



Canaccord Genuity Direct is a division of Canaccord Genuity Corp.

Conflicts of Interest Disclosure

The most important value driving Canaccord Genuity Direct (**CG Direct** or **we** or **us**), a division of Canaccord Genuity Corp. (CGC) is, “We put our clients first.” This commitment to clients is critical to our success as Canada’s premier independent investment dealer and extends to our employees and agents nationwide who share a common set of objectives which, once fulfilled ultimately benefit our diverse clientele.

One essential objective is our commitment to uphold the highest ethical standards when delivering financial services. We believe the best way to reinforce this commitment is to disclose important information regarding the conflicts of interest between us and our valued clients.

Conflict of interest defined

A conflict of interest is any circumstance where (i) the interest of our client (you or your) may be inconsistent with our interests, including those of our representatives or (ii) you may perceive us to be influenced to put our interest ahead of yours, or (i) monetary and non-monetary benefits available to us, or potential detriments which may affect the trust you have in us.

Canaccord Genuity Corp. is an integrated investment dealer providing a broad range of corporate finance, corporate advisory, institutional sales and trading, and research and fixed income (together, Canaccord Genuity Corp.’s “Capital Markets” division) in addition to retail wealth management services and products (“Canaccord Genuity Wealth Management”) and our order execution only division (“CG Direct”), Canaccord Genuity Corp. may be more susceptible to conflicts of interest than many other commercial activities since we often represent both sides to a single transaction.

It is important our clients understand these conflicts and how Canaccord Genuity Corp. will address them. This Conflicts of Interest Disclosure document outlines key conflicts we have identified, and it is important our clients read this disclosure document carefully.

CG Direct’s commitment to clients

Actual, potential, and perceived conflicts of interest exist in almost all human interactions, including our relationship with our clients. As part of our commitment to ensure fairness to our varied clientele, we promise to provide our clients with full transparency on most aspects of our business endeavors. To ensure fairness to all our clients and to maintain their continued confidence, we have implemented policies and procedures designed to identify and address a wide range of conflicts of interest.

Possible Conflicts and How They Are Managed

The general types of conflicts of interest that can arise are:

- Conflicts of interest between you and CG Direct;
- Conflicts of interest between you and a representative of CG Direct; and
- Conflicts of interest between you and our other clients.

We have a regulatory obligation to identify and address all existing and potential conflicts of interest in a fair, equi-table and transparent manner consistent with our clients' best interests.

With this in mind, the following table highlights the most common conflicts we encounter; it is not intended to be an exhaustive list. However, it will assist our clients in understanding and assessing the actual, potential, and perceived conflicts and how they will be addressed.

If you have any questions or concerns involving conflicts of interest, please reach out to us for an explanation or more information.

Proprietary products

We offer our clients a wide range of products, including our own proprietary products.

How we address the conflict

- Our clients have equal access to a wide array of proprietary and non-proprietary products.
- All products, including proprietary and non-proprietary, are subject to the same due diligence, selection and ongoing monitoring process.

Referral arrangement

We may enter referral arrangements where we receive or pay a referral fee.

How we address the conflict

- A formal referral agreement between us and any professional and/or company must be in place before clients can be referred. The terms of the agreement will be disclosed to you in writing.
- Referral arrangements are reviewed and approved by Canaccord Genuity Corp.'s Compliance division and operated in accordance with strict regulatory requirements.

Outside business activities (OBA)

Some employees may carry on an OBA such as acting as a director, officer, or shareholder in another entity, participating on advisory boards or engaging in volunteer positions. Participation in the OBA may create competing interests with their obligations to our clients.

How we address the conflict

- Employees are required to disclose all OBAs.
- All OBAs must be approved by our Chief Compliance Officer or designate.
- We have policies and procedures in place to review OBAs for potential conflicts.
- Our Code of Business Conduct and Ethics sets out our standards for business conduct that applies to all employees of Canaccord Genuity Corp.
- Our employees are prohibited from engaging in personal financial dealings with our clients.

Gifts and entertainment

Employees may receive offers of gifts and/or entertainment which could be perceived to motivate them to put their interest ahead of the clients.

How we address the conflict

- We have a strict internal policy regarding the giving, accepting, and soliciting of gifts, entertainment, and other business courtesies.
- Gifts are prohibited from being either excessive or recurrent so as to not cause the perception of a conflict of interest.
- All employees are required to abide by our Code of Business Conduct and Ethics.

Personal trading

Employees may have personal trading accounts which they want to perform well. They may have access to confidential information regarding trading activities of clients which can be used for their own trading purposes, with a potential detriment to the client.

How we address the conflict

- We have policies and procedures in place to supervise personal trading of all employees.
- We monitor trading by employees to detect the following:
 - Trading ahead of a client;
 - Trading in advance of favorable research report publication; and
 - Trading based on knowledge of material non-public information.

Trading

We may receive compensation from trading destinations, including electronic communication networks, market makers and exchanges in connection with trades on markets we direct to such destinations through affiliates or directly.

How we address the conflict

- We have policies and procedures which ensures best execution across all available markets. A copy of our Best Execution Disclosure is available on CG Direct's website.
- All orders are routed through a smart order router which checks all available markets for best execution.

Related and connected issuers

CG Direct makes available products of related and connected issuers which may give rise to a material conflict of interest. Upon your instructions, we may affect transactions in your account in securities of a related or connected issuer of CG Direct.

How we address the conflict

- All related or connected issuers to CG Direct are disclosed in our Client Agreement and Disclosure document.
- Trade confirmations have disclosures to indicate when a security sold is that of a related or connected issuer to CG Direct.
- We will notify you if there is a change in CG Direct's relationship or connection to any public issuer.

Material non-public information

As a result of business relationships with public issuers, employees and agents of Canaccord Genuity Corp. may be in possession of material, non-public or otherwise highly confidential information. We are not permitted to disclose this information to clients even if knowing said information would influence their decision to buy or sell.

How we address the conflict

- Through the design and use of technological and physical barriers, we segregate our Capital Markets division, CG Direct and Canaccord Genuity Wealth Management businesses to ensure they operate as completely independent divisions. This structural separation also prevents the sharing of material, non-public information by our Capital Markets division.
- Our internal information barriers are designed to ensure compliance with securities regulations and prevents the flow of non-public information to other divisions of Canaccord Genuity Corp.
- Personal trading by employees that are in possession of material non-public information is monitored for compliance with all regulatory requirements.

Other compensation

We earn revenue by charging a fee for certain administrative and transaction-based services.

How we address the conflict

- A fee schedule is provided to you at account opening and outlines current service and administration fees only.
- You will be provided a 60-day written notice in advance of any revised fee changes originally disclosed to you.

CG Direct may be compensated in other ways as a result of the business clients may do with us, including interest spreads on uninvested cash deposits and foreign exchange spreads when you convert currencies.

How we address the conflict

- We conduct foreign exchange transactions in a fair and reasonable manner. When setting an exchange rate, we consider factors such as exchange rates available at the time, and the various costs involved in executing the transaction. The size of the transaction may also impact the exchange rate.

More information

We encourage clients to access the websites and publications of the provincial securities commissions and Canadian Investment Regulatory Organization for more information on how these regulations tackle conflicts of interest thereby safeguarding the investing public.

- Canadian Securities Administrators: [securities-administrators.ca](https://www.securities-administrators.ca)
- Canadian Investment Regulatory Organization (CIRO): [ciro.ca](https://www.ciro.ca)

Questions about this document can be directed to clientservices@cgdirect.ca.