placed on a Client's investment in the Ravensource Fund, Stornoway will:

- (i) document the facts and reasons that caused Stornoway to place the temporary hold;
- (ii) provide notice of the temporary hold and the reasons for the temporary hold to the Client as soon as possible after placing the temporary hold;
- (iii) review the relevant facts as soon as possible after placing the temporary hold, and on a reasonably frequent basis, to determine if continuing the hold is appropriate;
- (iv) within 30 days of placing the temporary hold and, until the hold is revoked, within every subsequent 30-day period, do either of the following:
 - (1) revoke the temporary hold;
 - (2) provide the Client with notice of Stornoway's decision to continue the hold and the reasons for that decision.

REPORTING

Upon accepting a subscription for Ravensource Units, Stornoway will promptly deliver a trade confirmation to the Client (or to a registered adviser acting on the Client's behalf, if so requested) setting out the particulars of the transaction, including, among other information, the quantity and description of the Ravensource Units purchased and the price per unit paid.

Clients that purchase Ravensource Units as part of the private placement offering of such units will not subsequently receive ongoing account statements, investment performance reports or reports on charges and compensation from Stornoway. However, additional information about the Ravensource Fund is available to investors via the Fund's management reports of fund performance and financial statements as same are filed from time-to-time and maintained on the SEDAR+ website (<https://www.sedarplus.ca/landingpage/>) .

INVESTMENT PERFORMANCE BENCHMARKS

A benchmark is a standard against which the performance of the Ravensource Fund can be compared or measured. In general, benchmarks are chosen to represent the characteristics of an investment fund and help to measure its degree of success. Clients should be aware of the similarities and differences between the benchmark and the investment fund such as the underlying investment strategies, the concentration/diversification of securities, industries and/or markets, the impact of fees and expenses on such returns, and risks inherent in such investments that may reduce the relevance of the benchmark.

Stornoway does not believe there is an index that sufficiently resembles the Ravensource Fund to the degree it should be considered or used as a “benchmark”.

RISKS OF INVESTING IN THE RAVENSOURCE FUND

An investment in the Ravensource Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment, who seek long-term capital growth, have a long-term investment horizon, and possess a medium to high-risk tolerance to withstand the ups and downs that go along with investing in out-of-favor securities.

The Fund’s Annual Information Form (available via the SEDAR+ website: <https://www.sedarplus.ca/landingpage/>) provides information in respect to the risks relating to an investment in the Fund, including under the heading “Risk Factors”.

Clients may also wish to refer to the information under the heading “Income Tax Considerations for Investors” in the Fund’s Annual Information Form for additional information. The tax consequences of acquiring, holding and disposing of an investment in the Fund are complex and certain of these consequences, including the implications of recent and possible future legislative tax changes, will not be the same for all taxpayers. Accordingly, prospective Clients are strongly urged to consult their tax advisors with specific reference to their own tax situations.

USING BORROWED MONEY TO PURCHASE RAVENSOURCE UNITS

Stornoway does not arrange for, nor does it recommend that a Client borrow money in order to purchase Ravensource Units.

Borrowing money to finance the purchase of securities involves greater risks than a purchase using cash resources only. If a Client borrows money to purchase securities, the responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

CONFLICTS OF INTEREST

Please refer to Schedule “C” for disclosure of material conflicts of interest that Stornoway has identified in connection with its registered activities, including the distribution of Ravensource Units to Clients, and how Stornoway addresses these conflicts.

PRIVACY POLICY

Schedule “A” to this RDI document contains a copy of Stornoway’s privacy policy which governs how the Firm collects, uses and potentially discloses a Client’s personal information.

WHAT TO DO IF YOU HAVE A COMPLAINT

Stornoway will document and respond in a timely manner to any complaint made to it about any product or service offered by it or its representatives. Schedule “B ” to this RDI document contains information in respect of the steps a Client should take in the event it has a complaint regarding the Firm’s products or services.

That schedule also provides information in respect to the complaint resolution services made available to Clients at no cost by the Ombudsman for Banking Services and Investments (OBSI) and, in respect of Québec-resident Clients, the Autorité des marchés financiers (Québec).

Should you have any questions regarding this RDI document, please do not hesitate to contact us.

SCHEDULE "A"

STORNOWAY PORTFOLIO MANAGEMENT INC.'S PRIVACY POLICY

The privacy of our investors is very important to us. Set forth below are our policies with respect to personal information of clients, investors and former investors that we collect, use and disclose. In connection with the offering and sale of units of the Ravensource Fund (the "**Ravensource Fund**" or the "**Fund**") on a private placement basis, Stornoway Portfolio Management Inc. ("**Stornoway**", "**we**", "**us**" or "**our**") may collect and maintain personal information about clients or investors for whom we act as exempt market dealer. In this context, we may collect your personal information to enable us to provide you with services in connection with your investment in the Fund, to meet legal and regulatory requirements and for any other purpose to which you may consent in the future. Your personal information is collected from the following sources:

- (a) subscription agreements or other forms that you submit to us;
- (b) your transactions with us and our affiliates; and
- (c) meetings and telephone conversations with you.

