



Beacon Securities Limited

Conflict of Interest Disclosure Statement

Securities legislation in Canada requires Beacon Securities Limited (“**Beacon**”) to make certain disclosures regarding conflicts of interest. This statement is to inform you of the nature and extent of conflicts of interest that might be expected to arise between Beacon and its clients.

It is important for you to be informed about how we identify and respond to conflicts of interest in order to minimize their impact.

Material Conflicts of Interests

A “conflict of interest” occurs whenever the personal interests of Beacon, or an individual acting on its behalf, may potentially conflict with those of a client, or in a situation where Beacon, or an individual acting on its behalf, has an obligation to more than one party whose interests are different. A conflict of interest can also exist where monetary or non-monetary benefits are made available to Beacon, or an individual acting on its behalf, as incentives.

Conflicts of interest may be large enough to be material (in which case they are addressed as described in this disclosure statement) or small enough to be immaterial (in which case no further action is taken to address them). In determining the materiality of a conflict of interest, Beacon will consider whether the conflict may be reasonably expected to affect the decisions of its client in a particular situation or the recommendations and/or decisions Beacon makes on behalf of its client.

Beacon addresses material conflicts of interest in the best interest of its clients. This is done by placing the interests of clients first, ahead of the personal interest of Beacon and any other competing considerations. As such, Beacon takes reasonable steps to identify, address and avoid, any existing material conflicts of interest or foreseeable material conflicts of interest that we would reasonably expect to arise (i.e., between us and a client and between each individual acting on our behalf and a client). Beacon determines the level of risk for each material conflict. Beacon avoids situations that would result in a serious conflict of interest that would be too high a risk for clients or market integrity and will ensure that it will act in the client’s best interest. In other circumstances involving a conflict of interest, Beacon takes the appropriate steps to control the conflict of interest. Similarly, if a particular conflict is capable of being addressed by using controls, but the specific controls being used by us are not sufficiently mitigating the effect of the conflict, we will avoid that conflict until we have implemented controls sufficient to address the conflict in the best interest of the client.

Individuals acting on behalf of Beacon also are required to identify potential conflicts of interest and bring them to the attention of Beacon, and will also disclose any relevant information that may arise in a potential conflict of interest to Beacon. If the individual is uncertain as to whether a potential conflict of interest exists or could arise, the matter will be directed to our Chief Compliance Officer for discussion. Any individual who identifies a potential conflict of interest will await approval from our Chief Compliance Officer prior to acting on behalf of the client, in order to ensure that any actions taken on the client’s behalf are in their best interest.

Beacon, whose office is located in Toronto, Ontario is registered as an investment dealer in each province of Canada. Beacon is primarily in the business of providing Trading, Investment Banking and Research services to its clients.

Beacon takes proactive measures to anticipate reasonably foreseeable conflicts of interest, assesses the materiality of such conflicts to distinguish between those conflicts that are material and those that are not and has developed adequate procedures identify existing conflicts. The situations in which Beacon could be in a conflict of interest, and the way in which Beacon intends to respond to such conflicts, are described below.

Possible Conflicts and How They Are Managed

Conflicts of Interests	Addressed By	How Conflicts Will be Addressed
<i>Ongoing Conflicts of Interest</i>		
1. Beacon will earn compensation by selling products and services to you for which you pay us.	Disclose	Beacon 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, Beacon will offer a variety of pricing options to choose from.
	Avoid	If an appropriate option cannot be agreed to, we will not sell you the product or service.
2. Different products and services have differing levels of compensation.	Disclose	Depending on the product or account type you choose, Beacon will offer a variety of pricing options to choose from.
	Control	Beacon is required by industry regulations and firm policy only to make suitable investment recommendations.
	Avoid	Beacon may choose not to offer a complex product that carries a high commission.
<i>Conflicts of Interest that may Occur</i>		
3. Beacon 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	Beacon will disclose to you the situations and type of third party compensation Beacon may receive. Securities regulations require issuers to provide specific disclosure in the offering document (ie. prospectus) of such arrangements and the compensation Beacon will receive.
	Avoid	If these arrangements pose an issue for a particular client, we will not offer that product or service to that client.

Conflicts of Interests	Addressed By	How Conflicts Will be Addressed
4. Beacon is compensated in other ways as a result of the business you may do with us, including interest spreads on uninvested cash deposits with us and foreign exchange spreads when you convert currencies.	Disclose	Beacon will disclose to you the situations and various forms of compensation Beacon may receive.
	Avoid	If these arrangements pose an issue for a particular client, we will not offer that product or service to that client.
5. Beacon may sell you securities which we own (called principal trades) and profit by doing so.	Disclose	Beacon will tell you whether Beacon acted as principal or agent for each transaction on the trade confirmation.
	Avoid	If these arrangements pose an issue for a particular client, we will not offer that product or service to that client.
6. Beacon may need to select which clients will be offered certain securities if availability is limited.	Control	Over time Beacon will try to ensure that all clients are treated fairly.
7. Beacon provides investment research on securities of companies that may have other business relationships with us.	Control	Beacon provides full disclosure of any conflicts of interest in all research reports disseminated.
	Control	Our research and recommendations are subject to extensive and detailed regulatory requirements and internal standards.
8. Beacon engages in trading of securities for our own account (called proprietary trading).	Control	Beacon maintains information barriers between our corporate trading activities and retail advisory business.
	Control	Beacon 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.
9. We are paid by issuers of securities when we advise on, underwrite or syndicate on a new issue basis which we may recommend to you.	Disclose	For any issuer we may advise on, the offering documents provide full disclosure of all relationships we may have with the issuer.

