

# Client Relationship Disclosure at July 13, 2022

Things you should know when you make investments through us

## Registration under securities law

We are registered in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Québec as an exempt market dealer. Our business is unique and, so, we must meet additional securities regulation requirements that support investor protection.

View our registration terms and conditions [HERE](#).

## Authority to operate Finhaven Private Markets

We are authorized to operate our marketplace and clearing business (Finhaven™ Private Markets, or our “Platform”) in the same jurisdictions. Our Platform is unique and, so, we must meet additional securities regulation requirements that support investor protection and market integrity.

View our Platform terms and conditions [HERE](#).

## Our products

We work exclusively in the exempt (or private placement) market. There are no prospectuses for the investments we offer and the information you receive about the securities you purchase comes directly from the issuers that are raising capital.

Some investments we offer are distributed on Finhaven™ Investment Platform (“Platform”). These investments are offered as digital securities that you will hold and manage in your FINWallet™. We call these “on-Platform” investments.

Other investments we offer are distributed by traditional means; that is, the issuer raising capital for its business will record you as the owner in its records and may send you a physical security certificate.

## Our relationship with you

We make issuers’ securities available to you in two ways:

---

The Marine Building - 1500 - 355 Burrard Street, Vancouver, BC, V6C 2G8 - CANADA

“Finhaven” and “FINWallet” are trademarks of Finhaven Technology Inc. and the subjects of applications to the Canadian Intellectual Property Office for a registered Canadian trademark. Their use is strictly prohibited without the prior, written permission of Finhaven Technology Inc.; a license has been granted to Finhaven Capital Inc., operating as Finhaven Private Markets, for use of this trademark.

1. on-Platform; and
2. off-Platform.

**If you invest on-Platform**, you will hold your digital securities (also known as securities tokens) in your digital wallet account – your FINWallet™. Your funds for purchasing securities will be held in a designated trust account at TD-Canada Trust for your benefit.

Because we hold funds in trust for you from time to time if you are an on-Platform investor, we are in an ongoing relationship with you. You can expect that we will annually update the know-your-client information we received from you when you applied for your FINWallet™ account and that you will get regular account activity reporting from us.

**If you invest off-Platform**, we will submit your subscription agreement and related documents to the issuer for acceptance. You will send funds for the investment to the issuer raising capital (as set out in the subscription agreement) and those funds will be held until the issuer delivers securities to you or confirms your ownership. When the offering closes, we will provide you with confirmation of your purchase and a statement of your activity at the end of month when you made your purchase.

When you invest off-Platform, we will assume that we are in a transactional relationship with you, unless you make additional investments.

## Access to our products and services

We are committed to providing fair access to our Platform products and services. This means that we will not *unreasonably* prohibit or limit your access to our products or services.

If you are not approved for an account and a FINWallet™ to hold your digital securities, we will tell you about our decision and the reason for it. We will keep records supporting our decisions about access for so long as we are in business.

If you are not approved as a client for off-Platform investments, we will notify you promptly of our decision.

## Risks of investing in our products

***No securities commission has reviewed the offerings*** whether available on- or off-Platform, nor has any independent third party, except our due diligence Advisory Board. Our issuers are *non-reporting issuers*. They have never received a receipt for a prospectus and are not required by law to provide full, true, and plain disclosure in their offering documents. Nor are they required by law to provide you with ongoing information. However, their communications and offering documents must not contain misrepresentations.

Our product and issuer due diligence process to determine that an issuer and its securities offering is appropriate for investors on-Platform is set out later in this document.

**You could lose all your money.** If the issuer has financial or other problems, there may be nothing to recover. Your money may be tied up and unavailable for an unlimited period, depending on the features and conditions of the particular securities you purchase. It is important that you understand the features and conditions of securities you propose to buy before you purchase them.

**You may not be able to sell** the securities when you want. If you do want to sell them, the law requires that you sell under an exemption or issue a prospectus.

On-Platform, if you are the purchaser and you are an accredited investor and you sign a Risk Acknowledgement (individuals only), you will have the required exemption. Every purchaser on-Platform must confirm their accredited investor status before they can buy securities from you. We screen for your accredited investor qualification when you apply for an account and a FINWallet™, and every time you purchase digital securities.

Off-Platform, we do not offer services to assist with reselling your securities.

Investing in the exempt market is considered risky because of the **lack of liquidity** (that is, there is no public marketplace on which to sell your securities and no pool of ready, willing, and able purchasers for them) and the fact that issuers do not have an obligation to keep investors informed about the investment. The Platform creates a closed, private market for securities trading, but it will not provide the depth of liquidity that *can* be available on public markets.

**Your trading privileges** on-Platform are at risk of being withdrawn if you breach securities laws or our trading requirements (see “Your trading on the Platform”, below).

You should ensure that your investments in the exempt market are balanced with investments in more traditional public markets.

**You incur risks related to our Cloud dependency as an operating business.** These risks include Cloud service outage, security breach, access control, and physical location, as well as risks specific to the Cloud services we have retained. Although Cloud service may become unavailable, the risk of outage would be higher if we did not have Cloud service. All other risks are monitored and mitigated by security measures (encryption, VPN) and retaining services only in low risk jurisdictions.