Unless you otherwise advise, by providing us with your personal information you have consented to our collection, use and disclosure of your information as provided herein. We collect and maintain your personal information in order to give you the best possible service and allow us to establish your identity, protect us from error and fraud, comply with the law and assess your eligibility in our products.

We may disclose your personal information to third parties, when necessary, and to our affiliates in connection with the services we provide related to your subscription for units of the Ravensource Fund, including:

- (a) financial service providers, such as banks and others used to finance or facilitate transactions by, or operations of, the Ravensource Fund or Stornoway;
- (b) other service providers to the Ravensource Fund or Stornoway, such as accounting, legal, or tax preparation services; and
- (c) taxation and regulatory authorities and agencies.

We seek to carefully safeguard your private information and, to that end, restrict access to personal information about you to those employees and other persons who need to know the information to enable Stornoway to provide services to you. Each Stornoway employee is responsible for ensuring the confidentiality of all personal information they may access.

Your personal information is maintained on our networks or on the networks of our service providers accessible at 30 St. Clair Avenue West, Suite 901, Toronto, ON, M4V 3A1. Your information may also be stored on a secure off-site storage facility. You may access your personal information to verify its accuracy, to withdraw your consent to any of the foregoing collections,

uses and/or disclosures being made of your personal information and may update your information by contacting Stornoway at 416-250-2845.

Please note that your ability to purchase units of the Ravensource Fund on a private placement basis may be impacted should you withdraw your consent to the collection, use and disclosure of your personal information as outlined above.

Investors purchasing units of the Ravensource Fund on a private placement basis should be aware that the Fund, or Stornoway on the Fund's behalf, is required to file with each relevant Canadian securities regulatory authority a report setting out personal information such as the subscriber's name and address, the class and series of units issued, the date of issuance and the purchase price of units issued to the subscriber. Such information is collected indirectly by such regulatory authorities under the authority granted to them in securities legislation, for the purposes of the administration and enforcement of their governing securities legislation. By submitting a subscription for units of the Ravensource Fund, the subscriber authorizes such indirect collection of the information by each such regulatory authority. The following officials can answer questions about the indirect collection of the information:

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593- 8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information:
Inquiries Officer

British Columbia Securities Commission

P.O. Box 10142, 701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: inquiries@bcsc.bc.ca

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082

Autorité des marchés financiers

800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only)
Facsimile: (514) 864-6381 (For privacy requests only)
Email: fonds_dinvestissement@lautorite.qc.ca

SCHEDULE "B"

COMPLAINTS PROCESS AND INDEPENDENT DISPUTE RESOLUTION SERVICE

WHAT TO DO IF YOU HAVE A COMPLAINT

Our complaint process

Filing a complaint with us

If you have a complaint about our services or a product, contact us at:

Stornoway Portfolio Management Inc.

30 St. Clair Avenue West, Toronto ON M4V 3A1

Attention: Scott Reid

Telephone: 416-250-2845

Email: sreid@stornowayportfolio.com

You may want to consider using a method other than email for sensitive information.

Tell us:

- ⊙ what went wrong
- ⊙ when it happened
- ⊙ what you expect (e.g. money back, an apology, account correction)

We will acknowledge your complaint

We will acknowledge your complaint in writing, as soon as possible, typically within 5 business days of receiving your complaint.

We may ask you to provide clarification or more information to help us resolve your complaint.

We will provide our decision

We normally provide our decision in writing, within 90 days of receiving a complaint.

It will include:

- ⊙ a summary of the complaint
- ⊙ the results of our investigation
- ⊙ our decision to make an offer to resolve the complaint or deny it, and an explanation of our decision

If our decision is delayed

If we cannot provide you with our decision within 90 days, we will:

[Help us resolve your complaint sooner](#)

- ☐ Make your complaint as soon as possible.
- ☐ Reply promptly if we ask you for more information.
- ☐ Keep copies of all relevant documents, such as letters, emails and notes of conversations with us.

- ⊗ inform you of the delay
 - ⊗ explain why our decision is delayed, and
 - ⊗ give you a new date for our decision
- You may be eligible for the independent dispute resolution service offered by the Ombudsman for Banking Services and Investments (OBSI).

A word about legal advice

You always have the right to go to a lawyer or seek other ways of resolving your dispute at any time. A lawyer can advise you of your options. There are time limits for taking legal action. Delays could limit your options and legal rights later on.

If you are not satisfied with our decision

You may be eligible for OBSI's dispute resolution service.

If you are a Quebec resident

You may consider the free mediation service offered by the Autorité des marchés financiers.

Taking your complaint to OBSI

You may be eligible for OBSI's free and independent dispute resolution service if:

- ⊗ we do not provide our decision within 90 days after you made your complaint, or
- ⊗ you are not satisfied with our decision

OBSI can recommend compensation of up to \$350,000.

OBSI's service is available to clients of our firm. This does not restrict your ability to take a complaint to a dispute resolution service of your choosing at your own expense, or to bring an action in court. Keep in mind there are time limits for taking legal action.

