



**AEQUITAS INNOVATIONS INC. AND NEO EXCHANGE INC.  
CONFLICTS OF INTEREST AND CONFIDENTIALITY POLICY  
RELATING TO SHAREHOLDERS**

**A. Purpose**

This conflicts of interest and confidentiality policy relating to shareholders (the “**Policy**”) has been established in accordance with the Recognition Order (defined below). Neo Exchange Inc. (the “**Exchange**”) and its parent corporation, Aequitas Innovations Inc. (“**Aequitas**”) must ensure that shareholder-related conflicts (whether in the context of shareholders of Aequitas or Aequitas as the sole shareholder of the Exchange) are identified and managed appropriately. The Exchange must identify and manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from any interactions between the Exchange and a Significant Shareholder (defined below) where the Exchange may be exercising discretion that involves or affects the Significant Shareholder. This Policy identifies and establishes protocols to manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from Aequitas’ ownership interest in the Exchange. The Policy also provides mechanisms to ensure that confidential information obtained by a representative of a Significant Shareholder through that individual’s involvement in the management or oversight of the marketplace operations or regulation functions of the Exchange is kept separate and confidential and is not used to the advantage of the Significant Shareholder or its affiliates.

**B. Definitions and Interpretation**

1. **Defined Terms.** In addition to terms defined elsewhere in this Policy, the following terms have the meanings set out here.

“**Aequitas Board**” means the board of directors of Aequitas.

“**Dealer**” means “investment dealer”, as that term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

“**Exchange Board**” means the board of directors of the Exchange.

“**Listed Issuer**” means a person whose securities are listed, or is seeking to have its securities listed, on the Exchange.

“**Listing Manual**” means the Exchange’s listing manual as from time to time amended.

“**Listing Matter**” means a listing application or other matter subject to review under the Listing Manual, but excludes an informational filing or notice made to the Exchange requiring no further action by the Exchange.

“**Member**” means a member of the Exchange or any person seeking to become a member of the Exchange.

“**OSC**” means the Ontario Securities Commission.

“**Potential Listing Conflict Matter**” means a Listing Matter that directly or indirectly involves or affects a Significant Shareholder and is novel, is otherwise particular to that Significant Shareholder, or the Exchange proposes to deal with the Listing Matter outside the ordinary course.

“**Recognition Order**” means the OSC’s order dated November 13, 2014, as amended, recognizing the Exchange and Aequitas as an exchange.

“**Regulatory Oversight Committee**” means the committee of the Exchange Board established pursuant to section 8 of Schedule 2 of the Recognition Order.

“**Significant Shareholder**” means a person or company that:

- (a) beneficially owns or controls, directly or indirectly, more than 10% of any class or series of voting shares of Aequitas; or
- (b) a shareholder whose nominee is on the Board of Neo Exchange or Aequitas, for as long as the nominee of that shareholder remains on the Board of Neo Exchange or Aequitas.

“**Shareholder Dealer**” means a shareholder of Aequitas that is a Dealer.

“**Trading Management**” means those individuals holding the position of Chief Business Officer and Chief Operating Officer, and their delegates.

“**Trading Matter**” means a member or market maker application or other matter subject to review under the Trading Policies, but excludes a filing or notice to the Exchange for informational, procedural or operational purposes where the Exchange is not required to exercise any discretion or regulation function.

“**Trading Policies**” means the Exchange’s trading policies as amended from time to time.

### **C. Trading Conflicts**

1. In performing their day-to-day functions, Exchange staff will identify potential shareholder-related trading conflicts.
2. Trading Management and staff will maintain procedures for identifying potential shareholder-related trading conflicts and will meet with legal and regulatory staff periodically to review the procedures.
3. Exchange staff are required to apply and follow all applicable rules, policies and procedures for dealing with:
  - (a) processing and approving membership and market maker applications; and
  - (b) responding to member and vendor requests, calls, emails and issues, on a first come first serve basis, subject to prioritizing issues that may have an impact on the market as a whole.
4. Exchange staff will present any Trading Matters to a minimum of two members of Trading Management or one member of Trading Management and one member of the Exchange’s legal and regulatory staff (“**Review Panel**”) for their review and approval if:
  - (a) the Significant Shareholder or any of its affiliates is the Member directly involved in the Trading Matter; or

