

# HAMILTON CAPITAL PARTNERS INC. ETFS

## Distribution Reinvestment Plan

### 1. Introduction

Hamilton Capital Partners Inc. (the “**Manager**”) is the trustee and/or manager of the exchange-traded funds set forth in Schedule A hereto (each a “**Fund**” and collectively the “**Funds**”). The Manager wishes to establish this Distribution Reinvestment Plan (“**Plan**”) in respect of the Funds on the terms and conditions set out herein.

The Plan provides beneficial holders of trust units of a class (“**Units**”) of a Fund with a means to reinvest distributions on the Units declared and payable to them in additional Units. Distribution on Units, including Units purchased under the Plan (“**Plan Units**”), will be reinvested in whole Plan Units on behalf of those Unitholders who participate in the Plan, by CST Trust Company as the agent of each Fund (the “**Plan Agent**”). The Plan also offers an optional Pre-Authorized Cash Contribution (“**PACC**”) service and an optional Systematic Withdrawal Plan (“**SWP**”). Participants of the Plan can enrol in the PACC service for the purpose of acquiring additional Plan Units of a specific Fund under the Plan or they can enrol in the SWP of any Fund for the purpose of receiving regular income from their investments by conveniently and systematically withdrawing a fixed, but approximated<sup>1</sup>, dollar amount at a pre-determined frequency.

The Manager may deliver an amended Schedule A to the Plan Agent at any time and without prior notice in order to introduce new Fund(s) to the Plan and/or remove any Fund(s) from the Plan.

### 2. Defined Terms

As used herein, the following terms have the following meanings:

“**Business Day**” means any day on which the Plan Agent’s offices are generally open for the transaction of commercial business in Toronto, but does not in any event include a Saturday, Sunday, civic or statutory holiday in the Province of Ontario or a day on which the TSX does not publicly trade.

“**CDS**” means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by a Fund as the depository in respect of Units of such Fund.

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<sup>1</sup> The Unitholder’s account with the relevant CDS Participant will be reduced by the maximum number of whole Plan Units (as calculated by the CDS Participant) that can be sold to meet the requested dollar withdrawal amount. In any event, the value of the whole Plan Units sold by the Plan Agent will reflect the market price of the Plan Units sold which may be more or less than the fixed dollar amount requested.

**“CDS Participant”** means a participant in the CDS depository service, including a broker, dealer, bank or financial institution.

**“CDSX”** means the electronic communications system between CDS, the CDS Participants and the Plan Agent.

**“Distribution Payment Date”** means a specified day following the applicable Distribution Record Date, on which a Fund pays Distributions to Unitholders.

**“Distribution Record Date”** means any date designated by the Fund as the date for the determination of Unitholders entitled to receive a Distribution.

**“Distributions”** means any amount declared payable to Unitholders in cash by a Fund in respect of a specific Distribution Record Date.

**“PACC Enrollment Form”** means a form submitted by a CDS Participant on behalf of a Plan Participant, giving the Plan Agent authority to initiate a PACC service for the Plan Participant.

**“Plan Agency Agreement”** means the distribution reinvestment plan agency agreement entered into between the Manager, on behalf of a Fund, and the Plan Agent.

**“Plan Participant”** means a Unitholder who has notified the Manager and the Plan Agent via the applicable CDS Participant of such Unitholder’s participation in the Plan in respect of any Distribution.

**“Pre-Authorized Cash Contribution”** or **“PACC”** means a pre-authorized recurring electronic withdrawal of funds from the Plan Participant’s bank account at a Canadian bank or financial institution for the purpose of acquiring additional Plan Units under the Plan.

**“Systematic Withdrawal Plan”** or, **“SWP”** means a plan under which a Unitholder may elect to systematically withdraw (through the sale of Units) a fixed, but approximated, dollar amount owned by such Unitholder in respect of each subsequent SWP processing date by participating in the SWP service on a monthly, quarterly or annual recurring basis.

**“SWP Notice”** means the notice given by a CDS Participant via the CDS System to the Plan Agent, indicating the aggregate number of whole Plan Units required to be sold.

**“SWP Processing Date”** means the last Business Day of the month.

**“Tax Act”** means *the Income Tax Act* (Canada) and includes the regulations promulgated thereunder.

**“TSX”** means the Toronto Stock Exchange.

“Unitholder” means the beneficial owner of Units.