## Platform investments: No human will advise you - unsuitable investments will be blocked

Whenever we take, recommend, or decide on an investment action affecting you and your account, we are required by law to determine that it is a suitable action and that it puts your interests first. On Platform, you initiate each investment action, whether it is prior to investing from an issuer or trading with another investor. You will not get advice from a human being and you must conduct your own due diligence on issuers and their digital security offerings.

We accept applications from only **accredited investors** whose income, net worth, education, experience, investment objectives, time horizons, risk tolerance, and risk capacity demonstrates:

- ability to conduct their own due diligence; **and**
- it would be appropriate for them to invest a portion of their overall investment portfolios in the market for prospectus-exempt securities.

Our onboarding process is designed to tell us whether you are (or are not) an appropriate candidate for an account and a FINWallet™.

When you propose to purchase a security on-Platform, our proprietary algorithm will analyze the information you provided to us on account opening and during the course of our relationship with you against limits established to prevent overconcentration in issuers' securities offered on the Platform. If the investment action you propose to take is unsuitable for you in your circumstances or is not in your best interest, you will be prevented from making the proposed purchase.

## **Off-Platform Investments - suitability recommendation**

Whenever we take, recommend, or decide on an investment action affecting you and your account, we are required by law to determine that it is a suitable action and that it puts your interests first. If you want to participate in an off-Platform investment, we will determine whether that investment is suitable for you in all your circumstances - personal and financial - and whether it is in your best interest. We will provide you with our suitability recommendation and answer any questions you have about it before we submit your subscription agreement to an issuer.

As with on-Platform investments, we must guard against over concentration in exempt securities, or any single sector, or any single issuer.

## **Platform clients: your account**

Your account entitles you to a FINWallet™ in which to store your digital securities. The information you provided to us on account opening and that you provide to us from time to time, as well as the information we provide to you, is all recorded by the permissioned, distributed ledger technology underlying the platform and your FINWallet™. The ledger is also the record of all the investments you make through us. Trades in your account will include purchases you make directly from issuers and sales or purchases you make with other investor clients.

If an issuer of securities you hold in your FINWallet™ declares that interest, a dividend, or another payment is due to you, we will receive that payment in our pooled investor trust account and your account records will show an equivalent credit. We are working on supporting dividends-in-kind and we will notify you when that service is available on the platform if you hold digital securities from an issuer that offers dividends in kind.

You will send funds for your investments from a Canadian financial institution to a pooled trust account for our investor clients. When you wish to withdraw funds, we will send them by wire transfer to the Canadian financial institution of your choice. No interest will accrue or be payable to you on funds held in trust for you and not yet invested.

A withdrawal request must be received by 1:00 p.m. (1300) Pacific time to be processed on that same day; all requests received after this deadline will be processed on the next business day.

## Off-Platform clients: your account

If you invest off-Platform, although you will also have a FINWallet™, your “account” (for securities regulation purposes) consists of our records documenting your subscription, the issuer’s acceptance of it, and the issuer’s accounting for distributing the securities you subscribed for to you. We use that information to account to you with a “trade confirmation” and a statement of your activity at the end of the month in which you made your purchase.

## You create your FINWallet™

Whether you are an on-Platform or off-Platform client, you create your FINWallet™ once you have signed our Client Agreement. If you are an off-Platform client, you won’t be able to invest using the FINWallet™ until you tell us you are interested in an on-Platform deal.

We use a public/private key creation library. You will receive a message on the Platform prompting you to download a PDF file onto your browser. The download generates your private key. We advise you to store the private key in a secure, off-line place and to keep information about the private key confidential.

We ask you to create a PIN. The PIN acts to decrypt your private key. When you digitally “sign” to complete a step in the trading process, you will use your PIN.

When you download the PDF for your private key, this also creates a public key. We use the public key to verify your identity during a trading process. We store the public key, linked to your FINWallet™.

At no point in time do we have access to, or the capacity to create access to, your private key.

You can create a PIN on every computing device you use to trade on the Platform. You must not re-use the same PIN on different browsers. The PINs are not shared on shared browser log-in synchronization systems, like Google Chrome Sync.

## Platform clients: your trading

You must not breach securities laws or our requirements when you trade with other investors or purchase security tokens directly from an issuer. Securities laws prohibit fraud and market manipulation. We also prohibit trading that mimics securities law prohibitions against illegal insider trading, tipping, recommending, or frontrunning.

You must be an accredited investor whenever you purchase an investment from an issuer or security tokens from another investor. If you lose your accredited investor status, you must tell us.

If you use a nominee to trade for your benefit when you otherwise would not be able to trade on the Platform, that is a breach of your agreement with us and may be a breach of securities laws.

These and other trading requirements are described more fully in our website information for investors.

### **Potential consequences for trading that breaches securities laws or our requirements include:**

- disabling your access to digital securities offerings by our issuers and reprogramming your account so that it can be closed in an orderly fashion

- restricting your trading privileges to “sell only”
- reporting your activity to relevant law enforcement authorities and securities regulators

View our client website information [HERE](#).

