



## AEQUITAS NEO EXCHANGE INC.

### Conflicts of Interest Policy Relating to Issuers

#### A. Purpose

Aequitas NEO Exchange Inc. (the “**Exchange**”) must ensure that conflicts are identified and managed appropriately. This conflicts of interest policy regarding issuers (the “**Policy**”) has been established, in accordance with the Recognition Order (defined below), to assist the Exchange in identifying and managing any conflicts of interest or potential conflicts of interest, real or perceived that arise between its regulatory functions and business activities. Listing competitor conflicts are covered in the Exchange’s separate Listed Competitor Conflicts Policy.

#### B. Definitions and Interpretation

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

“**Listing Conflict Matter**” means a Listing Matter as described and defined in Part D section 3 of this Policy.

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

“**Listing Matter**” means listing applications and other matters subject to review under the Listing Manual, other than original listing applications, but excludes filings and notices made to the Exchange for informational, procedural or operational purposes where the Exchange is not required to exercise any discretion or regulation function.

“**Recognition Order**” means the Ontario Securities Commission’s order dated November 13, 2014, as amended, recognizing the Exchange and Aequitas Innovations Inc. 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.

“**Listings Review Committee**” means a review panel consisting of one member of the Exchange’s executive management and one member of the Exchange’s legal and regulatory staff.

“**Rules**” means any and all rules, policies and manuals of the Exchange, as amended.

#### C. Structure of the Exchange

1. In order to address any potential conflicts of interest that may arise between the Exchange’s issuer regulation functions and its business activities, the Exchange has implemented a structure whereby all business development and regulatory functions are handled by separate departments.
2. The Exchange’s business development staff are responsible for identifying potential issuers and advising potential issuers in respect of listing on the Exchange.

3. The Exchange's listings regulatory staff are part of the legal and regulatory department and are responsible for executing the Exchange's issuer regulation mandate, including processing any applications to list on the Exchange and dealing with all issuer-related regulatory matters.
4. The other members of the Exchange's legal and regulatory department support business development and listings regulatory staff on an as-required basis.
5. The Exchange has also implemented information barriers around the legal and regulatory department in order to prevent unauthorized access to information that may give rise to potential conflicts of interest.

**D. Procedures for Dealing with Listing Conflicts**

1. In performing their day-to-day functions, Exchange listings-related business development staff and listings regulatory staff ("**Listings staff**") shall identify potential issuer-related conflict matters that arise in the course of the performance of their functions, business development staff shall advise listings regulatory staff of any such potential conflict matters, and such information shall be aggregated and maintained by listings regulatory staff.
2. Legal and regulatory staff shall maintain procedures to enable all Listings staff to identify potential issuer-related conflicts and to advise the Regulatory Oversight Committee as required in accordance with this Policy.
3. Listings regulatory staff will present a Listing Matter to the Listings Review Committee for review and approval if:
  - (a) the Listing Matter requires granting a waiver or exemption pursuant to the Listing Manual;
  - (b) the Listing Matter involves lifting a suspension of a Listed Issuer imposed as a result of failure to meet the requirements for continued listing and such other conditions as the Exchange may require;
  - (c) the Listing Matter involves a Listed Issuer who has previously been subject to halt of trading, declaration of non-compliance or public reprimand by the Exchange;
  - (d) the Exchange proposes to deal with the Listing Matter outside the ordinary course;
  - (e) a Significant Shareholder or any of its affiliates is the Listed Issuer directly involved in the Listing Matter; or
  - (f) the Exchange (i) is advised by a Significant Shareholder, or it is otherwise aware, that the Listing Matter involves or affects a Significant Shareholder either directly or indirectly and (ii) proposes to deal with the Listing Matter other than in the ordinary course.

Each Listing Matter described in this section is a potential issuer conflict matter ("**Listing Conflict Matter**").

4. Listings regulatory staff will promptly provide to the Listings Review Committee a memorandum summarizing the issue(s) and including any relevant information, such as the applicable provision of the Listing Manual and precedents (if any) and, at the request of the Listings Review Committee, will provide any other information to assist the Listings Review Committee with their review or, if appropriate, make a determination regarding the Listing Conflict Matter at issue.

5. The Listings Review Committee will consider the Listing Conflict Matter, the applicable conflicts of interest policy and resolution protocol, and the proposed course for dealing with the Listing Conflict Matter, and will make a determination in writing whether a conflict of interest exists or not, or is likely to arise, or has been properly addressed with respect to listings regulatory staff's proposed course for dealing with the Listing Conflict Matter.
6. If the Listings Review Committee determines that a conflict of interest does not exist and is unlikely to arise with respect to the proposed course for dealing with the Listing Conflict Matter, the Listing Conflict Matter will be dealt with as proposed by listings regulatory staff.
7. Where the Listings Review Committee has considered the Listing Conflict Matter under section 5 of this Part and rejected listings regulatory staff's proposed course for dealing with the Listing Conflict Matter, the Listings Review Committee may:
  - (a) require listings regulatory staff to reconsider and revise its recommendation;
  - (b) direct listings regulatory 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.
8. If the Listings Review Committee forwards the matter to the Regulatory Oversight Committee, 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 Listing Conflict Matter.
9. The Regulatory Oversight Committee will consider the Listing Conflict Matter and the proposed course for dealing with it and form a determination regarding whether a conflict of interest exists or not, is likely to arise or not, or has been properly addressed, with respect to listings regulatory staff's proposed course for dealing with the Listing Conflict Matter.
10. If the Regulatory Oversight Committee determines that a conflict of interest does not exist, is unlikely to arise, or has been properly addressed, with respect to the proposed course for dealing with the Listing Conflict Matter, the matter will be dealt with as proposed by listings regulatory staff.
11. Where the Regulatory Oversight Committee has considered the Listing Conflict Matter under section 9 of this Part D and rejected listings regulatory staff's proposed course for dealing with the Listing Conflict Matter, the Regulatory Oversight Committee may either:
  - (a) approve listings regulatory staff's recommendation, subject to certain specified changes; or
  - (b) direct them to take such other action as the Regulatory Oversight Committee considers appropriate in the circumstances.

**E. Reporting on Listing Conflict Matters**

On an annual basis, legal and regulatory staff will prepare, for internal record-keeping purposes, a confidential report summarizing Listing Conflict Matters that have arisen during the course of the year and how they were addressed.

**F. Oversight**

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

October 24, 2017