

**TriAct Canada Marketplace LP
MATCHNow**

**CONFLICT OF INTEREST
POLICIES AND PROCEDURES**

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1. Policy Purpose

The Purpose of this policy is to let clients and regulators alike know how MATCHNow identifies and addresses potential conflicts of interest, in order to best serve Subscribers to MATCHNow. This policy is available in the public domain:

matchnow.ca/assets/MATCHNow-Conflict-of-Interest-Policies-and-Procedures.pdf

2. Introduction to MATCHNow

MATCHNow is a Canadian alternative trading system, operated by TriAct Canada Marketplace LP (“**TriAct**”) since its founding in 2007. TriAct is a member of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) and regulated primarily by the Ontario Securities Commission (the “**OSC**”). It is governed by, among other regulations, the provisions of National Instrument 21-101 (“**NI 21-101**”).

Ownership:

Virtu ITG Canada Corp. (“**Virtu**”) is an IIROC member firm which supports institutional client trading. Virtu wholly owns TriAct and also owns a minority and passive ownership stake in Aequitas Innovations Inc. (“**Aequitas**”), which operates Canadian marketplaces.

Virtu is itself owned by Virtu Financial, Inc., which is publicly listed as “**VIRT**” on the US NASDAQ marketplace, but does not trade in Canada. Thus, MATCHNow would never review or execute orders for shares of VIRT.

Virtu has global affiliates, which may trade on a Principal or Agency basis, and which may send orders, either through Virtu or other IIROC member firms, to MATCHNow. In keeping with the “Fair Access” requirements set out in NI 21-101, MATCHNow does not provide any preferences, benefits, information, or special pricing to any Subscriber, including where the Subscriber or its client is an affiliate of MATCHNow.

Virtu is an IIROC member with institutional clients, and manages and resolves potential ownership conflicts of interest by ensuring orders do not unnaturally preference MATCHNow or Aequitas marketplaces. Virtu also conducts Best Execution reviews of orders and executions that primarily go through the Smart Order Router (“**SOR**”). The SOR connects to all Canadian marketplaces, including marketplaces not protected by the Order Protection Rule (“**OPR**”), and connects to all destinations to provide MATCHNow clients with measurable Best Execution.

MATCHNow itself recognizes that potential or perceived conflicts of interest may have a negative effect on investor confidence, and as per NI 21-101, this document serves to capture some of these potential conflicts of interest, and how they are addressed.

MATCHNow uses this public document to supplement this policy:

<http://investor.itg.com/corporate-governance/code-of-business-conduct-and-ethics>

3. Regulatory Background

On July 1, 2012, NI 21-101 and its Companion Policy 21-101 (“**21-101CP**”) introduced a requirement for marketplaces to establish, maintain, and ensure compliance with policies and procedures that identify and manage conflicts of interest arising from the operation of the marketplace, or the services the marketplace provides.

MATCHNow Does Not Provide Inducements to Virtu

Specifically, subsection 7.8(2) of 21-101CP requires the following:

The marketplace’s policies should also take into account conflicts for owners that are marketplace participants. These may include inducements to send order flow to the marketplace to obtain a larger ownership position or to use the marketplace to trade against their clients’ order flow. These policies should be disclosed as provided in paragraph 10.1(e) of the Instrument.

MATCHNow does not provide any inducements to Virtu or its affiliates, nor will MATCHNow offer any such inducements to any owners, should there be other future owners.

Trading Fees

Virtu pays MATCHNow the standard MATCHNow Subscriber fees to trade on MATCHNow, and receives no rebates other than what is prescribed for all Subscribers.

Broker Preferencing

All marketplaces in Canada, including MATCHNow, offer a feature called “Broker Preferencing” in which the marketplace will match a broker’s buy and sell orders if they are on either side of a trade and identical in price and volume.

MATCHNow Does Not Offer Referral Arrangements

MATCHNow does not offer Referral Arrangements, as defined in National Instrument 31-103 (“**NI 31-103**”) subsection 13.7 or elsewhere. MATCHNow only gets paid directly by its clients (i.e. Subscribers and vendors), and the financial terms are equal for all clients.

Disclosure to Clients and Regulators

In addition, Part 10 of NI 21-101 requires public disclosure of these policies on the marketplace’s website. As noted above, this document is published on the MATCHNow website.