If you breach securities laws or our trading requirements, or if you lose accredited investor status, you will no longer be able to purchase digital securities on the Platform; you will only be able to sell. If you lose accredited investor status but later regain it, you will be able to purchase digital securities again.

## Platform clients: we must deliver digital securities you purchase

We are responsible for the safe and timely delivery to you of security tokens you purchase, whether directly from an issuer or from another investor client. We identify, monitor, and manage the risks associated with delivering digital securities through our systems and cybersecurity policies and procedures, our business continuity plan, our compliance policies and procedures, internal controls, and reviews and testing.

## Off-Platform clients: issuer delivers the securities you purchase

When you purchase securities off-Platform, the issuer is responsible for delivering those securities to you. That might be by way of a physical document (share certificate, for example) or by way of recording your ownership in a transfer agent’s records, or both.

## Account activity reporting

Whether you are an on-Platform or off-Platform client, we will deliver an electronic trade confirmation report to you when you purchase digital or traditional securities directly from an issuer. We will also deliver an electronic account activity statement to you at the end of the month in which you made the purchase.

**If you are an on-Platform client**, we will also deliver a trade confirmation report to you whenever you trade securities with other Finhaven™ Private Markets investors on the Platform.

We will deliver a statement to you on the first day following the end of every month, regardless of whether there has been any account activity in that previous month. Both the trade confirmation and the account statement will be delivered to you on the Platform and accessible from your dashboard. In fact, you can access information about your current holdings and a history of all your transactions from your dashboard at any time. The current and a complete historical record of your investments is available to you at all times.

We will also deliver an annual costs and charges report to you. If, in our discretion, we think a market has developed for a security or securities you hold in your account enabling us to determine their values, we will also deliver to you an annual performance report.

## Performance benchmarks

We do not provide options for you to compare the performance of your investments with us against other benchmarks, since there are no reliable benchmarks for your investments in prospectus exempt securities. If we do provide benchmarks in the future, we will let you know how you can use those benchmarks to assess the performance of your investments.

## Risks of our Platform services

The Platform allows you to invest in digital securities issued by non-reporting issuers. Investing in digital securities tokens on the Platform creates some unique risks.

1. **Private key loss or theft.** Your private key is stored in your computing device's browser, known only to you, and is required to create your FINWallet™ and to purchase or trade security tokens on the Platform. If you lose or misplace your private key information, or it is stolen, you will no longer be able to purchase or trade in digital securities. This risk is significantly mitigated because your private key is not stored on our systems but, instead, on your computer's browser.

If you lose your private key, you can contact us to generate a new PDF for download (which will create a new private key). We will verify your identity, then cancel the security tokens held in your FINWallet™. We will create replacement digital securities and, once you have activated your new FINWallet™, deliver those securities to your new FINWallet™. The issuers' securityholder registers will document these actions and your continuous ownership of the digital securities.

If your computer is hacked, the thief who discovers your PIN and gains access to the private key still needs your password before they can trade in your account, greatly reducing the hacker's chances of success.

Without the private key, hackers or fraudsters cannot transact on the system. The Platform detects fake transactions and automatically blocks them because they will not have the investor's digital signature.

1. **Legal risk.** There is a risk that a relevant jurisdiction's laws will not recognize digital securities as personal property in the same way that paper-based securities or book-based securities ownership is recognized. To mitigate that risk, the firm requires an issuer from outside the Canadian jurisdictions in which we are registered to confirm that digital securities will be recognized as personal property and that holding digital securities in a FINWallet™ will be recognized as legitimate ownership.
2. **Business disruption.** There is a risk that a transaction will be delayed because of business disruption, whether caused by external events or internally generated systems failure. To mitigate that risk, the firm has robust business recovery policies and procedures as well as related systems risk management, data protection, and cyber-security policies and procedures. The firm tests the effectiveness of these policies and procedures regularly.
3. **Risk trade must be reversed.** There is a risk that a trade you have been party to may have to be unwound because a legally binding order requires us to unwind the transaction. This risk exists on all marketplaces for equity and debt securities trading.

4. **Risk you make a mistake in your order.** You might make an offer with the wrong number of security tokens or the wrong price and not discover that error until after your offer is accepted. We ask you to bear this risk in our agreement with you. To reduce the risk, we require you to review your order and confirm it is correct before you can submit it to another investor. You are responsible for reviewing a subscription agreement carefully as well to ensure it has been prepared reflecting the number of security tokens you intend to purchase.
5. **Recordkeeping risk.** To eliminate the risk that ownership records and transaction histories cannot be traced due to inadequate recordkeeping, we use permissioned, distributed ledger technology to create a complete audit trail of every action on the Platform. It is a key feature of this technology that the audit trail cannot be altered.

## Operating and transaction charges

We charge you:

- No fee when you purchase security tokens offered by us directly from an issuer.
- No administrative fee for your first three requests to recover your FINWallet™ (when you lose or misplace your private key information)
- A \$100 administrative fee for your fourth and each subsequent request to recover your FINWallet™

These charges do not affect the investment return you may receive from an investment product. Although the administrative fee for recovering your FINWallet™ may add up over time, you are in control of its safekeeping and any costs associated with lost private keys and PINs.

