

July 2022

## Conflicts of Interest Disclosure

This document provides summary information regarding material conflicts of interest which may exist between Virtu ITG Canada Corp. (“Virtu” or “the Firm”), its employees and its Institutional Clients (as defined by IROC Rule 1201). This document is accessible under the Virtu ITG 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 or trading venues (as defined below). Virtu provides Clients with 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 Client 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 or trading venues 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, trading venues**

Virtu and its VFI affiliates may have an ownership interest in, or arrangement with, exchanges, alternative trading systems, multilateral trading facilities or other venues or marketplaces on which securities are traded (collectively “trading venues”). Virtu or a VFI affiliate may earn revenue or benefit from increased order flow to the trading venue. Virtu may also incur fees or receive rebates from a trading venue depending on how an order is managed or routed. In addition, several VFI affiliates operate and own interests in non-Canadian trading venues and may effect Client transactions on these platforms. Virtu manages these conflicts by disclosure of these conflicts, policies and procedures designed to avoid or manage conflicts, including analysis of its order routing practices conducted as part of its best execution policies and procedures. 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 Client orders through disclosure to Clients and seeking instructions from each Client regarding how to handle the order under these circumstances.

## **5. Employee outside activities**

Virtu employees may engage in an “outside activity” (“OA”, previously known as an “Outside Business Activity”) 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 Customers. Virtu’s policies require disclosure of OAs, analysis of potential conflicts and investor confusion that could be caused by the OA, and supervisory approval of the OA. 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 hire, and on an annual basis thereafter, obtaining employees’ disclosure of personal trading accounts, and monitoring and reviewing transactions in those 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 may be used to advantage the Firm, the business interests of another client of the Firm or for the personal gain of one 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.