



CONFLICTS OF INTEREST

General Description

Actual, potential and perceived conflicts of interest may exist in any interaction you have with an individual or organization. Our relationship with you is no different.

Description of Our Business

Global Maxfin Capital Inc. ("GMCI") is what is referred to as an "integrated" investment firm (or an integrated investment dealer) since we provide a broad range of corporate finance, institutional trading and retail client services and products. We recognize that by definition we are more susceptible to conflicts of interest than many other business activities since we may for example represent both sides to a transaction, namely, the buyer and the seller. There are generally three types of conflicts that can arise:

- Conflicts of interest between you and us,
- Conflicts of interest between you and our other clients, and
- Conflicts of interest between us and our related and associated companies.

As an investment dealer, we are a financial intermediary. As is the common practice in the brokerage industry, sometimes we may be the party on the other side of the transaction (referred to as a "principal" trade) where we own the security we sell to you. On other occasions, we simply facilitate a transaction between you as our client and a third party on the other side of the transaction through an "agency" trade where we have no ownership interest in the security traded. In still other cases, we advise an issuer of securities on how to best raise funds by selling securities while, at the same time, recommending that our clients buy those same securities.

More information about GMCI may be found on our website, www.globalmci.com.

Management of Conflicts of Interest

In general, we deal with and manage relevant conflicts as follows:

- **Avoidance:** This includes avoiding conflicts that are prohibited by law as well as conflicts that cannot effectively be addressed.
- **Control:** We manage acceptable conflicts through means such as physically separating different business functions and restricting the internal exchange of information.
- **Disclosure:** By providing you with information about conflicts, you are able to assess independently their significance when evaluating our recommendations and any actions we take.

The following information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. However, this is an overview of a complex subject and is not meant to be an all-inclusive list of conflicts of interest.

If you ever have any questions or concerns, whether they involve conflicts of interest or anything else, you should never hesitate to say so and you should ask your advisor for an explanation as well as for more information.

Outside Business Activities

Our Advisors Ted (Kyungtae) Kim, Alberto Storelli, Bonnie Wyatt and George H. Yuan are dually licensed to provide insurance advisory services in an agency capacity. Please note that the insurance advisory business activity conducted by our Advisors acting in this capacity as agents is not the responsibility of GMCI but the responsibility of the agents alone.



A GMCI Representative may be permitted to have outside business activities with conditions. These conditions are:

- That the activity is in compliance with any condition set out by the applicable securities commission;
- GMCI has approved the outside business activity and reported it to the regulator;
- That the Representative follows the Policies and Procedures in place at GMCI to ensure continuous service and that potential conflicts of interest have been identified and addressed.;
- That the activity is not one that would bring the securities industry into disrepute.

Possible Conflicts and How They Are Managed at Our Firm

Conflict of Interest	Address By	How Conflicts Will Be Addressed
Ongoing Conflict of Interest		
We earn compensation by selling products and services to you for which you pay us.	Disclose	We will inform you of fees, commissions and other compensation in advance so that you know what you will be paying.
	Control	Depending on the product or account type you choose, we offer a variety of pricing options to choose from.
Different products and services have differing levels of compensation.	Disclose	Our compensation is disclosed to you and we offer pricing alternatives intended to reduce the conflicts associated with commission-based pricing.
	Control	We are required by industry regulations and firm policy only to make "suitable" investment recommendations.
	Avoid	We may choose not to offer a complex product that carries a high commission.
Conflict of Interest May Occur		
We may receive compensation from securities issuers and other third parties based on their products we sell to you. For example, "trailer fees" on mutual funds or "finders fees" on private placements.	Disclose	We disclose to you the situations and type of third party compensation we may receive.
	Disclose	Securities regulations require issuers to provide specific disclosure in the offering document (e.g., prospectus) of such arrangements and the compensation we will receive.
We are compensated in other ways as a result of the business you may do with us, including interest spreads on	Disclose	Various forms of other compensation we may

<p>uninvested cash deposits with us and foreign exchange spreads when you convert currencies.</p>		<p>receive are disclosed to you.</p>
<p>We may sell you securities which we own (called principal trades) and profit by doing so.</p>	<p>Disclose</p>	<p>We will tell you whether we acted as principal or agent for each transaction on the trade confirmation.</p>
<p>We may sell you securities of companies that are related or connected to us.</p>	<p>Disclose</p>	<p>We are required by regulation to disclose this when we make a recommendation to you.</p>
	<p>Disclose</p>	<p>All of our related parties are disclosed on our website.</p>
	<p>Disclose</p>	<p>We inform you whether a transaction involved a related or connected security on the trade confirmation.</p>
	<p>Control</p>	<p>Our advisors receive the same commission compensation payout as a percentage of gross revenue regardless of the product originator.</p>
<p>We may need to select which clients will be offered certain securities if availability is limited.</p>	<p>Control</p>	<p>We have a "fair allocation" policy for managed accounts.</p>
	<p>Control</p>	<p>For non-discretionary accounts, individual advisors make the determination based on individual client relationships.</p>
<p>We provide investment research on securities of companies that may have other business relationships with us.</p>	<p>Control</p>	<p>We provide full disclosure of any conflicts of interest in all research reports disseminated.</p>
	<p>Control</p>	<p>Our research and recommendations are subject to extensive and detailed regulatory requirements and internal standards.</p>
<p>We engage in trading of securities for our own account (called proprietary trading).</p>	<p>Control</p>	<p>We maintain information barriers between our corporate trading activities and retail advisory business.</p>
	<p>Control</p>	<p>Firm and employee trades are identified as such and client trades are given priority to firm and employee trades in accordance with industry "client priority" regulations.</p>



We may permit certain individuals who are registered with us (including your investment advisor) to be employed by, participate in, or accept compensation from other persons or firms, outside the scope of his/her relationship with us.	Avoid and Control	We have adopted internal policies and procedures that supplement the regulatory requirements. Such arrangements are closely monitored.
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More Information

Canada has comprehensive and extensive securities regulatory rules and regulations, many of which are directed at protecting client and investor interests, including dealing with conflicts of interest. For more information on how Canadian securities regulations address conflicts of interest in order to safeguard the investing public, we suggest that you refer to the websites and publications of the provincial securities commissions (which are available through the Canadian Securities Administrators (CSA)) and the Investment Industry Regulatory Organization of Canada (IIROC).