If you are an on-Platform client, we charge you:

- 1% of the value of a sale of security tokens to another investor
- No fee when you purchase security tokens from another investor
- No administrative fee when you wire transfer funds to your account
- A \$20 administrative fee when we wire transfer your funds to you

The 1% sales fee **does** affect your absolute return on investment.

## Compensation

An issuer generally pays us:

- A set-up fee (between \$10-\$50K USD)
- An annual maintenance fee for staying on the Platform (between \$10-\$50K USD) - on Platform issuers only
- A corporate finance fee (up to 10% of total capital raised)

Our corporate finance fee affects how much of your purchase money goes to an issuer for use in its business. It does not affect the number or value of digital or non-digital securities delivered to your FINWallet™ account or otherwise delivered to you.

## Conflicts of interest

We assess service agreements, business relationships, our own services to investors and issuers, our role in facilitating issuers' distributions and in managing and overseeing trading on the Platform, and any revisions we might make to our agreement with you (or with an issuer) for conflicts, whether actual or potential, at the outset of our relationships, as circumstances arise during our relationships and as new people begin work with us as staff members, advisors, or directors, and on an annual basis.

We look for existing conflicts and reasonably foreseeable conflicts. When we do identify an existing or reasonably foreseeable conflict, we assess it for materiality – could the conflict affect either the way you make your investing decisions or the way we provide services to you? If a conflict is material, we then choose controls that are in your best interest as an investor client. We avoid the most serious conflicts and create automated or manual controls for others. We disclose all material conflicts to you before you open an account with us and whenever a new conflict arises, an old conflict disappears, or we choose a new way to control a conflict in your best interests. In some cases, disclosure by itself effectively controls a conflict in your best interests.

Our material conflict disclosure is found at Appendix A. We hold ourselves accountable for the conflicts we identify and the way we decide to manage them.

We use this conflicts management program for all our business activities as a dealer, marketplace, and clearing agency.

### Managing conflicts relevant to on-Platform clients

We pay particular attention to the potential for conflicts from operating the Platform and acting as your dealer for investments on it. To manage this potential for conflict, we:

- do not charge any fees or take any compensation from you or any other person for access to or use of the Platform
- tell you in advance what the consequence will be if your trading on the Platform breaches securities laws or our additional trading requirements (they are in your agreement with us and published on our website)
- prohibit our issuers' people (directors, officers, employees, and members of their households) from trading in their issuer's security tokens on the platform without our prior approval; that approval will only be given if the resulting harm to the individual in question would be greater than the harm to our marketplace arising from an appearance of conflict
- prohibit our own people (directors, officers, employees, and members of their households) from trading on the Platform at all

If you are one of our issuer's people (bullet 3), and your proposed trade has come to us for prior approval, we must resolve the potential for conflict by using our professional judgement to reconcile our duty to deal with you fairly, honestly, and in good faith with your desire to trade, as an insider, including deciding whether:

- allowing you to trade with another investor client would be unfair to other investor clients given your position with and/or knowledge about your issuer
- denying you the opportunity to trade would be unfair to you

### Additional conflict management relevant to all clients

**We must annually** review compliance with our conflicts policies and procedures, identify deficiencies, remedy them, and document our review. There are independent eyes looking at our conflict management to ensure we act in your interests.

**Our independent advisory board** provides us with conflict management advice on an as-needed basis.

**We must report annually** to our Principal Regulator, the British Columbia Securities Commission, and to our independent Monitor (see our Platform Terms and Conditions) all information about our conflict compliance reviews.

## Soft dollar arrangements

We don't have soft dollar arrangements—that is, arrangements where third parties pay us other than in cash.

## Referral arrangements

We have referral arrangements with certain individuals, both registered and unregistered. In those arrangements, we pay the referrer a commission of the value of any investment purchase you make under a subscription agreement. Referral arrangements present a reasonably foreseeable conflict of interest. We manage this conflict in your best interest by conducting due diligence about each potential referrer so that we enter into arrangements with only those persons of good reputation and disclosing to you exactly what the referrer will earn as a result of successfully referring you over to us.

If we have a referral arrangement with someone in connection with your investment purchase(s), we will tell you at the time of the transaction:

- with whom we have the referral arrangement
- the purpose and material terms of the arrangement, including clarification of who will provide what services to you (between us and the referrer)
- about any conflicts of interest that may arise from the arrangement
- the referral fee (if known) and how it is calculated
- if the other party is registered, and if so, the category of registration, what they are allowed to do and what they are not allowed to do
- all activity requiring registration under securities legislation will be carried out by us, as your registered exempt market dealer
- any other information you, as a reasonable investor, would consider important to evaluate the referral arrangement before you make your investment purchase

## Using borrowed money to finance your investment

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required remains the same even if the value of the securities purchased declines or you lose the entire value. In other words, even if the investment fails, you will have to repay the money you borrowed.

## Complaints

If you have a complaint about our service or any of the products, please contact us immediately through the messaging system we provide on your dashboard. Your complaint will be immediately directed to our Chief Compliance Officer. We will try to resolve your complaint fairly and effectively. Please see Appendix B— Investor Client Complaints Resolution Procedure - for what to do should you have a complaint.

