

July 2024

## Conflicts of Interest Disclosure

This document provides summary information regarding material conflicts of interest which may exist between Virtu Canada Corp. (“Virtu” or “the Firm”), its employees and its Institutional Clients. A current version of this document is accessible under the Virtu Canada Regulatory Disclosures section of Virtu’s website ([www.virtu.com/regulatory-disclosures](http://www.virtu.com/regulatory-disclosures)).

### PURPOSE AND SCOPE

Pursuant to National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, Virtu provides this disclosure relating to the existing and reasonably foreseeable material conflicts of interest that may affect the interests of the Firm’s Institutional Clients (referred to as “Clients” for the remainder of this disclosure).

A conflict of interest may occur when the interests of Virtu or its employees compete with the interests of the Firm’s Clients. Virtu has in place policies and procedures intended to identify and manage existing and potential material conflicts of interest, as described further below, which include escalation procedures for newly identified potential or existing conflicts of interest. A conflict of interest is considered material if the conflict may be reasonably expected to influence the decisions of either the Client, Virtu, or its employees.

Virtu will seek to identify and manage competing interests, including through disclosure. This disclosure will be updated in a timely manner if new or existing conflicts of interest are identified, or upon determination that a previously identified conflict of interest becomes material.

### MATERIAL CONFLICTS AND MANAGEMENT

#### 1. Principal trading activities of Virtu and its affiliates

Virtu is an indirect subsidiary of Virtu Financial, Inc. (“VFI”).

VFI operates brokerage subsidiaries in multiple jurisdictions (each a “VFI affiliate”) and provides global Market Making and/or Execution Services to clients. Virtu or its VFI affiliates operate as a market maker and commit capital on a principal basis in the Market Making segment direct to Clients as well as on marketplaces. Virtu provides clients Agency Execution Services, Workflow Technology and Analytics across multiple asset classes.

Virtu, or its VFI affiliates, may act as a market maker, or otherwise act as principal, trading in exact or related securities for which Virtu may receive or handle Clients orders. Virtu and its VFI affiliates effect transactions in the marketplace for their own account (proprietary trading) and such orders may at times execute against Client orders on marketplaces and in certain cases Virtu or a VFI affiliate may facilitate the execution of a Client order as principal. Virtu or the VFI affiliate may earn trading profits related to this principal trading activity; as a result, this activity may give the perception that the Firm prioritizes its interests ahead of its Clients’ interests.

Virtu manages the existing and potential conflicts within its business lines through disclosure of its conflicts, and policies and procedures designed to avoid and or balance these conflicts. For more information, please refer to the Best Execution and Order Handling Disclosure.



## **2. Ownership interests in, or arrangements with marketplaces**

Virtu and its VFI affiliates may have an ownership interest in, or arrangement with, exchanges, alternative trading systems, multilateral trading facilities or other venues. Virtu manages these conflicts by disclosure of these conflicts, policies and procedures designed to avoid or balance conflicts, including analysis of its order routing practices conducted as part of its best execution policies and procedures.

Virtu maintains arrangements with broker-dealer affiliates of Virtu to access global markets where Virtu is not a market participant. Virtu utilizes its affiliates due to the highly integrated technology, support functions and controls as well as monitoring systems. Accordingly, Virtu prioritizes its' affiliates for order routing to foreign marketplaces and will not generally route to another broker when an affiliate services that region. Virtu affiliates are generally subject to the rules of various self-regulatory organization (“SROs”) of which our affiliates are members. These SROs typically require firms to implement policies and procedures applicable to a variety of regulatory areas including trading practices, order handling, best execution practices, anti-money laundering and financial crimes, handling of material non-public information, safeguarding data, compliance with exchange and clearinghouse rules, capital adequacy, customer protection, reporting, record retention, market access and the conduct of officers, employees and other associated persons.

For more information, please refer to the Best Execution and Order Handling Disclosure.

## **3. Services of VFI affiliates and dual registration**

Virtu may receive or provide management, administrative or other services, from or to VFI or its VFI affiliates. In addition, as permitted under securities laws, Virtu employees registered with the applicable Canadian securities regulators may also be registered with one or more foreign securities authorities as an employee of a VFI affiliate and provide services to clients of that VFI affiliate. For more information, please refer to the Related Registrants Disclosure.

## **4. Conflicting interests of Clients**

At times Virtu handles orders in the same security for multiple clients. When a trader is handling multiple orders for clients in the same security the trader will manage these clients through disclosure to clients and seeking instructions from the client regarding how to handle the order under these circumstances.

## **5. Employee outside activities**

A Virtu employee may engage in an “outside activity” (“OA”) unrelated to their role at the Firm, and such an activity may have the potential to conflict or appear to conflict with their obligations to the Firm and its Clients. Virtu’s policies require disclosure of OA’s, analysis of potential conflicts and investor confusion that could be caused by the OA, and supervisory approval of OAs. OAs that present a high degree of likelihood of conflict of interest or investor confusion are avoided.

## **6. Employee personal trading**

Virtu employees are permitted to have personal accounts in which they can buy and sell securities. Employees may have access to confidential information regarding the trading activities of a client. Virtu has established policies and procedures that are reasonably designed to ensure trading in securities is performed in accordance with applicable securities laws and regulations. Virtu has established information barriers that are reasonably designed to prevent unauthorized transmission of confidential information. The Firm has established policies and procedures reasonably designed to supplement regulatory requirements to address personal trading including at the time of hiring, and on an annual basis, obtaining from applicable employee’s disclosure of personal trading accounts, monitoring and reviewing transactions in accounts.



## **7. Gifts and entertainment**

Gifts or entertainment received or given to or from clients, third parties or other employees may be perceived as potentially inappropriately influencing an external party or employee. Virtu has established policies and procedures reasonably designed to ensure gifts or entertainment received or given are limited, are in accordance with applicable law and regulation, and are conducted in the spirit of the business to foster and maintain the business relationship.

## **8. At-the-market distributions**

Virtu may participate as a dealer in at-the-market distributions (“ATMs”) of securities and may have or have access to material non-public information (“MNPI”) about the issuers for which it is engaged in an ATM. Access to MNPI has the potential to be inappropriately used to advantage the Firm, the business interests of another client of the Firm or for the personal gain of one of the Firm’s employees. Virtu has established information barrier policies and procedures that are reasonably designed to prevent the inappropriate use of MNPI by the Firm or its employees.

## **9. Personal Financial Dealings with Clients**

Employees are generally prohibited from directly or indirectly engaging in any personal financial dealing with clients without express Compliance and Management approval. Personal financial dealings include, but are not limited to:

- a. Accepting any remuneration, gratuity or benefit from a client without prior approval
- b. Entering into a settlement agreement i.e. paying for client account losses out of personal funds
- c. Borrowing money, securities or any other assets from a client
- d. Lending money, securities or any other assets to clients
- e. Acting as a Power of Attorney, trustee, executor or having full or partial control or authority over the financial affairs of a client