Who can use OBSI

You have the right to use OBSI's service if:

- ⊗ your complaint relates to a trading or advising activity of our firm or by one of our representatives
- ⊗ you brought your complaint to us within 6 years from the time that you first knew, or ought to have known, about the event that caused the complaint, and
- ⊗ you file your complaint with OBSI according to its time limits below

Time limits apply

- ⊗ If we do not provide you with our decision within 90 days, you can take your complaint to OBSI any time after the 90-day period has ended.

- ⊗ If you are not satisfied with our decision, you have up to 180 days after we provide you with our decision to take your complaint to OBSI.

Filing a complaint with OBSI

Contact OBSI

Email: ombudsman@obsi.ca

Telephone: 1-888-451-4519 or 416-287-2877 in Toronto

OBSI will investigate

OBSI works confidentially and in an informal manner.

It is not like going to court, and you do not need a lawyer.

During its investigation, OBSI may interview you and representatives of our firm. We are required to cooperate in OBSI's investigations.

OBSI will provide its recommendations

Once OBSI has completed its investigation, it will provide its recommendations to you and us. OBSI's recommendations are not binding on you or us. OBSI can recommend compensation of up to \$350,000. If your claim is higher, you will have to agree to that limit on any compensation you seek through OBSI. If you want to recover more than \$350,000, you may want to consider another option, such as legal action, to resolve your complaint.

For more information about OBSI, visit www.obsi.ca

Information OBSI needs to help you
OBSI can help you best if you promptly provide all relevant information, including:

- your name and contact information
- our firm's name and contact information
- the names and contact information of any of our representatives who have been involved in your complaint
- details of your complaint

SCHEDULE "C"

CONFLICTS OF INTEREST DISCLOSURE STATEMENT

(all capitalized terms below have the same meaning as set out in Stornoway's Relationship Disclosure Information ("RDI") document, of which this Schedule "C" forms part)

Canadian securities laws require registrants to take reasonable steps to identify and address all existing and reasonably foreseeable material conflicts of interest in a client's best interest. In the event a material conflict of interest cannot be addressed in a client's best interest it must be avoided.

What is a Conflict of Interest?

Under Canadian securities law, a conflict of interest includes any circumstance where:

- the interests of a client and those of a registrant or an individual acting on a registrant's behalf are inconsistent, competing or divergent;
- a registrant or an individual acting on a registrant's behalf may be influenced to put their interests ahead of those of a client, or
- monetary or non-monetary benefits available to a registrant or an individual acting on a registrant's behalf, or potential negative consequences for a registrant or an individual acting on a registrant's behalf, may affect the trust that a reasonable client has in their registrant.

How Does Stornoway Address Conflicts of Interest?

Stornoway has adopted policies and procedures requiring it and its employees to identify reasonably foreseeable material conflicts of interest. Identified material conflicts of interest must then be addressed in the best interest of the third-party (or parties) that may be impacted by the conflict (e.g., a Client, the Ravensource Fund and/or the Stornoway Recovery Funds, as the case may be). Where it is determined that Stornoway and its employees cannot address a material conflict of interest in the relevant third party's best interest, the conflict will be avoided.

The balance of this document provides Clients with disclosure of the material conflicts of interest that have been identified by Stornoway and the way in which such conflicts of interest are addressed to the extent the conflict has not been simply avoided.

Proprietary Products (Related Issuers and Connected Issuers)

A material conflict of interest exists when a registrant trades in, issues or recommends investments in related and/or connected issuers, including its proprietary (i.e., its own) products or services, from which it may receive monetary or non-monetary benefits. As a dealer of a private fund, a registrant may earn trading fees or commissions on such trades. As an adviser to a private fund, a registrant may receive ongoing management fees from increased assets under management, and/or performance fees if those assets increase in value.

In respect of the Ravensource Fund, Stornoway makes the investment decisions and manages the investment portfolio of the Fund. As further detailed in the RDI document and under the caption “Fees and Expenses” in the Fund’s Annual Information Form (the latter document being available via the SEDAR+ website: <https://www.sedarplus.ca/landingpage/?>), Stornoway is entitled to receive management fees and administrative fees, including an incentive fee and an investor relations fee, from the Ravensource Fund. Accordingly, the Fund is a “proprietary product” and a “connected issuer” to Stornoway, as those terms are defined under applicable Canadian securities laws.

Additionally, the Ravensource Fund may take significant positions in underlying companies. Stornoway may seek to influence management of those companies by seeking board seats, launching proxy battles, negotiating and/or sponsoring a corporate restructuring or otherwise. As a result, those companies may also be considered “connected issuers” of Stornoway.

As an exempt market dealer, at present Stornoway only offers units of the Ravensource Fund and its other proprietary funds, the Stornoway Recovery Funds, to prospective Clients and it does not offer any non-proprietary products. The Canadian Securities Administrators (the “CSA”) have noted that this specific material conflict of interest gives rise to inconsistent, competing or divergent interests, which may make it difficult for a registrant to fulfil its duties to investors objectively, and which may lead a registrant, for example, to:

- fail to disclose or provide inadequate disclosure to investors about proprietary products where there is negative information, resulting in investors taking on more risk than they could bear or more risk than they wish to bear;
- be financially dependent on the proprietary product, creating an incentive to distribute an unsuitable product;
- inadequately disclose significant fees and charges paid to connected issuers, in some instances for little or no apparent services performed, resulting in investors not understanding the costs associated with their investment; and

- not adequately monitor whether connected issuers are using the proceeds raised from their distributions for purposes other than those stated in their offering or marketing materials.

