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# LIQUIDNET CONFLICT OF INTEREST POLICY

## CONFLICTS OF INTEREST AND FIRM OPPORTUNITIES

It is not possible to provide a precise, comprehensive definition of a conflict of interest; however, conflict of interest situations could arise due to an actual, potential, or perceived divergence between or among the interests of any of the following:

- (i) Liquidnet Canada;
- (ii) Liquidnet Canada Members or customers; and
- (iii) the employee or consultant's own personal interests.

A particular activity or situation may be considered a conflict of interest even though it does not result in any financial loss to Liquidnet Canada, Liquidnet Holdings, or Members and customers of Liquidnet Canada, irrespective of the motivations of the employee or consultant involved.

Employees and consultants should avoid other employment or outside business activities, including personal investments, that interfere with their duties to Liquidnet Canada, divide their loyalty, or create or appear to create a conflict of interest. Each employee or consultant should promptly report any situation or transaction involving an actual or potential conflict of interest to their designated principal and the Compliance Department.

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## IDENTIFICATION

The identification and management of all conflicts of interest are fundamental considerations in Liquidnet Canada's business-related activities. A conflict of interest may be present whenever an employee's interests are inconsistent with, or even appear to be inconsistent with, those of Liquidnet Canada, its Members and/or customers. Even the mere appearance of a conflict of interest (i.e., where no conflict may actually exist) can result in potentially irreversible damage to Liquidnet Canada's reputation. As such, it is the responsibility of each of Liquidnet Canada employee and consultant to help in the effort to identify actual or potential conflicts of interest associated with Liquidnet's business and promptly bring any such issues to the attention of the Head of Liquidnet Canada and the Compliance Department. In addition to this voluntary disclosure by employees and consultants, the Head of Liquidnet Canada and the Compliance Department may become aware of a conflict of interest through external parties.

The Compliance Department, along with the Head of Liquidnet Canada, will evaluate the actual, potential or perceived conflict of interest in a "fair, equitable and transparent manner" in accordance with IIROC Dealer Member Rule 42, and

determine the level of risk to Liquidnet Canada, its Members, and its customers. In every case, Liquidnet Canada will consider the best interest of Liquidnet's Members and customers.

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## ADDRESSING CONFLICTS OF INTEREST

Conflicts of interest, if not properly addressed, can cause serious harm to Liquidnet Canada. Any actual, potential or perceived conflict that the Head of Liquidnet Canada or Compliance Department determines to be negative to the interests or reputation of Liquidnet Canada or its Members and customers must be avoided.

If, however, the Head of Liquidnet Canada determines that a conflict exists and cannot be avoided, the Head of Liquidnet Canada may affirm that the conflict continues to exist, provided that mitigating action has been developed, implemented and documented.

In such events, Liquidnet should promptly disclose the conflict to the affected Member or customer in writing. Any new Member or customer that is or could be affected by the previously approved conflict will be notified, in writing, prior to onboarding.

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## OUTSIDE BUSINESS ACTIVITIES

Prior to engaging in any outside business activity, an employee must first obtain approval from the Head of Liquidnet Canada and Compliance. The employee must complete the outside business activity form attached hereto through Compliance 11. The outside business activity form requires disclosure of the following information:

- Name of entity with which the employee will be affiliated
- Location of the entity
- Type of business and the service it provides
- Whether the business is for profit, charitable, civic, non-profit, not-for-profit or other purposes.

The employee must also describe his or her affiliation with this entity, include:

- Position(s) he or she expects to hold
- Start date
- Expected hours per month
- Monthly compensation

- Whether the employee has invested in this entity
- Whether the entity has publicly traded equity or debt securities

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## **INTEREST IN COMPETITORS, MEMBERS, CUSTOMERS, OR SUPPLIERS**

Except with the approval of the Head of Liquidnet Canada (or, in the case of the Head of Liquidnet Canada, the approval of the Board), no employee, consultant or member of his or her Immediate Family shall serve as an employee, officer, manager, or trustee of, or have a substantial interest in or business relationship with, a competitor, Member, customer, or supplier of Liquidnet Canada (other than Liquidnet Holdings) that could create, or appear to create, a divided loyalty. Immediate family means (a) any spouse, children, parents or siblings, or (b) any relative to whose support the employee or consultant contributes, either directly or indirectly, and who shares the employee or consultant's household. Liquidnet Canada acknowledges that Liquidnet Holdings has engaged certain consultants who work at Liquidnet Canada's premises, and that the employees provided by these consultants are employees of their respective consulting firms. This arrangement is not a violation of firm policy provided that the consultant has disclosed the relationship to Liquidnet Canada.