- (b) the Exchange (i) is advised by the Member or Significant Shareholder, or it is otherwise aware, that the Trading Matter involves or affects a Significant Shareholder either directly or indirectly and (ii) proposes to deal with the Trading Matter other than in the ordinary course.
5. Exchange staff will promptly provide to the Review Panel a memorandum summarizing the issue(s) and including any relevant information, such as the applicable Trading Policies and precedents (if any) and, at the request of Trading Management, will provide any other information to assist the Review Panel with their review or, if appropriate, make a determination regarding the Trading Matter at issue.
  6. The Review Panel will consider the Trading Matter, the applicable conflicts of interest policy and resolution protocol, and the proposed course for dealing with the Trading Matter, and will make a determination in writing whether a conflict of interest exists or not, or is likely to arise, with respect to Exchange staff's proposed course for dealing with the Trading Matter.
  7. If the Review Panel determines that a conflict of interest does not exist and is unlikely to arise with respect to the proposed course for dealing with the Trading Matter, the Trading Matter will be dealt with as proposed by Exchange staff and the issue and its resolution will be documented.
  8. Where the Review Panel has considered the Trading Matter under section 4 of this Part C and rejected Exchange staff's proposed course for dealing with the Trading Matter, the Review Panel may:
    - (a) require Exchange staff to reconsider and revise its recommendation;
    - (b) direct Exchange staff to take such other action as it considers appropriate in the circumstances; or
    - (c) forward the matter to the Regulatory Oversight Committee for further consideration and direction.

**D. Listing Conflicts**

1. This Part D shall not apply to any matter where a shareholder:
  - (a) is party to a transaction in an advisory capacity only or as a result of being an underwriter;
  - (b) is party to, involved with or affected by a transaction only as a result of being an administrator or a manager of a listed closed end fund, exchange traded fund or other structured product; or
  - (c) submits a listing application to the Exchange that does not give rise to a Potential Listing Conflict Matter.
2. Listings Regulatory staff shall identify Potential Listing Conflict Matters that arise in the course of the performance of their functions.
3. Listings Regulatory staff shall provide instructions to relevant Exchange officers and other staff to enable them to identify Potential Listing Conflict Matters and to advise the Regulatory Oversight Committee as required in accordance with this Policy.
4. Listings Regulatory staff shall present Potential Listing Conflict Matters to the Regulatory Oversight Committee for its review.

5. Listings Regulatory staff shall promptly provide to the Regulatory Oversight Committee any relevant information in their possession, including a memorandum summarizing the matter, the applicable provisions of the Listing Manual, precedents (if any), notes, reports, internal Exchange guidelines and, at the request of the Regulatory Oversight Committee, any other information in their possession in order to assist the Regulatory Oversight Committee with its review or, if appropriate, make a determination regarding the Potential Listing Conflict Matter.
6. The Regulatory Oversight Committee will consider the Potential Listing Conflict Matter and the proposed course for dealing with it and form a view regarding whether a conflict of interest exists or not, or is likely to arise or not, and provide feedback with respect to Exchange staff's proposed course for dealing with the Potential Listing Conflict Matter.
7. If the Regulatory Oversight Committee has no objection to the proposed course for dealing with the Potential Listing Conflict Matter, the Potential Listing Conflict Matter will be dealt with as proposed by Exchange staff and the issue and any feedback will be documented.
8. Where the Regulatory Oversight Committee has considered the Potential Listing Conflict Matter under section 4 of this Part D and rejected the Exchange staff's proposed course for dealing with the Potential Listing Conflict Matter, the Regulatory Oversight Committee may either:
  - (a) require Exchange staff to reformulate its recommendation; or
  - (b) direct Exchange staff to take such other action as the Regulatory Oversight Committee considers appropriate in the circumstances.
9. Where there are applications submitted for listing on the Exchange by Significant Shareholders that require waivers but do not give rise to Potential Listing Conflict Matters, Exchange staff shall report such listing applications to the Regulatory Oversight Committee, periodically, as required by the committee and, at a minimum, once a year.

#### **E. Confidentiality**

1. The Exchange has established internal policies, procedures and Code of Conduct for its staff and directors to ensure confidentiality of Member and Listed Issuer information.
2. Exchange staff will consult and follow the applicable confidentiality policies before disclosing any information to any outside party.
3. The Exchange's Board of Directors Code of Conduct mandates that Board Members of the Exchange and Aequitas will use best efforts to ensure that information relating to all matters that come into their knowledge or possession in the course of their duties as a member of the board, or any committee appointed by the Board, is not improperly disclosed or used.

#### **F. Oversight**

This Policy is subject to the oversight of and periodic review by the Regulatory Oversight Committee.

October 29, 2020