In addition to disclosure, Stornoway manages this conflict as follows:

- Stornoway does not receive any compensation in connection with the distribution of Ravensource Units as exempt market dealer. Stornoway does earn fees from the ongoing management of the Fund's portfolio, but there are no commissions payable to the Firm on the distribution of securities of the Fund;
- unless waived by a specific Client that qualifies as a "permitted client" (as defined under Canadian securities laws), Stornoway is required to determine that the distribution of Ravensource Units is suitable for the Client in a manner that puts the Client's interests first, and this determination is made by the Firm based on its KYC and "Know Your Product" ("KYP") processes. Because Stornoway is not obligated to consider a broader universe of potential products outside of the Fund in making its suitability determination, a Client may wish to consider engaging a third party dealer or adviser before purchasing Ravensource Units; and
- Stornoway's policies and procedures require it to monitor the Fund on an ongoing basis in respect to various metrics including the Fund's performance, risk / volatility, and liquidity to assess continued Client suitability.

Outside Activities

At times, a Stornoway employee may or may wish to participate in business activities outside of their employment such as serving on a board of directors, participating in community events or pursuing personal outside interests, whether paid or unpaid. A potential material conflict of interest can arise from a Stornoway employee engaging in such outside activities for various reasons, including as a result of compensation received, the time commitment required or the position held by the employee in respect of these outside activities and whether, for example, the position may be one that could influence a potential Client's determination as to what is in its best interest. Engaging in outside activities may call into question the Stornoway employee's ability to carry out his or her responsibilities to the Firm's Clients or may cause confusion as to which entity(ies) the employee is acting for in a given situation, and these sources of conflicts may be heightened in situations where the employee is in a position of power or influence in respect of the Firm's Clients or in regard to the outside activity being performed.

In addition, a Stornoway employee may become a member of the board of directors of an issuer in which the Ravensource Fund has made an investment (an "**Investee Company**"). In addition to the potential material conflicts of interest set out above, in this circumstance the Stornoway employee would have an obligation to act in the best interest of the Investee Company (as a member of the board) and would also have an obligation to act in the best interest of Stornoway, its Clients, the Ravensource Fund and any other fund managed by Stornoway. Owing separate best interest obligations to different constituents within a relationship can cause a material

conflict of interest. Further, the Ravensource Fund may be unable to divest of an investment in an Investee Company (or to invest further in an Investee Company) to the extent a Stornoway employee has knowledge of material non-public information in respect of the Investee Company.

In respect of the above, the Firm's President and Chief Compliance Officer, Scott Reid, is currently a director on the Board of Directors of GXI Acquisition Corp ("**GXI**"), and a director on the Board of Directors of Guestlogix Inc. ("**Guestlogix**").

The Ravensource Fund and the Stornoway Recovery Funds are invested in GXI which is an investment holding company that wholly-owns Guestlogix. Guestlogix is a travel commerce company whose platform helps airlines to increase ancillary revenues while improving traveler satisfaction across their entire journey. Powered by AI and machine learning, Guestlogix enable airlines to introduce digital concierge services to passengers that deliver highly relevant, personalized information and offers. Neither Stornoway nor Scott Reid act or shall act as a portfolio manager or dealer to GXI or Guestlogix.

In addition to disclosure, Stornoway manages this conflict as follows:

- Stornoway requires all employees to disclose their outside activities to the Firm;
- Stornoway's Chief Compliance Officer must approve the outside activity before an employee that is registered in a dealing or advisory capacity with the Firm can engage in such activity;
- Stornoway will not allow the employee to proceed with the outside activity if the Firm determines that the outside activity will give rise to a material conflict of interest that cannot be addressed in the Firm's Clients' best interest;
- a Stornoway employee will only serve on the board of directors of an Investee Company where the level of the Ravensource Fund and/or Stornoway Recovery Funds' (or other relevant Stornoway fund's) investment in the Investee Company provides a rationale for board-level representation, and with the expectation that where it is the case that a conflict between the employee's duties to the Investee Company and to Stornoway or the relevant Stornoway fund arises, the employee will abstain from voting on the relevant matter(s) as a member of the board of directors of the Investee Company; and.
- the Subscription Agreement that is executed by Client's in connection with their purchase of securities of the relevant Stornoway fund sets out that the Client acknowledges that, as part of Stornoway's investment strategy, members of the Firm's investment team may serve on the boards of directors of Investee Companies, and further that the Client has consented to the relevant Stornoway fund purchasing and selling securities of these Investment Companies.

