

Cardinal Capital Management, Inc.

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ADV Part 2A, Firm Brochure

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This Brochure provides information about the qualifications and business practices of Cardinal Capital Management, Inc. (“Cardinal Capital”). If you have any questions about the contents of this Brochure, please contact us at (919) 532-7500 or wandrews@cardinalcapitalmanagment.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cardinal Capital Management, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Cardinal Capital Management, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to this Firm Brochure since the February 20, 2016 annual update filing.

Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews,, remains available to address any questions that a client or prospective client has about this Brochure

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Item 4 Advisory Business

- A. Cardinal Capital is a corporation formed on January 2, 1992 in the State of North Carolina. Cardinal Capital became registered as an Investment Adviser Firm in January 1992. Cardinal Capital is principally owned by Glenn C. Andrews, who serves as Cardinal Capital's President and Chief Investment Officer.
- B. As discussed below, Cardinal Capital provides its clients (currently: individuals, high net worth individuals, trusts, estates, charitable organizations and other investment advisers) with investment advisory services and investment related consulting services. Cardinal Capital **does not** hold itself out as providing financial planning or related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Cardinal Capital to provide discretionary and/or non-discretionary investment advisory services on a fee-only basis. Cardinal Capital's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Cardinal Capital's management. Before engaging Cardinal Capital to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Cardinal Capital setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

Cardinal Capital provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, Cardinal Capital will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, Cardinal Capital provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may periodically rebalance and execute transactions for the account based upon such reviews.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. Although Cardinal Capital does not hold itself out as providing financial planning, estate planning or accounting services, to the extent specifically requested by the client, Cardinal Capital may provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. Cardinal Capital shall not receive any separate or additional fee for any such consultation services. Cardinal Capital does not serve as a law firm, accounting firm, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance implementation services. Accordingly, Cardinal Capital does not prepare estate planning documents, tax returns, or sell commissioned insurance products. To the extent requested by a client, Cardinal Capital may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage those services. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation

from Cardinal Capital and/or its representatives. If the client engages any recommended professional on a separate and individual basis, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Non-Discretionary Service Limitations. Clients that determine to engage Cardinal Capital on a non-discretionary investment advisory basis must be willing to accept that Cardinal Capital cannot effect any account transactions without obtaining prior consent to such transactions from the client. Thus, in the event that Cardinal Capital would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Cardinal Capital will be unable to effect the account transactions (as it would for its discretionary clients) without first obtaining the client's consent.

Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Cardinal Capital recommends that a client roll over their retirement plan assets into an account to be managed by Cardinal Capital, such a recommendation creates a conflict of interest if Cardinal Capital will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by Cardinal Capital. Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.

Client Obligations. In performing its services, Cardinal Capital shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Cardinal Capital if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Cardinal Capital's previous recommendations and/or services.

Sub-Advisory Engagements. Cardinal Capital may serve as a sub-advisor to unaffiliated registered investment advisors according to the terms and conditions of a written Sub-Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisors that engage Cardinal Capital's sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Cardinal Capital's designated investment strategies and/or programs. If the custodian/broker-dealer is determined by the unaffiliated investment adviser, Cardinal Capital will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the underlying client through may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Cardinal Capital. Higher transaction costs adversely impact account performance.

Disclosure Statement. A copy of Cardinal Capital's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement.

- C. Cardinal Capital provides investment advisory services tailored to the specific needs of each client. Before providing investment management services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, Cardinal Capital will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on Cardinal Capital's services.
- D. Cardinal Capital does not sponsor a wrap fee program (in which the sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee). However, Cardinal Capital is a participating investment adviser in an unaffiliated wrap program sponsored by Raymond James Financial, Inc. Since the custodian/broker-dealer is determined by the unaffiliated wrap program sponsor, Cardinal Capital will be unable to negotiate commissions, transaction costs, and/or seek better execution. As a result, investors through the wrap program may pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by Cardinal Capital. Higher transaction costs adversely impact account performance. In addition, participation in a wrap program may cost the participant more or less than purchasing such services separately.
- E. As of December 31, 2016, Cardinal Capital had \$ 319,531,724 in assets under management on a discretionary basis and \$16,786,605 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

