



Finhaven Capital Inc.

TERMS & CONDITIONS FOR
FINHAVEN CAPITAL INC. REGISTRATION

CONTACT US:

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ADDRESS:

#1500 - 355 Burrard Street,
Vancouver, British Columbia,
Canada V6C 2G8

Appendix A

Recommended Terms and Conditions to be imposed on the registration of Finhaven Capital Inc. in the category of exempt market dealer

The Firm's registration is subject to the following terms and conditions:

1. The Firm must not facilitate the primary distributions of securities of investment funds, unless permitted by the Principal Regulator.
2. The Firm must limit trading activity on the Platform to no more than:
 - a. 10 Issuers in 2020, an additional 10 Issuers in 2021, and an additional 10 Issuers in 2022, for a total of 30 Issuers by the end of 2022; and
 - b. 5,000 clients in 2020, an additional 5,000 clients in 2021, and an additional 5,000 clients in 2022, for a total of 15,000 clients by 2022.
3. The Firm is authorized to operate a marketplace (as defined in National Instrument 21-101 Marketplace Operation) and carry on business as a clearing agency (as defined in securities legislation) provided that the Firm complies with the terms and conditions contained in 2020 BCSECCOM 391.
4. The Firm must not list or trade any Security Tokens on any exchange, cryptocurrency exchange, or organized market except the Firm's Platform unless such listing and trading is approved in advance by the Principal Regulator and done in accordance with applicable securities legislation.
5. Unless otherwise permitted to do so by the Principal Regulator, the Firm will treat all Securities Tokens as securities and will only facilitate distributions of Securities Tokens in compliance with applicable securities laws.
6. All investor applications for an account on the Platform must be reviewed by the Chief Compliance Officer prior to acceptance or rejection on the Platform. However, this review may be delegated temporarily by the Chief Compliance Officer to another qualified person if the Chief Compliance Officer is unable to perform this review within a reasonable time.
7. Except in respect of a permitted client who has waived a suitability assessment, prior to using the Automated System to determine whether a client's instruction to purchase Securities Tokens is suitable, the Firm must provide to the client written notice on the Platform stating that:
 - a. the Firm intends to use the Automated System to evaluate the suitability of the client's investment, and
 - b. the Firm is required under securities law to conduct a suitability assessment prior to accepting a client's instruction to purchase a security.
8. The Firm will not allow its employees, officers, directors or shareholders, such person's nominees, or a member of its director's, officer's, employee's or shareholder's household to trade Securities Tokens on the Firm's Platform.

9. The Firm will not allow a client to trade in a Securities Token of an Issuer without the Firm's prior written approval if the client is:
 - a. a director, officer or employee of the Issuer or a nominee of such person, or
 - b. a member of a director, officer or employee of the Issuer's household
10. The Firm will provide the Principal Regulator with at least 45 days' prior written notice of any of the following changes:
 - a. material changes to the Automated System or Quiz, and
 - b. material changes to the Firm's practices in reviewing the cybersecurity of the Platform, including changes of technology auditors retained by the Firm to conduct reviews of the Platform.
11. The Firm will retain records of all due diligence conducted on Issuers who apply to be on-boarded onto the Platform and provide it to the Principal Regulator upon request.
12. The Firm will retain records of all know your client (KYC) information collected on the Platform, along with trading records of clients, and provide them to the Principal Regulator upon request.
13. In addition to any other reporting required by securities laws, within 30 days of the end of each calendar quarter, the Firm must provide to the Principal Regulator, in a format acceptable to staff, the following:
 - a. the number of investor applications received, the number rejected and the number accepted;
 - b. the number of new Issuers on-boarded onto the Platform, and the number of Distributions completed;
 - c. the total amount raised through purchases on the Platform during that quarter;
 - d. the total amount invested by each client through purchases on the Platform during the quarter;
 - e. the number of suitability assessments performed during that quarter, and what proportion of those client instructions were determined suitable;
 - f. a report showing the details of any distribution of Securities Tokens completed through the Platform during the calendar quarter, including the jurisdiction of the head office of the Issuer distributing the Securities Tokens under the distribution, the business sector such Issuer is involved in, the number of clients who invested, the aggregate amount raised, and the compensation received by the Firm;
 - g. the details of any fraudulent activity or material cybersecurity breach on the Platform or in relation to a Securities Token or digital wallet during the calendar quarter, the resulting harms and effects on investors, clients and Issuers, and the corrective measures taken by the Firm and/or an Issuer to remediate such activity or incident, and
 - h. the details of any investor or issuer complaints received by the Firm during the calendar quarter
14. The Firm shall not receive Securities Tokens as compensation for any services offered by it on the Platform.

15. The registration of the Firm shall be time-limited until December 31, 2022 unless further extended by the executive director.
16. This decision may be amended by the Principal Regulator from time to time upon prior written notice to the Firm.

Consent and waiver to recommended terms and conditions of registration

Finhaven Capital Inc. agrees to the recommended terms and conditions of registration above, and acknowledges that by agreeing to these conditions of registration, it waives its right to exercise the opportunity to be heard before the Director decides to impose the conditions described above on its registration.

DocuSigned by:

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Approved Officer for
Finhaven Capital Inc.

Dohyung Kim

Print name of Approved Officer

11/30/2020

Date