Moreover, 21-101CP suggests that potential or perceived conflicts of interest may arise from the following:

- situations related to the commercial interests of the marketplace
- the interest of the marketplace’s owners or operators
- referral arrangements
- the responsibilities and sound functioning of the marketplace

MATCHNow recognizes such sources of potential or perceived conflicts, and further acknowledges that conflicts may also arise as the result of business developments and/or regulatory changes. Consequently, these policies and procedures may be amended from time to time.

4. Conflict Identification and Management

MATCHNOW treats seriously the management of all potential conflicts of interest. Consequently, MATCHNow operates its marketplace with an eye to maintaining a robust level of integrity. To do so, in keeping with NI 21-101, MATCHNow operates its marketplace in a fair, orderly, and transparent manner, addressing the following principles discussed in greater detail below:

- Identify and address possible conflicts of interest
- Disclose ownership interests, such as Virtu's ownership of Aequitas and MATCHNow
- Ensure proper supervision from several viewpoints: Commercial, Regulatory, Financial, and Compliance
- Review any personal dealings, such as personal trading, Outside Business Activities, and Gifts & Entertainment

Identify Conflicts

It is important to have a means to properly identify and address situations wherein even unintended conflicts may arise. In all cases, employees are advised to refer to the general conflicts policies (including the global corporate policy, a link to which is provided on page 3 above, as well as the conflict-related policies set forth in MATCHNow's *Compliance and Supervisory Procedures*).

Specific to operating a marketplace, which is owned by an IIROC member firm, below are some principles which govern conflict situation identification.

In addition to specific written procedures, MATCHNow manages conflicts of interest by reference to the following overarching principles:

- MATCHNow's priority is to provide a stable, fair, and orderly market with transparency of rules and process. This aim must not be overridden by any commercial interests of either MATCHNow or Virtu, or any other of their affiliates.

- MATCHNow must make similar prioritization of the good of the marketplace and all Subscribers, over commercial interests of any affiliate owner, such as Virtu, when making regulatory, financial, supervisory, or compliance decisions.
- Personnel, Directors, and Subscribers of MATCHNow should similarly not attempt to inappropriately influence such decisions.
- Such decisions should also be in accordance with the letter and spirit of NI 21-101 and the MATCHNow *Compliance & Supervisory Procedures*.
- Personnel, Directors, and Subscribers of MATCHNow must maintain the confidentiality of all MATCHNow Subscriber and trade information.

Ownership

MATCHNow is wholly owned by Virtu, which is in turn ultimately owned by Virtu Financial, Inc., which is publicly traded as VIRT on the US NASDAQ marketplace.

Fair Access and Pricing

Part 5 of NI 21-101 requires that a marketplace not unreasonably prohibit, condition, or limit access by a person or company to its services. In order to maintain compliance with Part 5, all Subscribers and other clients are treated fairly by MATCHNow in the provision of services and the fees charged for such services. MATCHNow maintains awareness of the applicability of Part 5 to its owners and ensures that no unfair or favorable treatment is given to them.

Physical Separation

MATCHNOW maintains separate offices from Virtu and its affiliates to ensure the confidentiality of the information regarding the identity and trading activity of Subscribers is maintained. Client-facing employees of MATCHNow, such as sales and support personnel, are dedicated exclusively to MATCHNow. System access controls ensure that only such

MATCHNow personnel, as well as the CFO and CCO for MATCHNow, have access to Subscriber information.

Affiliate Support Services

MATCHNow does rely upon non-client-facing support from certain operational personnel of Virtu for the following functions: Compliance, Finance, Development, Human Resources, Technology, and Infrastructure.

Access Permissions and Monitoring

Virtu uses a system called the Access Review Management System (“**ARMS**”) which ensures that only those who need to know can see MATCHNow information, and they are monitored to ensure no unauthorized access is granted. No front-facing client support, trading, or sales personnel at any Virtu affiliate has access to MATCHNow data.

Confidentiality Procedures

All employees of MATCHNow are required to follow the confidentiality procedures set out in the MATCHNow *Compliance and Supervisory Procedures*. Compliance with these policies and procedures ensures that information is disclosed only on a “need-to-know” basis, and that Subscriber identity and trading information is released in accordance with Part 5 of NI 21-101.

Virtu Trading for Its Own Account

Virtu is an IIROC member, and as such can trade both for clients and for its own account on a Principal basis. 21-101CP subsections 7.8(1) and (2) and 12.1(4) require owners of marketplaces to manage any conflict that may arise from the owners’ trading for their own account on a Principal basis.

Virtu might send such Principal orders to MATCHNow or Aequitas, but Virtu’s trading group does not have knowledge of any additional MATCHNow or Aequitas information when they trade on these marketplaces. When the Virtu trading group trades as Principal to rectify an error, or facilitate a client trade request, it is fully disclosed to the client that Virtu is trading as Principal.

