

Automated KYC Update – Frequently Asked Questions

QUESTIONS FOR REPRESENTATIVES:

1. Will the automated KYC update be mandatory from the launch date?

No, this tool will be available on a voluntary basis. You may or may not use it with the eligible clients of your choice.

2. If my client's KYC is outdated, will I still be able to use the automated KYC update?

Yes, it is possible to use the automated KYC update tool no matter how long ago the KYC expired.

3. Will I need the client's signature for the automated KYC update?

A signature will be required only if a material change is noted during the process.

4. Will I be able to use this automated KYC update tool with all my clients?

No, for the time being there are certain criteria for clients to qualify. Here are the eligibility criteria:

- Individual accounts only
- No corporations
- Clients with a maximum of 3 plans
- Clients under an individual or a joint rep code
- Clients who are not under strict supervision
- Clients who are not politically exposed

5. What is considered a material change?

Any change to the following items:

- Income bracket
- Net value (+/- 20%)
- Investment knowledge
- Investment horizon
- Risk capacity, risk tolerance or risk profile; and
- Any politically exposed client

6. After receiving the update with important changes from my client, how much time will I have to contact them to finalize everything?

As with the traditional process, when there is a material change, regulations require the Representative to address the situation with the client within one business day. As soon as there is a material change, the account is placed under strict supervision until the material change is addressed.

7. Is the tool available for licensed assistants?

The administrative staff will only be able to select the eligible clients with whom you wish to use the automated KYC update.

8. Why can't it be used for clients with more than 3 plans?

To ensure compliance with Investia's KYC Update Form format, which contains only 3 update sections. According to our data, the vast majority of our clients have fewer than 3 plans.

9. Can we select clients who are under our joint rep code?

Yes, the functionality to select clients under a joint code was activated during the week of July 29, 2024.

10. What do I do if I think the client has forgotten some important details?

It will always be possible for you not to approve the KYC and to contact the client directly to validate the information.

11. What happens when I select my eligible clients on the Advisor Centre?

As you know, the KYC must be updated at least once every 3 years, or sooner in the event of a material change in the client's personal/financial circumstances. Once you've selected eligible clients on the Advisor Centre, here's what will happen, depending on the situation:

- **If the KYC is within 3 months of being outdated:** the client will receive an email notification, and the next time they log into their Client Portal, a message will appear on the portal requesting that their KYC be updated, with an option to be reminded later.
- **If the KYC is between 4 months and 12 months minus 1 day from being outdated:** the client will not receive the email notification, but the next time they log into the portal, they will see the message requesting a KYC update, with an option to be reminded later.
- **If the KYC has been updated within the last year (within 365 days):** the client will not receive the email notification and no message will appear on the Client Portal.

In other words, the message will appear in the Client Portal when the KYC is 1 year + 1 day old. For the time being, we've put this restriction in place so that you're free to select clients right away without bothering them, to avoid them not understanding why an update request is being made so soon.

QUESTIONS FOR CLIENTS:

12. Will my client be able to change their risk tolerance or intended use of investments?

No, clients won't be able to do this, but they can let you know as part of the process, and you can then contact them to discuss the matter.

13. Will my client be able to complete the process if a significant change is noted during the automated KYC update process?

The client will be able to complete the process and, at the end, will be informed that the Representative will contact them shortly to review or discuss the information provided. You will

then have all the information the client has provided via a pre-populated KYC Update Form to review and discuss with your client to make the KYC review process more efficient.

14. What happens if my client doesn't complete the automated KYC update?

Your client will receive up to 3 reminders: the first 3 months before the KYC expires, then 1 month before and the last when the KYC expires. After that, transactions will be blocked, as your client's KYC will no longer be valid.

15. What happens if my client is not yet registered on the Client Portal?

The client must have access to the Client Portal in order to use the tool. Otherwise, the traditional process will have to be followed.

16. Will the process continue if my client doesn't answer all the questions?

As the questions are interactive and dependent on previous answers, the client will have to answer the question in order to generate the next one. However, the client will be able to stop filling in the form at any time to contact their Representative. This option will be available throughout the process on the client's screen.

17. If my client doesn't update the KYC immediately, will they still be able to access their Client Portal?

The client will always be able to access his or her portal, since they must be able to access the documentation stored there at all times. In addition, if the client chooses the "Remind me later" function, they will always have the option of starting the process at any time via the link at the top of the Client Portal page.

18. Can I filter clients who are eligible for automated KYC updates?

Yes, it is possible to filter your clients to see if they are "enrolled", "eligible" or "ineligible to enrol" in the automated KYC update process.

19. If I enrolled my client in the process, why has their status now changed to "ineligible"?

This is because your client was enrolled in the automated KYC process, but he or she no longer meets the eligibility criteria (e.g., the client opened a new plan and is now over the 3-plan limit).