### **3. Distribution Reinvestment Plan Participation**

Any eligible Unitholder may elect to become a Plan Participant by contacting the CDS Participant through whom such Unitholder holds its Units. The CDS Participant must, on behalf of the Unitholder, elect online via CDSX no later than 5:00 p.m. (Toronto time) on each applicable Distribution Record Date in respect of the next expected Distribution in which the Unitholder intends to participate. These elections are received directly by the Plan Agent via CDSX. If this election via CDSX is not received by the Plan Agent by the applicable deadline, the Unitholder will not participate in the Plan for that Distribution.

Participation in the Plan is restricted to Unitholders who are residents of Canada for the purposes of the Tax Act. Partnerships (other than “Canadian partnerships” as defined in the Tax Act) are not eligible to participate in the Plan. Upon becoming a non-resident of Canada or a partnership (other than a Canadian partnership), a Plan Participant shall notify their CDS Participant and terminate participation in the Plan immediately. The Plan Agent and CDS will not have any duty to inquire into the residency status or partnership status of Plan Participants, nor will the Plan Agent and CDS be required to know the residency status or partnership status of Plan Participants other than as notified by the CDS Participant or the Manager.

### **4. Administration**

On each Distribution Payment Date, the relevant Fund shall pay to the Plan Agent all amounts paid as Distributions in respect of the Plan Units for which Plan Participants were beneficial owners as of the applicable Distribution Record Date. The Plan Agent shall purchase additional Plan Units according to the terms and conditions set out in the Plan Agency Agreement, as described below under “**Purchase of Plan Units by the Plan Agent**”.

Plan Units purchased by the Plan Agent will be credited to the Plan Participant’s account with a CDS Participant by the applicable CDS Participant.

### **5. Purchase of Plan Units by the Plan Agent**

Distributions will be applied, on behalf of Plan Participants, to purchase Plan Units. Such purchases will be made directly from the relevant Fund or in the Canadian open market, including through the facilities of the TSX, the TSX Venture Exchange and/or any other alternative Canadian market.

- a) If Plan Units are issued from treasury by a Fund, the price of such Plan Units shall be equal to the average closing price of the Units on the TSX for the five (5) consecutive trading days immediately prior to the applicable Distribution Payment Date.

- b) If the Plan Units are purchased on the Canadian open market, the Plan Units shall be purchased through a broker-dealer designated by the Plan Agent, and the price of such Plan Units shall be the average of the price paid (excluding brokerage commissions, fees and all transaction costs) per share for all Units purchased by the Plan Agent in respect of the Plan on the Canadian open market during the five (5) Business Days following the relevant Distribution Payment Date.

The Plan Units purchased from a Fund's treasury or in the market will be delivered to CDS by the Plan Agent as soon as practicable.

## **6. Pre-Authorized Cash Contribution (PACC) Participation**

Plan Participants have the option to purchase additional Plan Units of a specific Fund by participating in the PACC service on a monthly or calendar-quarterly recurring basis (March, June, September and December in case of calendar-quarterly debits). A Plan Participant wishing to participate in PACC must contact the CDS Participant through whom such Plan Participant holds its Plan Units for instruction and then submit to such CDS Participant a completed PACC Enrollment Form along with a personal "Void" cheque. A Plan Participant may invest a minimum of \$100.00 and a maximum of \$10,000.00 per PACC.

The CDS Participant, on behalf of the Plan Participant, must complete the CDS portion located on the reverse side of the PACC Enrollment Form, and submit the PACC Enrollment Form and personal "Void" cheque to the Plan Agent no later than ten (10) Business Days prior to the specified Distribution Payment Date. For any month in which there is no specified Distribution Payment Date, then a deemed Distribution Payment Date will be used for that month which will be the last Business Day of the month. Any PACC Enrollment Forms received following such time will not be processed for the current period. Contributions will be debited from the Plan Participant's financial institution (or bank) account five (5) Business Days prior to the next applicable specified or deemed Distribution Payment Date. Insufficient funds in a Plan Participant's financial institution (or bank) account will result in termination of the Plan Participant's PACC participation.

The Plan Agent will purchase Plan Units in the same manner as Distributions as described under the heading "Purchase of Plan Units by the Plan Agent" above. No interest will be paid for any funds held.

A Plan Participant participating in the Systematic Withdrawal Plan may not participate in the PACC service under the Plan.