Virtu Trading for Clients

Virtu is an IIROC member firm and, as such, it is subject to regular compliance examinations by IIROC, and it abides by the Universal Market Integrity Rules (“**UMIR**”), including:

- UMIR 2.1(2)(c), whereby Virtu may not enter Client and Principal orders in such a manner as to attempt to obtain execution of a Principal order in priority to the Client order, unless the client has consented to that; and
- UMIR 8.1, whereby any Principal trades against Client orders must either receive meaningful price improvement, or be sent directly to the marketplace for order exposure and appropriate execution.

Supervision, Finance and Compliance Oversight

In order to preserve proper controls and oversight, MATCHNow has appropriate levels of oversight by means of a Supervisor, a chief compliance officer, and an Ultimate Designated Person (“**UDP**”), as prescribed in NI 31-103. MATCHNow makes a clear distinction between Supervision by the business side and Compliance oversight from outside the business component of the firm.

Supervision

The Supervisor is a business person who has the means and authority to supervise employees of MATCHNow from a regulatory perspective. The supervisor reports directly to the Chief Executive Officer (the “**CEO**”).

UDP

The UDP is MATCHNow’s CEO and has ultimate control and responsibility to ensure MATCHNow operates in accordance with good governance principles, including confidentiality of information, managing conflicts of interest, and upholding relevant rules and regulations inside MATCHNow.

Compliance

The Chief Compliance Officer (“**CCO**”) is charged with ensuring that a proper governance structure and appropriate supervision are in place, and oversees the business from a detached view with a regulatory eye. The CCO must ensure compliance with IIROC UMIR and Dealer Member Rules, as well as applicable legislation. The CCO reports directly to the UDP on an ongoing basis, and provides a compliance report to the UDP and the Board of MATCHNow quarterly.

The CCO is also the CCO for Virtu, and this is fully disclosed to, and approved by, both IIROC and the OSC on the National Registration Database (“**NRD**”).

Finance

The Chief Financial Officer (“**CFO**”) is charged with ensuring proper financial controls and oversight, and oversees the business from a detached financial view. The CFO must ensure compliance with IIROC Financial Operations requirements, as well as applicable legislation. The CFO reports directly to the UDP on an ongoing basis, and communicates all appropriate financial issues directly to the UDP and the Board of MATCHNow.

The CFO is also the CFO for Virtu, and this is fully disclosed to, and approved by, both IIROC and the OSC on the NRD.

Governance

MATCHNow’s general partner (TCM Corp.) has quarterly board meetings to review the ongoing operational soundness of the marketplace. The attendees include the UDP, CFO, and CCO of MATCHNow.

Personal Dealings

MATCHNOW employees register personal dealings, which may have potential for a conflict of interest, through the compliance framework, and they must be approved by a Supervisor, to ensure all personal dealings which pose a potential conflict of interest are identified and addressed, if not avoided. If the potential conflict is deemed material, and could result in

damage to the interests of a Subscriber or the overall principles of NI 21-101, MATCHNow will take reasonable steps to resolve the conflict either by denying approval for the activity, or properly mitigating the potential conflict. MATCHNow leverages an internal compliance system to register and address potential conflicts of interest. This includes:

Personal Accounts

Personal Accounts (“**PA**”) are disclosed on the system, and PA Trading is pre-cleared by a Supervisor or Compliance. To avoid potential conflicts, PA Trading is not permitted during market hours.

Outside Business Activities

Outside Business Activities (“**OBA**”) include any Activity, Employment or Directorship for which there is remuneration or potential interaction with a Subscriber which might be seen as a potential source of conflict. Many OBAs are permitted, assuming they are separate from MATCHNow and/or Subscriber activity, and done outside of MATCHNow hours and location.

Gifts & Entertainment

Entertainment of, or by, Subscribers or vendors must not be excessive, or be seen to unduly influence any parties. Gifts received or given are logged on the system, and tracked and approved by the Supervisor to ensure they are only nominal in value and/or frequency.

On an annual basis, no one person should receive more than \$500 in gifts. Any questions on this policy should be directed to the CCO.

5. Availability of MATCHNow’s Conflict Management Policy and Procedure

This document is made available to all employees and officers of MATCHNow. In accordance with NI 21-101, as noted above, it is also found on the MATCHNow website (<http://www.matchnow.ca/>).

For any inquiries, please contact MATCHNow at support@matchnow.ca