We must report to our Principal Regulator about the complaints we receive, when and how we resolve them, and any other information about the complaints process. In addition, our Monitor must oversee our complaints reporting and tracking system to ensure it is effective.

**If you live in Québec** and you request it, we must report your complaint to l’Autorité des marchés financiers; we report to them semi-annually about all complaints received.

## Your personal information is required

We must assess whether you are qualified for direct investing and conducting your own due diligence. We must provide a recommendation to you about whether an investment is suitable for you and we do that by using our automated suitability algorithm when you propose to invest or trade. We must obtain personal information that will help us make that assessment.

The client application process for a FINWallet™ and account and our annual updates from you about the information you provided is how we obtain the personal information to judge whether you are an appropriate investor for the Platform. You must acknowledge, in your agreement with us, that we rely on the completeness and accuracy of this information to fulfil our investor protection regulatory and legal obligations and consent to providing it.

We may ask for additional information if we need it to meet our obligations.

## Your personal information is stored centrally

Your personal information is stored centrally, which means that employees of Finhaven™ Technology Inc. (our parent company) may have access to your personal information. Our policies and procedures, however, are designed to protect you from unauthorized access to your personal information. We use specific access authorizations to ensure that only those who need access so that we can deliver our services to you do, in fact, access your information.

We may require you to sign off on updated information from time to time. You must notify us immediately about any changes to the personal or financial information you provided. In addition, you must advise us of any restrictions on your trading applicable and of any changes to those restrictions. We will tell you if we consider that you are no longer qualified for the Platform.

## Data Location

Some of our vendors and service companies may be located or may have servers outside of Canada. If a service provider or its systems server is located in a foreign jurisdiction, it is bound by the laws of that

jurisdiction and may be able to disclose your personal information under those laws. This is described more fully in our Privacy Policy (below).

## Fair allocation of investment opportunities

All investment opportunities available on the Platform are available to all our investor clients on a first-come, first-served basis. This does not mean we will be able to satisfy your wish to invest in every offering or deliver the number of digital securities you subscribe for. If an issuer's offering is oversubscribed, you will get information in advance about how an oversubscription will be handled.

To ensure you can invest first, the firm's staff and directors, and members of their households, are prohibited from investing in an issuer's digital securities offering on the Platform.

## Our privacy policy

You must read and accept our privacy policy, and consent to its terms, when you request an opportunity to apply and before you submit your application. This is a brief summary.

We will not collect, use, or disclose your personal information, except as necessary for you to purchase digital securities offered on or off the Platform, oversee trading on the Platform, confirm your continued qualification for an account and a FINWallet™, or if required under law.

We do not sell or market your personal information and we will not use your personal information for other business interests we have. If you have any questions about how we collect, use, or disclose your personal information, please contact us.

View our full Privacy Policy [HERE](#).

## We will not send you “spam” communications

We may communicate with you from time to time, and we may use electronic means to do so. If it is not self-evident that you consent to receiving a type of electronic communication, we will ask you specifically for your consent to receive it. If you consent but subsequently wish to withdraw your consent, please send us notice of your withdrawal by email using the 'unsubscribe' option contained within any electronic message that is not automatically generated by us, or by letter. We will stop sending you electronic communications by no later than 10 days after we receive your notice of withdrawal.

## Proceeds of crime legislation

The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and its regulations require us to verify your identity and record all your transactions made with us. We must report suspicious transactions (activity we reasonably suspect is related to money laundering) to FINTRAC (a federal government agency). We are prohibited from telling you that we've made a suspicious transaction report or anything about what we reported.

FINTRAC's powers include seizing mail, entering our premises without a search warrant, and investigating to ensure we comply with proceeds of crime legal requirements.

Our obligations under proceeds of crime legislation are not optional. When you acknowledge you have read and understood this relationship disclosure, you acknowledge you are aware of our proceeds of crime obligations.

## **On-Platform clients: you are the registered owner of digital securities**

An issuer's securityholder record of ownership is created from distributed ledger data that is written onto the security holder register. The Platform is programmed to instantaneously update an issuer's securityholder register whenever there is a change of ownership or a change in the number of securities you own. All securities are held in your name (we don't hold them as your nominee).

The security holder register is updated whenever you:

- buy securities from an issuer
- trade securities with another investor
- receive securities as a dividend in kind
- convert one kind of security to another (e.g. debt for equity)
- sell all your securities and close your account

Off-Platform clients are also registered as the owner of their traditional securities in the issuer's central securities register.

## **If an issuer leaves the Platform**

If an issuer leaves the Platform, it must cooperate with us and with you to convert your digital securities into certificated securities and deliver them on your instructions. Alternatively, an issuer leaving the Platform can require us to provide the program coding that would allow its digital securities to transfer, for trading, to another Platform.

## **If we ever go out of business**

If we go out of business for any reason, we will work with our issuers to:

- transfer your digital securities to another platform of the issuer's choice or
- ensure the issuer converts your digital securities to certificated securities and delivers them to you on your instructions and
- in either case, return any funds to your credit to the Canadian financial institution of your choice

## **Other resources for you**

The agreement you sign with us and our website are both good resources for understanding our services, our commitments, and our expectations of you. If you sign with us, your agreement will be delivered to you via DocuSign.