## **7. Participation in the Systematic Withdrawal Plan (SWP)**

Plan Participants of any Fund may elect to systematically withdraw (through the sale of Plan Units) a fixed, but approximated<sup>1</sup>, dollar amount by participating in the SWP service

on a monthly, quarterly or annual recurring basis. Such dollar amount may not be less than \$100.00 or greater than \$10,000.00 per Fund withdrawal. A Plan Participant wishing to participate in the SWP must notify in writing the CDS Participant through whom such Plan Participant holds its Plan Units of the recurring dollar amount and the frequency (i.e. monthly, quarterly or annually) of the withdrawals. A Plan Participant must ensure that the recurring withdrawal amount does not exceed the value of the Plan Unit holdings in the Plan Participant's account with the CDS Participant. In the event that the recurring withdrawal amount exceeds the value of the Unit holdings in the account, then the withdrawal request will be rejected by the CDS Participant.

The CDS Participant, on behalf of the Plan Participant, must provide the Plan Agent with the SWP Notice through the CDS System no later than 3:00 pm (Toronto Time) on the applicable SWP Processing Date. The CDS Participant must also ensure the required number of Plan Units to be sold is delivered to CDS for settlement. Any late submissions will not be processed for the current period.

The Plan Agent will sell the Plan Units in the Canadian open market during the five (5) Business Days following the applicable SWP Processing Date. The proceeds from the sale of the Plan Units will be delivered by the Plan Agent to CDS as soon as practicable. No interest will be paid for any funds held.

The Plan Participant's account with the relevant CDS Participant will be reduced by the maximum number of whole Plan Units, as calculated by the CDS Participant, that can be sold to meet the requested dollar withdrawal amount. In any event, the value of the whole Plan Units sold by the Plan Agent will reflect the market price of the Plan Units sold which may be more or less than the fixed dollar amount requested.

A Plan Participant participating in the PACC service may not participate in the SWP under this Plan.

## **8. Insufficient Funds**

The Plan Agent shall not be obligated to purchase any Plan Units in the event that the Plan Agent has insufficient funds in order to carry out its duties.

## **9. Fractional Plan Units**

No fractional Plan Units will be issued or sold under the Plan. A cheque for any remaining uninvested funds will be issued in lieu of fractional Plan Units by the Plan Agent to CDS. CDS will, in turn, credit the Plan Participant, via the applicable CDS Participant as per CDS rules.

## **10. Termination or Modification of Participation**

Plan Participants may voluntarily terminate or modify their participation as follows:

- a) Plan Participants no longer wishing to participate in the Plan must notify their CDS Participant no later than 4:00 p.m. (Toronto time) at least two (2) Business Days immediately prior to the applicable Distribution Record Date. If notice is received after this deadline, participation will continue for that Distribution only. *Future Distributions will be made in cash to such Unitholders.*
- b) Plan Participants may discontinue participation in the PACC service by submitting a clear written request to the Plan Agent at the address noted in Section 20 “**Notices**”. Cancellations must be received no later than ten (10) Business Days prior to a specified or deemed Distribution Payment Date. If notice is received after this deadline, PACC participation will continue for the current investment only. *Participation in the Plan will continue.*
- c) Plan Participants may modify their PACC contribution amount, banking details or frequency by selecting “Modify Existing Debit Instructions” on the PACC Enrollment Form and following the same instruction and process as explained under Section 6 “**Pre-Authorized Cash Contribution (PACC) Participation**”. If there is a modification to the banking details, a new personal “Void” cheque must also be submitted. If there is a modification to the frequency, the Plan Participant must select the revised frequency (i.e., monthly or calendar-quarterly recurring basis).
- d) Plan Participants may discontinue participation or modify the recurring withdrawal amount or frequency in the SWP service by informing their CDS Participant in writing. Plan Participants should contact their applicable CDS Participant for the specific submission deadline of such CDS Participant. The CDS Participant may withdraw from the SWP via CDSX no later than 3:00 p.m. (Toronto time) on the applicable SWP Processing Date.

## **11. Certificates**

Certificates representing Plan Units purchased under the Plan will not be issued to Plan Participants.

## **12. Voting of Plan Units**

Plan Units may be voted in the same manner as the Plan Participants’ other Units may be voted.

## **13. Statement of Account**

Plan Participants will receive confirmation of the number of Plan Units purchased or sold under the Plan by their CDS Participant for tax reporting purposes and in accordance with the CDS Participant’s usual practice.

#### **14. Commissions and Administrative Costs**

All commissions, administrative costs or brokerage charges payable on the purchase of Plan Units and sale of Plan Units will be paid by the Manager on behalf of each applicable Fund.