- A. If a client determines to engage Cardinal Capital to provide discretionary and/or non-discretionary investment advisory services on a fee-only basis, Cardinal Capital's annual investment advisory fee is negotiable, but shall generally be based upon a percentage (%) of the market value and type of assets placed under Cardinal Capital's management as follows:

Assets under Management/Annual Fee

	Bonds	Domestic Large Cap Equity	Non-Domestic Equity and Small Cap
First \$2,000,000	0.50%	1.00%	1.50%
Next \$3,000,000	0.40%	0.80%	1.20%
Over \$5,000,000	Negotiable	Negotiable	Negotiable

- B. Clients may elect to have Cardinal Capital's advisory fees deducted from their custodial account. Both Cardinal Capital's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Cardinal Capital's investment advisory fee and to directly remit that management fee to Cardinal Capital in compliance with regulatory procedures. In the limited event that Cardinal Capital bills the client directly, payment is due upon receipt of Cardinal Capital's invoice. Cardinal Capital shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Cardinal Capital shall generally recommend that Charles Schwab ("Schwab") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Cardinal Capital's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and ETF purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). When beneficial to the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian (generally, Schwab), in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian (generally, Schwab).
- D. Cardinal Capital's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter. The Investment Advisory Agreement between Cardinal Capital and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, Cardinal Capital shall debit the account for the pro-rated portion of the unpaid advisory fee based upon the number of days that services were provided during the billing quarter.
- E. Neither Cardinal Capital, nor its representatives, accepts compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Cardinal Capital, nor any supervised person of Cardinal Capital, accepts performance-based fees.

Item 7 Types of Clients

Cardinal Capital's clients shall generally include: individuals, high net worth individuals, trusts, estates, charitable organizations and other investment advisers. Cardinal Capital, in its sole discretion, may charge a lesser investment management fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition,

negotiations with client, etc.). Cardinal Capital does not impose any minimum requirements for opening or maintaining an account, such as a minimum annual investment advisory fee or a minimum asset level.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

A. Cardinal Capital may utilize the following methods of security analysis:

- Quantitative - (analysis performed using a proprietary statistical model to identify individual equities trading either at a discount or premium to their relative historical price metrics)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Cardinal Capital may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear, including a complete loss of principal investment. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Cardinal Capital) will be profitable or equal any specific performance level(s).

B. Cardinal Capital's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Cardinal Capital must have access to current/new market information. Cardinal Capital has no control over the dissemination rate of market information; therefore, unbeknownst to Cardinal Capital, certain analyses may be compiled with outdated market information, severely limiting the value of Cardinal Capital's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Cardinal Capital's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, Cardinal Capital primarily allocates (or recommends that clients allocate) investment management assets among various individual equity and/or fixed income securities, ETFs, and/or mutual funds, on a discretionary or non-discretionary basis, in accordance with the client's designated investment objective(s).

Item 9 Disciplinary Information

Cardinal Capital has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Cardinal Capital, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Cardinal Capital, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Cardinal Capital does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. Cardinal Capital does not recommend or select other investment advisors for its clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. Cardinal Capital maintains an investment policy relative to personal securities transactions. This investment policy is part of Cardinal Capital's overall Code of Ethics, which serves to establish a standard of business conduct for all of Cardinal Capital's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Cardinal Capital also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Cardinal Capital or any person associated with Cardinal Capital.

- B. Neither Cardinal Capital nor any related person of Cardinal Capital recommends, buys, or sells for client accounts, securities in which Cardinal Capital or any related person of Cardinal Capital has a material financial interest.
- C. Cardinal Capital and/or representatives of Cardinal Capital may buy or sell securities that are also recommended to clients. This practice may create a situation where Cardinal Capital and/or representatives of Cardinal Capital are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could

take place if Cardinal Capital did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Cardinal Capital’s clients) and other potentially abusive practices.