View our client website info [HERE](#).

## **What we expect of issuers**

We publish information and expectations for issuers on our website, too.

View our website info for issuers [HERE](#).

## **We're listening**

Our business is built on keeping our clients satisfied, and we encourage you to contact us whenever you have questions. You can do that on the Platform's messaging system. We sort messages so that they are routed to an appropriate staff member.

If something exciting or important is happening or has happened in your life, please send us that information, too. That information, and any other updates to the information you originally provided to us, will be routed to our dealing representative.

# APPENDIX A TO RELATIONSHIP DISCLOSURE INFORMATION

## FINHAVEN™ CAPITAL INC.

### MATERIAL CONFLICTS OF INTEREST

#### Glossary

“Finhaven” means Finhaven Technology Inc., the 100% owner of the firm.

“Finhaven Investment Platform” means the private, permissioned distributed ledger network (built on Hyperledger fabric) that supports the firm’s business, including digital securities issuance and distribution and private trading between investor clients of digital securities.

“Finhaven Private Markets” is the operating or trade name of the firm.

“firm” means Finhaven Capital Inc., a subsidiary of Finhaven Technology Inc. and a registered exempt market dealer, as well as an authorized marketplace and clearing agency, in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Québec.

“investor clients” means persons, whether natural or legal entities, approved for an investment account on Finhaven Private Markets.

“issuer clients” means legal entities approved by the firm to raise capital by distributing digital securities on Finhaven Investment Platform.

“Ultimate Designated Person” means the CEO, who is responsible for overseeing compliance effectiveness and setting the compliance tone.

Parties	Facts	Material Conflicts	Potential Impact	Action Taken
Conflict # 1  Finhaven The firm Investor clients Issuer clients	Finhaven licenses the Finhaven Investment Platform technology to the firm	Finhaven is the 100% owner of the firm, an obvious power imbalance.	The power imbalance between the parent and the subsidiary could negatively affect the firm’s ability to deliver on required outcomes to investor clients.	The licensing agreement between Finhaven and the firm makes the firm’s need to comply with securities law a fundamental term of the agreement, requiring the parent to use best

Parties	Facts	Material Conflicts	Potential Impact	Action Taken
			<p>Investor clients might be unaware of the licensing agreement and unable to appreciate the power imbalance and how it could impact them.</p>	<p>efforts to deliver and improve technology to support that outcome. The firm can inspect the parent's records. In addition, it is a requirement that our board of directors include a majority of independent directors. The board must act in our best interests, which includes ensuring that we meet our regulatory obligations to you, the investor client. The conflict is disclosed before an investor can submit an account application.</p>
<p>Conflict # 2</p> <p>The firm Investor clients Issuer Clients</p>	<p>The firm serves both issuer clients and investor clients. The firm's revenue is primarily derived from issuer clients.</p>	<p>The firm could prefer the interests of issuer clients in their objective to sell as many securities they can during a distribution.</p>	<p>The firm could be tempted to accept issuer clients that don't meet the due diligence standards.</p> <p>The quality of the firm's suitability advice could suffer; investor clients could purchase unsuitable investments.</p>	<p>An independent Advisory Board decides whether to accept an issuer client after specifically considering whether the firm's due diligence standards (i.e.: the issuer is suitable for our investor community) have been met and whether the issuer client presents additional conflicts</p>

Parties	Facts	Material Conflicts	Potential Impact	Action Taken
			<p>Staff responsible for approving account applications could be biased in favour of issuer clients.</p> <p>Investors might be unaware of the potential impact of this conflict.</p>	<p>and, if so, whether they can be managed.</p> <p>Investor clients' general suitability for investing up to 10% of their net assets or 20% of their net financial assets in issuer clients is assessed at the outset so that an investor not suited for the Platform is not approved as a client.</p> <p>Compliance staff and dealing representatives are prohibited from soliciting investor accounts to maintain their independence in deciding whether an investor is suitable for Platform.</p> <p>In addition, the Chief Compliance Officer is authorized to report directly to the board any unresolved concerns raised with the issuer and product due diligence team.</p> <p>We ensure that staff compensation is unaffected by the number of</p>

Parties	Facts	Material Conflicts	Potential Impact	Action Taken
				<p>issuers, number of offerings, or the value of offerings made on the Platform.</p> <p>We have a policy that, if a staff member or director is connected with an issuer on the platform, that staff member or director is recused from all activity relating to that issuer.</p> <p>The conflict is disclosed to investors before they submit their application to open an account.</p>
<p>Conflict # 3</p> <p>Investors in Stardust F-NFT</p> <p>bKREATIV Productions Inc.</p> <p>The firm</p> <p>Finhaven</p>	<p>Finhaven provides management services to the firm's issuer, bKREATIV Productions Inc, related to its offering of Stardust F-NFTs; in particular, oversight of physical storage of the NFT and related digital music video, distribution of capital raised according to a</p>	<p>The risk that Finhaven, as Manager for bKREATIV Productions Inc., will prefer its own interests over those of Investors when pricing its Management services to bKREATIV or when providing those services.</p>	<p>The cost of holding Stardust F-NFTs might make them unsuitable.</p> <p>bKREATIV might not be able to make returns on investment that it otherwise could.</p> <p>The firm might have to recommend against its own product as unsuitable or not</p>	<p>Finhaven decided to charge \$1 only to bKREATIV for these services - for the life of the contract - so that bKREATIV could raise capital by issuing F-NFTs without undue cost and so that the cost of owning F-NFTs for investor clients would not compare unfavourably with other products offered by the firm.</p>