#### **15. Responsibilities of the Fund, the Manager and the Plan Agent**

None of the Funds, the Manager or the Plan Agent is liable for any act done by any of them in good faith or for any good faith omission to act. In particular, none of the Funds, the Manager or the Plan Agent shall have any liability with respect to:

- a) the prices at which Plan Units are purchased under the Plan or the times at which such purchases are made;
- b) the prices at which Plan Units are sold under the Plan or the times at which such sales are made; or
- c) any actions or responsibilities of CDS or any CDS Participant in relation to the Plan, or otherwise, including, without limitation: (i) any aspect of the records relating to, or payments made on account of, beneficial ownership interests of the Plan Units held by and registered in the name of CDS or any CDS Participant; (ii) any authority, advice, or representation made or given by CDS or any CDS Participant to the Plan Agent or otherwise, including representations with respect to rules of CDS and any action taken or to be taken by CDS or any CDS Participant; (iii) the allocation of Plan Units by CDS Participants to Plan Participants; and (iv) the allocation of proceeds of the sale of Plan Units by CDS Participants to Plan Participants.

Plan Participants should recognize that none of the Funds, the Manager or the Plan Agent can assure a gain or protect against a loss as a result of holding or selling Plan Units.

#### **16. Amendments, Suspension or Termination of Plan and Plan Agent**

The Manager may terminate the Plan in its sole discretion, upon not less than thirty (30) days' written notice to: (i) the Plan Participants, via the CDS Participants through which the Plan Participants hold their Plan Units; (ii) CDS; (iii) the Plan Agent; and (iv) the TSX. The Manager may also amend, modify or suspend the Plan at any time in its sole discretion, provided that it complies with certain requirements of the Plan Agent, if any, and gives notice of that amendment, modification or suspension to: (i) the Plan Participants via the CDS Participants through which the Plan Participants hold their Plan Units; (ii) CDS; (iii) the Plan Agent; and (iv) the TSX. The Plan for a Fund will terminate

automatically upon the termination of that Fund. All amendments are subject to TSX pre-approval.

The Manager may, in consultation with the Plan Agent, adopt additional rules and regulations to facilitate the administration of the Plan, subject to the approval of the TSX (if required by the TSX rules).

The Manager may, in its sole discretion, and upon at least sixty (60) days' written notice to the Plan Agent, remove the Plan Agent and appoint a new Plan Agent.

Similarly, the Plan Agent may resign as agent under the Plan upon at least sixty (60) days' written notice to the Manager and upon delivery to the Manager of all documents and monies being held by the Plan Agent on the Funds behalf pursuant to the Plan Agency Agreement.

A Fund is not required to issue Plan Units to Unitholders in any jurisdiction where that issuance would be illegal.

## **17. Rules and Regulations**

A Fund, via its Manager, may, in consultation with the Plan Agent, from time to time adopt rules and regulations to facilitate the administration of the Plan. A Fund reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

## **18. No Personal Liability**

Other than in respect of insufficient funds in respect of a PACC, no Plan Participant will have any personal liability and no resort will be had to, nor recourse or satisfaction sought from, the property or assets of any Plan Participant for any liability whatsoever to any person in connection with the property of a Fund or its affairs, including for satisfaction of any obligations or claims arising out of or in connection with the Plan. The property and assets of a Fund only are intended to be liable and subject to levy or execution for satisfaction of any obligations or claims.

## **19. Taxes**

Plan Participants should consult their tax advisors concerning the tax implications of their participation in the Plan and, where participating, the PACC and/or the SWP. The reinvestment of distributions on Plan Units does not relieve the Plan Participants of any liability for income tax which may have been otherwise payable on such distributions.

## **20. Notices**

All Distribution Reinvestment Plan notices required to be given to Plan Participants by a Fund will be given to CDS, to be further provided to the CDS Participants through which Plan Participants hold their Plan Units.

Written communications to the Plan Agent should be addressed to:

CST Trust Company  
P.O. Box 4229  
Toronto, Ontario M5W 0G1

Attention: Income Disbursement Department  
Facsimile: 888-488-1416

Written communications to a Fund or the Manager should be addressed to:

Hamilton Capital Partners Inc.  
55 York Street, Suite 1202  
Toronto, Ontario M5J 1R7

Attention: Derek Smith  
Facsimile: 416-941-9801



**SCHEDULE “A”**

**Participating Funds  
(As of January 18, 2016)**

Hamilton Capital Global Bank ETF (“HBG”) – Class E Units