A Liquidnet Canada employee may not have an ownership interest in any other enterprise if that interest compromises or appears to compromise his or her loyalty to Liquidnet Canada. For example, employees should not acquire an interest in any enterprise that is a significant competitor with Liquidnet Canada without first obtaining approval from the Head of Liquidnet Canada or General Counsel. Large financial institutions with multiple business lines may not be considered significant competitors of Liquidnet Canada for these purposes by reason of their having some overlapping areas of business.

Employees also may not own an interest in a company that does significant amounts of business with Liquidnet Canada without the prior written approval of the Head of Liquidnet Canada or General Counsel. The prohibitions and required approvals in this paragraph do not apply to holdings of less than 5% in a public company. These prohibitions and required approvals also do not apply to transactions by directors and their affiliates engaged in the business of investment, provided that no confidential information is shared with any Liquidnet Canada competitor. Other than with the prior consent of the Head of Liquidnet Canada or General Counsel, simultaneous employment with Liquidnet Canada and any other entity, serving as a director of a significant competitor of Liquidnet Canada, serving as a director of any entity in which Liquidnet Canada is invested, or engaging in any activity that an employee should reasonably expect to advance a competitor's interests is strictly prohibited. It is the employee's responsibility to consult with the Head of Liquidnet Canada or General Counsel to determine whether a planned activity will compete impermissibly with any of Liquidnet Canada's business activities before the employee pursues the activity in question.

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## **RECEIPT OF GIFTS, LOANS, FAVOURS, ETC.**

No employee of Liquidnet Canada or member of his or her immediate family shall solicit or accept from any outside concern that does business or competes with Liquidnet any compensation, gift of cash (or equivalent), significant gift, loan, lavish entertainment, or other substantial favour for his or her personal benefit. This section shall not prohibit employees or members of their immediate families from obtaining services on terms as are available generally to the public or attending a vendor sponsored event where the vendor will be in attendance. Upon receipt of a gift or entertainment (including, but not limited to, meals, sports events, and concert and theater events) from a third party, all employees must notify the Compliance Department promptly, and report such gift on the monthly gift log, administered by Compliance. Any gifts that are received must be promptly delivered to the Office Manager. All gifts will be shared with the employees of Liquidnet. In an instance where a gift cannot be shared by employees, it will be donated to a charity or raffled off during the year. Non-cash gifts below \$100 are not subject to this policy; however, a series of related gifts must be aggregated in determining whether the gift is below the \$100 threshold.

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## **INTEREST IN TRANSACTIONS**

No employee or consultant, or a member of his or her immediate family, shall engage in any transaction involving Liquidnet Canada if the employee or consultant or the member of his or her immediate family has a substantial interest in the transaction or can benefit directly or indirectly from the transaction (other than through the employee's normal compensation), except as specifically authorized in writing by a designated principal and the Compliance Department.

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## **DIVERSION OF FIRM BUSINESS OPPORTUNITY**

No employee shall acquire, or derive personal gain or profit from, any business opportunity or investment that comes to his or her attention as a result of his or her association with Liquidnet Canada, and in which he or she knows Liquidnet Canada might reasonably be expected to participate or have an interest, without first disclosing in writing all relevant facts to Liquidnet Canada, offering the opportunity to Liquidnet Canada and receiving specific written authorization from a designated principal and the Compliance Department.

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## ANTI-BRIBERY

Liquidnet must fully comply with all national and international anti-bribery, extortion and corruption laws and regulations in force from time to time in the United States or otherwise including, but not limited to, the United States Foreign Corrupt Practices Act ("FCPA"), the United Kingdom Bribery Act 2010 ("UK Bribery Act"), Canadian anti-bribery regulations and any regulations or orders made under such provisions.