Incentive Fee

In addition to the other fees payable by the Ravensource Fund to Stornoway, an incentive fee is payable to Stornoway in any year in which the NAV of the Fund at the end of the year, adjusted for contributions and distributions during the year, exceeds the NAV of the Fund at the beginning of the year by more than 5%, plus any shortfall from prior years. The fee will be equal to 20% of this increase and will be calculated and accrued monthly but paid annually.

The conditions required to be met for this fee to be payable may create an incentive for Stornoway to cause the Ravensource Fund to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Fund.

In addition to disclosure to Clients, Stornoway manages this conflict by:

1. Ensuring that it selects investments based on the best interest of the Fund, including verifying that each investment is in line with the Fund's investment objectives, risk tolerance and other relevant suitability factors;
2. Retaining third party service providers that provide weekly net asset valuations, confirm investment security pricing, and provide valuation services for private / unlisted investments; and
3. Providing an overview of the Fund and its investment portfolio to the Ravensource Fund's Independent Review Committee annually.

Advisory Service Fees from Investee Companies

Stornoway may from time to time provide business advisory services to companies or affiliates of companies that the Ravensource Fund is invested in. The Firm maintains policies and procedures to ensure that the provision of such business advisory services does not adversely impact the performance of its duties to the Ravensource Fund or any other investment fund that it manages.

In addition to disclosure, Stornoway manages this conflict as follows:

- the Firm reduces a portion of the management fees it charges to the Ravensource Fund in the event that the Fund has an investment in such companies. The total reduction in management fees across the investment funds Stornoway manages is equal to the total income it receives for providing these business advisory services. The Ravensource Fund and any other relevant fund managed by the Firm is allocated management fee reductions equal to that fund's share of the aggregate fair market value of all such investee company investments held by all funds managed by Stornoway;

- in the event the income received by the Firm for providing business advisory services exceeds the fees available to be waived in any given payment period, the Firm will increase the amount of waived fees during subsequent payment periods in order to make up for the difference.

Investment by the Principal

Scott Reid, Stornoway's President and Chief Compliance Officer, has an investment in the Ravensource Fund. This investment can increase the alignment between Mr. Reid and the Fund, however, given his special knowledge of the investments and activities of the Fund, it is also a potential conflict of interest.

Mr. Reid may only subscribe for, redeem or sell Ravensource Units in accordance with the applicable provisions, including disclosure requirements, of securities laws that apply to the Ravensource Fund as a publicly listed closed-end investment trust.

Compensation and incentive practices

A material conflict of interest exists where a registered firm creates internal compensation incentives for its individual registrants and other employees (such as sales or revenue targets) to recommend certain products or services. An individual registrant may be biased in recommending a product or service due to the compensation arrangement/incentive practice in place or the negative consequences of not achieving the sales/revenue targets.

The potential impact or risk to a client regarding this conflict matter is that an individual registrant may be biased in trading in or recommending a particular investment product or service due to the compensation arrangement in place, and not consider the suitability of a product or the appropriateness of the service.

The potential conflict for Stornoway is that the Firm's employees may be incentivized to recommend the purchase of more Ravensource Units than is suitable for a Client in order for the Firm to earn more fees, as a result of its increased assets under management, from the Ravensource Fund. We note, Stornoway does not earn a sales fee / commission when a Client purchases or redeems Ravensource Units.

In addition to disclosure, Stornoway manages this conflict as follows:

- the Firm compensates its employees not based on the number of Ravensource Units sold, but by a combination of a base salary and a bonus based upon meeting individual performance objectives and the overall performance of the Firm; and
- unless waived by a specific Client that qualifies as a "permitted client" (as defined under Canadian securities laws), Stornoway is required when it acts as the Client's exempt market dealer to determine that the distribution of Ravensource Units is suitable for the Client in a manner that puts the Client's interests first, and this determination is made by the Firm based on its KYC and KYP processes.

Staff Overlap in Respect to Revenue Generation and Compliance

Given the relatively small size of Stornoway, there is overlap in the Firm's staff between compliance responsibilities, investment advisory activities and potential revenue generation activities. For example, Scott Reid is the firm's President and Chief Compliance Officer, and he is also the principal shareholder of the Firm and is registered as an advising and dealing representative.

Accordingly, the Firm has staff that is responsible for compliance activities, as well as being involved in revenue generation activities and deciding on investment actions to be taken in respect of the Firm's investment funds, including the Ravensource Fund. The CSA have noted that if a firm's compliance staff's compensation is tied to the sales or revenue generation of the firm overall or the registered individuals that they supervise, there is an inherent conflict of interest that may cause them to put their interests ahead of clients' interests.

In addition to disclosing this potential conflict of interest to you, Stornoway manages this conflict by adhering to its well-developed compliance policies and procedures, including conducting proper KYC, KYP and suitability assessments when required when taking any investment action for any investment fund, including the Ravensource Fund, or for a Client.

Fair Allocation of Investment Opportunities

Stornoway is the investment manager of the Ravensource Fund and the Stornoway Recovery Fund and may act as the investment manager to other funds or accounts in the future. Stornoway has a responsibility to ensure that all of the funds it manages are provided equal opportunity to participate in suitable investment opportunities uncovered by the Firm and to benefit from the Firm's investment resources and acumen.