Conflicts of Interests	Addressed By	How Conflicts Will be Addressed
	Avoid	If these arrangements pose an issue for a particular client, we will not offer that product or service to that client.
10. When we advise on or syndicate a new issue, we are acting for the issuer that wants to obtain the highest price while recommending the investment to purchasers who are interested in obtaining the lowest price.	Control	We operate our corporate finance and retail advisory businesses separately and all relationships and other material facts about our relationship with the issuer are described in the offering documents.
	Avoid	If these arrangements pose an issue for a particular client, we will not offer that product or service to that client.
11. If you hold an applicable security, we may be paid by issuers, offerors or others to solicit your proxy or vote in their favour with respect to takeover bids, corporate reorganizations, solicitation of proxies and other corporate actions,	Disclose	Securities regulations require specific disclosure of such arrangements and the compensation we will receive in documents such as information circulars, takeover bid circulars and issuer bid circulars.
	Avoid	If these arrangements pose an issue for a particular client, we will not vote your securities or enter into such arrangements.
12. As a result of business relationships with issuers of securities, we may know confidential information that we cannot disclose to you when we recommend the securities to you, even if that information might lead us not to recommend buying the securities.	Control	We operate our corporate finance and retail advisory businesses separately so that such information is tightly controlled and not shared by corporate finance with our retail advisory businesses.
	Control	Our internal information barriers are designed to ensure regulatory requirements are complied with and retail advisory employees do not have access to any non-public information that may be available to our corporate finance businesses.
	Avoid	If we think the security is not appropriate for you, we will tell you that.

Conflicts of Interests	Addressed By	How Conflicts Will be Addressed
13. We may have access to commercially sensitive or inside information.	Avoid	We may decline to provide a service to avoid insider trading provision in securities legislation.
	Control	We have specific procedures for responding to conflicts of interest that involve inside information and for complying with insider trading provisions.
14. Our other relationships with issuers of a security may mean we directly benefit from you buying the issuer's securities, such as when Beacon executes market transactions on behalf of the issuer based on the purchase you have made.	Control	Confidential information that cannot be publicly disclosed is protected through internal information barriers so that it is not shared and does not influence any retail advisory activities.
	Disclose	We will disclose to you where we execute transactions on behalf of an issuer whose securities you intend to purchase or we are recommending that you purchase prior to the execution of the transaction.
	Avoid	If these arrangements pose an issue for a particular client, we will not offer that product or service to that client.
15. Your advisor or representative may make personal investments in the same issuers that they recommend to you or purchase on your behalf.	Disclose	If you have an advisory account, your advisor or representative is required to disclose the existence of such investment to you prior to executing any transaction on your behalf.
16. Beacon may receive compensation by sending orders to trade destinations. Regardless, Beacon observes industry requirements.	Avoid	Industry regulations dictate our best price and best execution obligations to you.
	Disclose	We will disclose to you our ownership interests in marketplaces and maintain policies and procedures for order routing should such ownership arise.
17. Beacon may permit certain individuals who are registered with us (including your investment advisor) to be employed by, participate in, or	Avoid & Control	Beacon has adopted internal policies and procedures that supplement the regulatory requirements. Such arrangements are closely monitored.

Conflicts of Interests	Addressed By	How Conflicts Will be Addressed
accept compensation from other persons or firms, outside the scope		
18. Individuals may serve on a board of directors or take on other activities that could take time or attention away from your account.	Avoid	Securities legislation prohibits an individual from serving as a director of another registered firm that is not an affiliate of our firm.
	Control	When an advisor or representative sits on a board of directors of a charity or undertakes other community activities in any substantive way, they are subject to regulatory guidance on the disclosure and approval of outside business activities.
19. Individuals may serve as a director of a publicly traded company.	Disclose	When Beacon is involved in research of a publicly traded company where an individual sits on the board, it will be disclosed. When Beacon is involved in investment banking of a publicly traded company where an individual sits on the board it will be disclosed.
	Control	Beacon has internal policies and procedures to mentor and supervise any potential conflicts of interest where an individual is a member of a board of directors of a publicly traded company.

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This document is kept current and is posted on our website at <https://beaconsecurities.ca/regulatory-legal-disclosures/> or you may contact us for the most recent version at compliance@beaconsecurities.ca .

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