Parties	Facts	Material Conflicts	Potential Impact	Action Taken
	production schedule, distribution of royalties to be shared by F-NFT holders and bKREATIV.		in investors' best interests.	The conflict is disclosed to investor clients before they open their account with the firm.
<p>Conflict # 4</p> <p>The firm The firm's staff Investor clients</p>	<p>Certain staff members have access to material, undisclosed information about issuers and their securities from time to time.</p>	<p>Staff members could use material, undisclosed information about an issuer to trade that issuer's securities at an advantage to the firm's investor clients.</p>	<p>The firm would fail to deliver a fair and orderly market environment to investor clients.</p> <p>An investor might be unaware of this conflict and its potential impact.</p>	<p>The firm's staff, its directors, and its officers, together with adults residing with any of those people, cannot open accounts with the firm. The conflict is avoided.</p> <p>The conflict is disclosed to investors before they submit their application to open an account.</p>
<p>Conflict # 5</p> <p>The firm Referrers Investor clients</p>	<p>The firm has several arrangements with unregistered persons who refer investors for potential onboarding as investor clients. The firm pays those referrers a commission when an investor client not only onboards, but also purchases a security from an issuer.</p>	<p>The firm wants referrers to have a successful experience because they are a source of business for the firm, but referrers only get paid when an investor onboards and purchases a security. This could influence the firm in making onboarding decisions; an investor not suited for the Platform might be onboarded nonetheless.</p>	<p>An investor who was not qualified for Platform participation in the first place (not enough knowledge, experience, risk tolerance and capacity, for example) could make an investment or trade that is not suitable for that client in their circumstances.</p>	<p>The Chief Compliance Officer must review every account application and provide a record of why an investor was accepted (or rejected) as a client.</p> <p>The conflict is disclosed to investors before they submit their application to open an account.</p>

Parties	Facts	Material Conflicts	Potential Impact	Action Taken
			An investor might be unaware of this conflict and its potential impact.	
<p>Conflict # 6</p> <p>The firm Investor clients Issuer clients</p>	<p>The firm’s staff, directors, and officers may receive gifts from issuers or suppliers.</p>	<p>Staff members could develop a bias in favour of the gift giver that impacts the firm’s ability to deliver regulatory outcomes investor clients are entitled to, like suitability recommendations, or conflicts disclosure and management.</p>	<p>An investor client might purchase an unsuitable security or receive poor service.</p> <p>Investors might be unaware of the potential impact of this conflict.</p>	<p>The firm prohibits gifts except in the normal course of business, limits the value to no more than \$100, and requires that all gifts be declared to the Chief Compliance Officer, with some gifts requiring pre-approval.</p> <p>The conflict is disclosed to investors before they submit their application to open an account.</p>
<p>Conflict # 7</p> <p>The firm Investor clients Issuer clients</p>	<p>Staff members engage in paid and unpaid activities outside the firm’s business.</p>	<p>Staff members’ outside activities could prevent them from dedicating time and energy to the firm as required or will introduce a conflict of interest.</p>	<p>The firm could fail to deliver on its regulatory obligations to investor clients or fail to meet contractual obligations to issuer clients. An undeclared conflict could lead to a staff member preferring their own or another party’s interests</p>	<p>All staff must declare their outside activities annually and as they change. The Chief Compliance Officer reviews all outside activities and, if there is a conflict of interest, takes action on a case-by-case basis, including terminating the outside activity,</p>

Parties	Facts	Material Conflicts	Potential Impact	Action Taken
			<p>to those of the firm's investor and issuer clients.</p> <p>Investors might be unaware of the potential impact of this conflict.</p>	<p>controlling it, or disclosing it.</p> <p>The conflict is disclosed to investors before they submit their application to open an account.</p>
<p>Conflict # 8</p> <p>The firm Investor clients who are directors, officers, or employees (or adult members of the household of one of those people)</p>	<p>Issuer clients' directors, officers, and employees (and adult members of their households) can open accounts. Those investor clients' private trades must be approved or rejected by the firm, considering both the interests of all investors in that security and the individuals' specific interests in coming to a fair decision.</p>	<p>The decision to approve or reject this kind of proposed trade is discretionary.</p>	<p>The decision maker might bring a bias in favour of the issuer or fail to appreciate a specific investor's circumstances in coming to a decision.</p> <p>Investors might be unaware of the potential impact of this conflict.</p>	<p>Both the Chief Compliance Officer and the Ultimate Designated Person of the firm (the CEO) must agree on this decision before it can be made. Reasons must be provided to the affected investor client if the proposed trade is rejected.</p> <p>The conflict is disclosed to investors before they submit their application to open an account.</p>
<p>Conflict # 9</p> <p>The firm Some investor clients Some issuer clients</p>	<p>The firm has discretion to restrict trading activity of an investor client if the firm's trading rules are breached or in the event of</p>	<p>This decision is discretionary.</p>	<p>The decision maker might bring a bias into the decision.</p> <p>Investors might be unaware of the potential</p>	<p>Both the Chief Compliance Officer and the firm's independent Trading Monitor must agree on such a decision and why it is being made and record the</p>