A material conflicts of interest would arise if investment opportunities were not allocated to the Ravensource Fund and the Stornoway Recovery Funds (or other funds or accounts that Stornoway may manage in the future) in a fair and reasonable manner. By way of example, Stornoway may have an incentive to allocate superior investment opportunities to a particular fund, including to a fund from which it receives greater fees or in which there are more assets under management or to a new fund that it wishes to bolster at the outset. This concern is most acute when an investment opportunity is unusually attractive at the time of inception or is unattractive at the time of disposition.

In addition to disclosure, Stornoway manages this conflict as follows:

- The Ravensource Fund and the Stornoway Recovery Funds each have clearly defined investment mandates, policies, objectives, risk parameters, and concentration limits.
- Stornoway has established policies designed to ensure that the Firm allocates investment opportunities fairly among the Ravensource Fund and the Stornoway Recovery Funds (and any other funds or accounts that Stornoway may manage in the future) and that at

all times they are treated equally, regardless of the size of their investment portfolios, in accordance with their stated investment objectives and policies.

- Stornoway's Investment Team is responsible to review each investment opportunity prior to initial investment and throughout its investment life to determine whether, in their opinion, the opportunity is an appropriate investment for the Ravensource Fund and/or the Stornoway Recovery Funds (and any other funds or accounts that Stornoway may manage in the future), as well as the maximum investment size a fund may make based on its mandate, total assets, available liquidity and other relevant factors.
- If suitable for more than one of the Ravensource Fund and/or the Stornoway Recovery Funds (and any other funds or accounts that Stornoway may manage in the future), the Firm allocates the investment *pro-rata* based on the relative maximum investment size for the relevant fund.
- If the availability of any particular security is limited and that security is appropriate for more than one fund managed by Stornoway, any purchase of that security will otherwise be allocated on an equitable basis in accordance with the Firm's fair allocation policy. Similarly, sales of securities will be allocated in accordance with that policy.
- When orders for more than one fund are entered as a combined order (block trade) and transactions are all executed at carrying prices, each fund will be given the same execution price (including that trading commissions for combined orders (block trades) are allocated on a *pro-rata* basis).
- When orders for more than one fund are entered as a combined order (block trade) and transactions are executed at varying prices, Stornoway will endeavour to treat each fund on a basis that is fair and reasonable in the context of the nature of the particular transaction and the transaction costs. This may include calculating a weighted average execution price (including with respect to trading commissions) to be attributed to each account having orders included in the combined order (block trade).
- In the event securities are purchased in an initial public offering ("IPO"), Stornoway will allocate investment purchases and sales to all funds for which Stornoway has decided to proceed with the investment, and the allocation of each purchase or sale to a fund will be made on a *pro-rata* basis based on the relative remaining investment limit of each such fund. In the event the allotment received would be insufficient to meet the full requirements of all fund accounts on whose behalf orders were placed, allocation would be made on a *pro-rata* basis. However, if such prorating would result in an inappropriately small position for a particular fund, the allotment could be reallocated. Depending on the number of IPOs, over a period of time, efforts would be made to ensure that these prorating and reallocation policies result in fair and equitable treatment of all funds managed by Stornoway.

Personal Trading

A material conflict of interest may arise if Stornoway's registered individuals (and other employees) are permitted in their personal investment portfolios to trade in the same securities considered for or held by the Ravensource Fund and/or the Stornoway Recovery Funds (and any other funds or accounts that Stornoway may manage in the future).

Employee personal trading can create a material conflict of interest for several reasons, including that employees with knowledge of Stornoway's trading decisions could use that information for their own benefit.

In addition to disclosure, Stornoway manages this conflict as follows:

- Stornoway has implemented a personal trading policy and procedures intended to restrict and monitor the personal trading by the relevant employees of the Firm in order to help manage any material potential conflict of interest between such personal trading and the interests of the Ravensource Fund and/or the Stornoway Recovery Funds (and any other funds or accounts that Stornoway may manage in the future);
- those employees may only engage in personal trades in accordance with the Firm's personal trading policy and procedures and will only be permitted to make a personal trade if it has been determined by the Firm's Chief Compliance Officer that such trade will not result in a conflict of interest with a relevant third-party. The Firm has procedures in place requiring it to monitor and ensure compliance with this policy;
- all Stornoway employees have had training in respect to the Firm's personal trading policy and procedures and are required to execute an annual statement confirming their understanding of the Firm's personal trading policy and procedures and their adherence to them;
- the Firm has adopted a code of ethics that includes standards of professional conduct, and in particular, that provides that any individual who has, or is able to obtain access to, non-public information concerning the portfolio holdings, the trading activities or the ongoing investment programs of the funds managed by Stornoway, is prohibited from using such information for his or her direct or indirect personal benefit or in a manner which would not be in the best interests of the funds or the Firm's Clients. Additionally, these individuals also must not use their position to obtain special treatment or investment opportunities not generally available to the Firm's Clients; and
- the priority and responsibility of Stornoway and its employees is to focus its resources and investment acumen on executing the mandate of the funds the Firm manages.