Cardinal Capital has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Cardinal Capital’s “Access Persons”. Cardinal Capital’s securities transaction policy requires that an Access Person of Cardinal Capital must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Cardinal Capital selects; provided, however that at any time that Cardinal Capital has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Cardinal Capital and/or representatives of Cardinal Capital may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Cardinal Capital and/or representatives of Cardinal Capital are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Cardinal Capital has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Cardinal Capital’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Cardinal Capital recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Cardinal Capital to use a specific broker-dealer/custodian), Cardinal Capital generally recommends that investment management accounts be maintained at Schwab. Prior to engaging Cardinal Capital to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Cardinal Capital setting forth the terms and conditions under which Cardinal Capital shall manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Cardinal Capital considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with Cardinal Capital, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Cardinal Capital’s clients shall comply with Cardinal Capital’s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Cardinal Capital determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Cardinal Capital will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage

commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Cardinal Capital's investment management fee. Cardinal Capital's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Cardinal Capital may receive from Schwab (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, and/or product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Cardinal Capital to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Cardinal Capital may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Cardinal Capital in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Cardinal Capital in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Cardinal Capital to manage and further develop its business enterprise.

Cardinal Capital's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by Cardinal Capital to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Cardinal Capital does not receive referrals from broker-dealers for compensation. Cardinal Capital may continue to pay third parties for legacy client referrals from broker-dealers, but does not engage in this practice with respect to new referrals. As such, this practice does not present a conflict of interest.
3. Directed Brokerage. Cardinal Capital does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Cardinal Capital will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Cardinal Capital. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive

less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Cardinal Capital to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Cardinal Capital. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Cardinal Capital provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Cardinal Capital decides to purchase or sell the same securities for several clients at approximately the same time. Cardinal Capital may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Cardinal Capital's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Cardinal Capital shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Cardinal Capital provides investment supervisory services, account reviews are conducted on an ongoing basis by Cardinal Capital's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Cardinal Capital of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with Cardinal Capital on an annual basis.
- B. Cardinal Capital **may** conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Cardinal Capital provides investment supervisory services shall also receive a supplemental quarterly report from Cardinal Capital summarizing account holdings and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, Cardinal Capital may receive economic benefits from Schwab including support services and/or products without cost or at a discount.

Cardinal Capital's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by Cardinal Capital to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to Cardinal Capital by either an unaffiliated or an affiliated solicitor, Cardinal Capital may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Cardinal Capital's investment advisory fee, and shall not result in any additional charge to the client. If the client is introduced to Cardinal Capital by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their solicitor relationship, and shall provide each prospective client with a copy of Cardinal Capital's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Cardinal Capital and the solicitor, including the compensation to be received by the solicitor from Cardinal Capital.

Item 15 Custody

Cardinal Capital shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Cardinal Capital provides investment supervisory services shall also receive a supplemental quarterly report from Cardinal Capital summarizing account holdings and performance.

Please Note: To the extent that Cardinal Capital provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Cardinal Capital with the account statements received from the account custodian.

Please Also Note: The account custodian does not verify the accuracy of Cardinal Capital's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage Cardinal Capital to provide investment advisory services on a discretionary basis. Prior to Cardinal Capital assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming Cardinal Capital as the client's attorney and agent in fact, granting Cardinal Capital full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Cardinal Capital on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Cardinal Capital's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Cardinal Capital's use of margin, etc.).

Item 17 Voting Client Securities

- A. Unless the client directs otherwise in writing, Cardinal Capital is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). Cardinal Capital shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Cardinal Capital shall monitor corporate actions of individual issuers and investment companies consistent with Cardinal Capital's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Cardinal Capital will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, Cardinal Capital may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Cardinal Capital may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Cardinal Capital shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Cardinal Capital voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews.
- B. As set forth in Item 17.A above, Cardinal Capital votes client proxies.

Item 18 Financial Information

- A. Cardinal Capital does not require its clients to pay advisory fees in advance.
- B. Cardinal Capital is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Cardinal Capital has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Cardinal Capital's Chief Compliance Officer, J. Wesley Andrews, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.