



BUSINESS CONTINUITY PLAN

The following is a summary of Trapeze Capital Corp.'s Business Continuity Plan.

Firm Policy - Our firm's policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees' lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the firm's books and records, and allowing our customers to transact business. In the event that we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities.

Business Description - The majority of the accounts held by our customers are managed accounts, primarily for retail customers. Our firm is an introducing firm and does not perform any type of clearing function for itself or others. Furthermore, we do not hold customer funds or securities. We accept and execute orders. All transactions are sent to our carrying broker, TD Waterhouse Canada Inc. ("TD Waterhouse"), which clears and settles them. TD Waterhouse also maintains our customers' accounts, can grant customers access to them and deliver funds and securities.

Alternate Location - We engage in portfolio management, order taking and entry at our Head Office in Toronto, ON. We have arranged for offsite workspace for our personnel so we will be able to continue to service our clients and resume critical functions in the event of a SBD that impacts our Head Office facilities. This alternative space includes certain personnel's home offices and the branch location of Trapeze Asset Management Inc., our affiliated portfolio management firm in Oakville, ON ("Alternate Location").

Date Back-Up/Recovery - Our firm has established procedures to back up critical information and store it off-site. In the event of a SBD that causes the loss of our records, copies can be recovered from the most recent backup files or from TD Waterhouse in respect of certain records.

Mission Critical Systems - We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for order taking and entry and execution. TD Waterhouse provides the allocation processing, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

We receive orders from our customers primarily by telephone. We do not accept fax or e-mail orders. During a SBD, we will inform our customers when communications become available and tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives through information posted on our website.

Customers' Access to Funds and Securities – Our customers' funds or securities are maintained at TD Waterhouse. In the event of a SBD, if telephone service is available, our registered persons will continue to take customer orders or instructions and contact TD Waterhouse on their behalf. If Trapeze personnel cannot be reached, you should visit our website at www.TrapezeCapital.com, for information and instructions, including alternative contact information. If you are unable to access the website or reach us via an alternative telephone number, our customers and clients may contact designated persons at TD Waterhouse for instructions on how you may process order transactions or how you may access your cash and securities.

TD Waterhouse Canada Inc., 77 Bloor St. W., Toronto, ON

Contact: Su Chin Cho, Account Manager, P: 416-413-3290

Contact (alternate - if Su Chin Cho cannot be reached): Emily McFaul, Manager Service Delivery, P: 416-542-0294

Annual Review and Testing - Our firm reviews its business continuity plan at least annually and updates the plan whenever there is a material change to our operations, structure, business or location or to those of our carrying broker.