Broker-dealer Selection / Best Execution

All decisions as to the purchase and sale of securities for the Ravensource Fund and all decisions as to the execution of portfolio transactions, including the selection of execution venues,

the broker-dealer and the negotiation, where applicable, of commissions or spreads, will be made by Stornoway.

Stornoway uses various third-party broker-dealers to execute trades on behalf of the Ravensource Fund. A material conflict of interests may arise if Stornoway is biased in its selection of broker-dealers based on these relationships or by certain incentives offered to the Firm by some of them. This may, for example, result in a trading or brokerage commission paid by the Ravensource Fund being somewhat higher than the commission that might be charged by a different broker-dealer.

In selecting broker-dealers to effect portfolio transactions for the Ravensource Fund, the Firm has an obligation to use reasonable efforts to achieve best execution (i.e., the most advantageous execution terms reasonably available under the circumstances). However, there are situations where only one broker-dealer has access to a given investment opportunity and thus Stornoway is not able to select an alternative broker-dealer.

In addition to disclosure, Stornoway manages this conflict as follows:

- Stornoway maintains a list of approved broker-dealers that meet its requirements for best execution;
- in selecting broker-dealers, Stornoway assesses each broker-dealer's order execution capabilities (which involves a number of factors, including execution price, speed of execution, certainty of execution, and overall cost of the transaction). The Firm uses the same criteria in selecting all of its broker-dealers, regardless of whether the Firm has other relationships with them
- Stornoway performs periodic evaluations of order execution capabilities and products and services received from the approved broker-dealers and updates the list, as appropriate.

Stornoway may select broker-dealers from its list of approved broker-dealers who may charge a commission in excess of that charged by other broker-dealers, if the Firm determines in good faith that the commission is reasonable in relation to the services provided. These determinations can be viewed in terms of either the specific transaction or the Firm's overall responsibility to its Clients and the funds it manages.

Soft Dollar Arrangements

"Soft dollars" is a term generally used to describe the research or other benefits provided to a portfolio manager by a broker-dealer as a result of commissions generated from financial transactions executed by the broker-dealer for funds or other client accounts managed by the portfolio manager. In a soft dollar arrangement, the portfolio manager directs commissions generated by a fund or other client's transactions to a broker-dealer as payment for research or other benefits provided to the portfolio manager.

Soft dollar arrangements present a potential material conflict of interest because higher commissions may be paid to a broker-dealer that provides research or other benefits to the portfolio manager, and the goods and services the portfolio manager receives may be used for the benefit of clients other than the client(s) on whose behalf the commissions were incurred.

In addition to disclosure, Stornoway manages this conflict by not having and not permitting any soft dollar arrangements for the payment of third-party products or other services.

Fair Valuation of Assets

As Stornoway earns fees based on the assets under management of the Ravensource Fund, there is a potential material conflict of interest in valuing the assets held in the Fund's portfolio because a higher value will result in a higher fee paid to the Firm. Additionally, this can also result in a higher incentive fee being payable to Stornoway. Overstating the value of the assets in the Fund's portfolio will also incorrectly inflate the Fund's apparent investment performance.

In addition to disclosure, Stornoway manages this conflict as follows:

- Stornoway has established and consistently applies policies and procedures governing the valuation of securities in accordance with applicable recognized accounting standards and industry practices governing the fair valuation of investments;
- the valuation of the Ravensource Fund's portfolio investments is overseen by internal investment, finance and operations professionals;
- an independent third-party fund administrator, SGGG Fund Services Inc., values the Ravensource Fund's portfolio investments in accordance with the applicable policies and procedures. Any changes or overrides to policies and procedures must be properly documented and approved by Stornoway's Chief Compliance Officer;
- in situations where, in Stornoway's opinion, a market quotation for a portfolio investment is inaccurate, unreliable, or not readily available, (i.e. in the case of a private investment), the fair value of the security is estimated using valuation techniques generally used by the industry, which may include the receipt of a valuation report prepared by a third party valuation firm; and
- all investment position valuations are reviewed by a third-party auditor on at least an annual basis during the review of the annual financial statements to ensure their accuracy and fairness.

Error Correction

Stornoway makes reasonable efforts to keep trade errors to a minimum and ensure fairness to the Funds with respect to protection from such trade errors. A trade error is an inadvertent error in the placement, execution or settlement of a transaction. A trade error is not an intentional or reckless act of misconduct, or an error of judgment. When a trade error occurs, the investment fund will keep any resulting gain and Stornoway will reimburse the investment fund for any

associated loss. Where more than one transaction is involved in an error, the gain will be determined net of any associated loss. Although errors or issues are a potential by-product of operational process, Stornoway has established controls and processes that are designed to reduce the possibility of their occurrence.

Expense Allocation

As the investment manager of the Ravensource Fund, Stornoway may be in a position to exercise discretion as to whether an expense incurred will be paid by the Firm or will be charged to the Fund. This discretion can create a material conflict of interest because the Firm could inappropriately have expenses charged to the Fund to benefit itself. Additionally, as the Firm also has the discretion to determine how certain expenses should be allocated between the Ravensource Fund and the Stornoway Recovery Funds, this can also present a similar material conflict of interest.

