

RISKS OF PARTICIPATING IN WEALTHSIMPLE INVESTMENT INC.'S STOCK LENDING PROGRAM

The following are the principal risks inherent to fully-paid stock lending. Please read this risk disclosure carefully before agreeing to lend to Wealthsimple Investments Inc. (“**WSII**”) any of your fully-paid securities (the “**Loaned Securities**”) as part of WSII’s fully-paid stock lending program. This risk disclosure is intended to be read in conjunction with the stock lending agreement between you and WSII that governs any loans of Loaned Securities to WSII.

No CIPF coverage. The Canadian Investor Protection Fund (CIPF) does not provide coverage with respect to securities loan transactions in which you lend your fully-paid securities to WSII. Therefore, the collateral delivered to you (and indicated on your account statement) may constitute the only source of satisfaction of WSII’s obligation in the event that WSII fails to return the securities. If the market value of your Loaned Securities increases in value on the day WSII defaults, the collateral provided may be insufficient to fully collateralize your long position in the Loaned Securities.

Limited recourse in the event of a WSII bankruptcy or insolvency. If WSII were to become bankrupt or insolvent, you may not receive your Loaned Securities back. Further, you may have limited recourse to the cash collateral reported on your statement of account. This risk of limited recourse to the cash collateral is heightened when all of your fully-paid shares are lent.

Exposure to market price changes. When you lend your fully-paid securities, you continue to own the securities and you continue to have the market exposure inherent in ownership of the securities (i.e., if the market price increases while you own the securities but are lending them out, your equity in the position will increase. If the price goes down, your equity will decrease). In the context of your Loaned Securities, a decrease in the market price of the Loaned Securities entails a corresponding decrease in the amount of collateral held for your benefit with respect to the loan, since your collateral entitlements are a function of the Loaned Securities’ current market price. Additionally, since lending fees are adjusted to the daily market value of securities loaned, market downturns may lead to lower lending revenues than initially anticipated.

Securities loans and short sales. The type of securities that are generally attractive to borrowers in the securities lending market, and which generate the highest income potential, are “hard to borrow” securities. When you lend your fully-paid securities, it is likely that such securities will be used to facilitate one or more short sales where the borrower is selling securities in hopes that the security will decline in value (the short seller later re-purchases the security to pay back the stock loan). This activity could put downward pressure on the market price of your Loaned Securities.

Potential adverse tax impacts from receiving “manufactured” payments. You are responsible for seeking tax advice from your own tax and legal advisors regarding the potential tax impacts of your participation in the fully-paid securities lending program. You are entitled to receive payments in the amount of all dividends and distributions made on or in respect of Loaned Securities. These payments on Loaned Securities are characterized as “payments in lieu of” or “manufactured” payments. The tax consequences of these payments may differ from the tax consequences of the receipt of a dividend on the Loaned Securities. Payments in lieu of dividends on loaned shares of Canadian issuers should generally be treated as taxable dividends on such securities for the purposes of the *Income Tax Act (Canada)* (the “**Tax Act**”),

subject to the applicable detailed rules and limitations. Payments in lieu of distributions on loaned trust units should generally be treated as a distribution from the trust having the same character as if you continued to hold the units of the trust. Payments in lieu of distributions on other loaned securities should generally be treated as interest for the purposes of the Tax Act. However, where the Loaned Securities are securities of foreign issuers (including U.S. issuers), there may be adverse tax consequences to you as compared to if you had not loaned the securities. WSII may be required to withhold foreign taxes with respect to compensation received from the borrower for taxable dividends on shares of foreign issuers. Furthermore, you will likely not be entitled to any foreign tax credit under the Tax Act in respect of either (a) any withholdings made by WSII, or (b) in respect of any foreign taxes withheld on distributions on the Loaned Securities (which foreign tax credit which might otherwise have been available to you had you not loaned the securities).

Potential adverse tax impacts from exercising rights to the cash collateral. The collateral provided by WSII provides you with credit risk protection in that you are entitled to retain the cash collateral if WSII fails to return the borrowed securities. Retaining the cash collateral will result in a taxable transaction and you may recognize a gain or loss based on the difference between the cash received and the cost basis of your Loaned Securities. For Canadian tax purposes, however, your allowable loss from such a disposition of property may be limited.

Waiver of voting rights. The borrower of the Loaned Securities (and not you, as lender) has the right to vote the Loaned Securities if the record date for such vote falls during the term of the loan. The borrower may vote the Loaned Securities in a manner that is contrary to how you may have wanted to vote. You may ask WSII to recall Loaned Securities on your behalf for the purposes of exercising your voting rights. However, WSII may be unable to return the Loaned Securities to you before the record date for such vote.

Application of insider or early warning reporting requirements. As the lender of securities, if you are also an insider of the issuer of the Loaned Securities, you may have to take into consideration the application of insider or early warning requirements under applicable securities laws.

Restriction on access to Loaned Securities on demand. If you unenroll from the fully-paid securities lending program, or attempt to transfer the Loaned Securities to another broker, there is a risk that WSII may not receive the securities back in a timely manner from the borrower and there may be a delay in returning the Loaned Securities. However, you can sell the Loaned Securities at any time. You do not have to wait for the Loaned Securities to be returned to sell them. WSII will be responsible for settling the sale, not you, and you will receive the proceeds from the sale of the Loaned Securities on the normal settlement date for the sale.

No guarantee that your securities will be loaned. There is no guarantee that you will be able to lend your fully-paid securities. There may not be a market to lend your fully-paid securities at a rate that is advantageous, or WSII may not have access to a market with willing borrowers. There is no rule or requirement, nor is there anything in the applicable agreements between you and WSII, that requires WSII to borrow securities from you or requires WSII to place your interest in lending securities ahead of WSII's own interests, or those of other WSII customers. WSII cannot and does not guarantee that all of your fully-paid securities that possibly could be loaned out will be loaned out.

No guarantee that you will receive the best rate for your Loaned Securities. The securities

lending market is not a standardized or transparent market. Securities lending transactions generally take place “over the counter” rather than on organized exchanges where prices and transactions are transparent. There are no rules or mechanisms that guarantee or require that any given participant in the marketplace will receive the best rate for lending securities, and WSII cannot and does not guarantee it will pay the highest rate for borrowing your fully-paid securities. WSII may not have access to the markets or counterparties that are offering the most favorable rates, or may be unaware of the most favorable rates.

Loans may be terminated at any time By WSII. When you lend your fully-paid securities, WSII may terminate the loan and return the Loaned Securities to your securities account at any time for any reason. WSII also has the right to terminate its borrowing of securities from you even if WSII continues to lend the same security through a lending market. When the loan is terminated, the Loaned Securities will be returned to your account and the cash collateral will be removed from your account. If you participate in the fully-paid stock lending program, you will not have direct control over when to initiate or terminate loans of specific securities. Please note, however, you can always terminate your participation in the program (which will terminate all of your lending transactions).