Parties	Facts	Material Conflicts	Potential Impact	Action Taken
	<p>market movements that pose a threat to a fair and orderly market.</p>		<p>impact of this conflict.</p>	<p>decision and its rationale, providing reasons to the affected investor client or issuer client.</p> <p>The conflict is disclosed to investors before they submit their application to open an account.</p>
<p>Conflict # 10</p> <p>The firm Finhaven Investor clients Issuer clients</p>	<p>Dohyung (DH) Kim is the CEO, Ultimate Designated Person, and a director of the firm. He is also the CEO, a director, and the majority shareholder of Finhaven.</p>	<p>Mr. Kim is a fiduciary of both Finhaven and the firm. In addition, he has statutory obligations as the Ultimate Designated Person for the firm.</p>	<p>Mr. Kim may prefer Finhaven's interests to those of the firm or its investor or issuer clients.</p> <p>Investors might be unaware of the potential impact of this conflict.</p>	<p>The firm's board of directors has granted the Chief Compliance Officer direct access to the board of directors in the event Mr. Kim's dual roles, in the CCO's sole judgement acting reasonably, prevent him from acting in the best interests of the firm and its clients.</p> <p>The conflict is disclosed to investors before they submit their application to open an account.</p>

□

## APPENDIX B

### CLIENT COMPLAINTS POLICY

We must give you this information when you open your FINWallet™ and account and whenever you tell us you have a complaint.

#### **How to deliver your complaint**

Our policy is to handle any written complaint received fairly and promptly. If you have a complaint about our services or an investment, use the messaging system on Finhaven Private Markets (Platform) to put your complaint into writing and deliver it to us. Your complaint will be promptly and directly routed to the Chief Compliance Officer, or delegate, for handling.

Unless it is totally impractical to expect you to put the complaint in writing, we do require written complaints. To protect your privacy, we will deal only with you or another individual whom you have specifically authorized in writing to represent you in the complaint process.

#### **Tell us what went wrong**

Describe what went wrong, when, and what you expect as a resolution (for example, money back, an apology, an account correction).

Be specific in describing the circumstances giving rise to your complaint, the chronology of events, and any other context you think relevant.

#### **We will acknowledge your complaint**

We will acknowledge your complaint promptly, usually within 5 days. We might ask you to clarify the information you provided or request additional information or documents.

We can resolve your complaint most efficiently if you tell us about it as soon as possible, reply promptly when we request information from you.

You will be best prepared if you keep copies of all relevant documents or other information that are stored outside our platform system.

#### **We will provide a written decision**

We will normally provide our decision in writing, within 90 days of receiving a complaint. It will include a summary of the complaint, the results of our investigation, our decision to make an offer to resolve the complaint or deny it, and an explanation of our decision.

#### **If our decision is delayed**

If we cannot provide you with our decision within 90 days, we will inform you of the delay, explain why our decision is delayed, and give you a new date for our decision. You may be eligible for the independent dispute resolution service offered by the Ombudsman for Banking Services and Investments (OBSI).

#### **If you are resident in Québec**

You can require us to file a copy of your complaint with l'Autorité des marchés financiers (AMF). You may also want to consider engaging the free mediation service they offer.

### **If you are dissatisfied with our decision or we have not made our decision within 90 days**

You may be eligible for the dispute resolution service we subscribe to – the Ombudsman for Banking Services and Investments (OBSI).

OBSI can recommend compensation of up to \$350,000. The service is available to you at our expense. You are not restricted in any way from taking your complaint to a dispute resolution service of your choosing at your own expense. You may also be able to start an action in a civil court.

### **Who can use OBSI?**

You qualify for the OBSI service if:

- your complaint relates to trading (including an investment made directly from an issuer) on our platform
- you brought your complaint forward to us within six years from the time you first knew, or ought to have known, about the event(s) that gave rise to the complaint
- you file the complaint within OBSI's time limits (below)

### **OBSI time limits**

- If we do not provide you with our decision within 90 days, you can send your complaint to OBSI any time after that.
- If you are dissatisfied with our decision, you can send your complaint to OBSI within 180 days of our decision.

### **Legal advice**

You always have the right to go to a lawyer or seek other ways to resolve your complaint. A lawyer will advise you of your options. There are time limits for taking legal action, so delay could limit your options and your legal rights.

### **Contact information for OBSI**

OBSI <https://www.obsi.ca/en/consumer-complaint-process.aspx>  
Toll-Free Telephone: 1 (888) 451-4519

### **Contact information for the AMF**

Autorité des marchés financiers <https://lautorite.qc.ca/grand-public/>  
Québec : 418 525-0337  
Montréal : 514 395-0337  
Other regions : 1 877 525-0337