In addition to disclosure, Stornoway manages this conflict as follows:

- by reviewing expenses allocated to a fund on a monthly basis;
- ensuring that each fund has documentation i.e. offering memorandum, declaration of trust, etc. that clearly discloses the nature of the expenses that can be charged to the funds;
- in the event there is ambiguity as whether an expense should be charged to a fund, Stornoway will seek counsel from its legal advisors, Fund Administrator and / or relevant fund committee i.e. Stornoway Recovery Fund's Advisory Committee, Ravensource's Independent Review Committee; and
- by having established and following policies and procedures to ensure that expenses are allocated between the Firm and each investment fund, and between each separate investment fund, fairly and in accordance with each of the fund's governing documents and the requirements of applicable securities laws, including applicable regulatory guidance.

Gifts and Entertainment

A material conflicts of interest may arise where Stornoway or one of its employees is provided benefits (including gifts and entertainment) by a party with which the Firm or employee interacts, or where the employee or Firm provides comparable benefits to third parties.

The conflict arises because the Firm or its employees may be incentivized, or may incentivize others, through the provision or receipt of such benefits, in a manner that can compromise making objective and independent business decisions. That is, the exchange of frequent and/or extravagant gifts or business-related entertainment may impair the independence and/or objectivity of the recipient, which could, for example, impact investment management decisions, trading activities, or expenses incurred to the detriment of Clients or an investment fund managed by the Firm, including the Ravensource Fund.

In addition to disclosure, Stornoway has a gifts and entertainment policy and procedures which includes a prohibition on the Firm and its employees from accepting gifts or entertainment beyond thresholds that Stornoway considers consistent with reasonable business practices and applicable laws.

Proxy Voting

Stornoway has full responsibility for proxy voting and related duties in respect of the Ravensource Fund.

A material conflict of interest may arise when an investment manager has the discretion in how it exercises the voting rights of the securities held in the portfolios it manages, particularly if the investment manager has an incentive to exercise those rights otherwise than in the best interest of the beneficial owner of the securities. By way of example, this could occur where the investment manager has a material relationship with a proponent / opponent of a particular initiative that is the subject of the voting process, or with a service provider retained to solicit proxy votes for a proponent/opponent. The potential impact of this conflict is that proxies may not be voted in the best interest of the beneficial owner of the securities but rather in a manner that may instead benefit the investment manager.

In addition to disclosure, Stornoway manages this conflict as follows:

- the Firm has implemented policies and procedures to ensure that proxies for securities held by the Fund are voted consistently and in the best economic interests of the Fund;
- the Chief Compliance Officer is responsible for the oversight of the proxy voting process;
- the Firm will typically vote in favour of routine matters unless there are specific reasons for voting against. Routine matters include: the election of directors; the appointment of auditors and auditor compensation; changes in capitalization; and management compensation. Proxies will, however, be voted against stock option plans considered to be excessive, undeserved or evergreen;
- how the Firm votes proxies or refrains from voting on non-routine matters will vary depending on the specific matter involved. For example, with respect to shareholder rights plans, the Firm will often vote against proposals that entrench incumbency and dilute the fundamental right of ownership. Non-routine matters would also include: corporate reorganizations; mergers and acquisitions; proposals affecting shareholder rights; corporate governance; and social and environmental issues;
- in the event the Firm has knowledge of a material conflict of interest between itself and the Ravensource Fund with respect to the voting of a proxy, the Firm will vote the proxy in the best interests of the Fund to avoid such conflict of interest;

- Stornoway maintains and publishes annual proxy voting records for the Ravensource Fund. Copies of the proxy voting record and complete proxy voting procedures are available to Clients free of charge upon request.

Complaint Management

Addressing a complaint by a Client can create a potential material conflict given that Stornoway may have the choice between addressing the complaint in a manner that is in the best interest of the Client or in manner that is more favourable to the Firm. The potential risk to the Client is that the Firm will decide to act in its own business interests.

In addition to disclosure, Stornoway manages this conflict as follows:

- the Firm has a Client complaints management policy which applies to its activities as an investment fund manager, portfolio manager and exempt market dealer;
- the Firm will document and respond to any complaint made about any product or service provided or any other trading activity by it or one of its employees. Unless you are a non-individual “permitted client” (as such term is defined under applicable securities laws), the Firm will provide you with an acknowledgment which includes a description of its obligations under applicable securities laws, and the steps you may take to avail yourself of the independent dispute resolution services of the Ombudsman for Banking Services and Investments (“**OBSI**”), including the name and contact information for OBSI (or if you are a resident of Québec, the independent dispute resolution services of l’Autorité des marchés financiers (Québec)), such services which may be available to you in prescribed circumstances free of charge; and
- if the Firm decides to reject a complaint or makes an offer to resolve a complaint, the Firm must provide you with written notice of its decision as soon as possible and Stornoway must make the independent dispute resolution services of OBSI (or, for a resident of Québec, l’Autorité des marchés financiers (Québec)), available to you at its expense if you are unsatisfied with the Firm’s resolution of the complaint.