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## **Statement on Anti-Money Laundering, Anti-Terrorist Financing and Sanctions**

ITG Canada Corp. and its affiliates (collectively “ITG”) are committed to detecting and deterring persons engaged in money laundering or terrorist financing from utilizing ITG products or services. ITG is equally committed to ensuring its products and services are not used to violate or circumvent economic sanctions. This commitment is honoured through the establishment of regional Anti-Money Laundering and Anti-Terrorist Financing (“AML/ATF”) and Sanctions risk and compliance management programs that are designed to detect and report suspected money laundering and terrorist financing activity prohibited by sanctions.

ITG is subject to, and bound to comply with, the AML/ATF and Sanctions laws and regulations in each of the jurisdictions in which it operates. In Canada, the Chief Compliance Officer of ITG Canada Corp. acts as Chief Anti-Money Laundering Officer (“CAMLO”), and is responsible for establishing and maintaining the firm’s Canadian AML program. It is the policy of the Board of Directors and Senior Management of ITG Canada Corp. to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities.

The Proceeds of Crime (Anti-Money Laundering) and Terrorist Financing Act (the “Act”) and the Financial Transactions and Reports Analysis Centre of Canada (“FINTRAC”) govern the compliance, reporting and other requirements of the financial community and other individuals and entities. The Investment Industry Regulatory Organization of Canada (“IIROC”), of which ITG Canada Corp. is a member, monitors members’ compliance with the Act and regulations of FINTRAC.

In accordance with these legislative and regulatory requirements, the AML program of ITG Canada Corp. and supporting policies set out requirements that include:

1. Board of Directors and Senior Management oversight of the ITG Canada Corp. AML program, through regular reporting from the firm’s CAMLO;
2. Documented policies and procedures that address both company policy and applicable AML/ATF and Sanctions regulatory requirements;
3. Identification of customers to meet IIROC “Know Your Customer” requirements under IIROC Rule 1300.1;
4. Customer and transaction record keeping;



5. Ongoing monitoring to detect and report attempted or completed suspicious transactions;
6. Customer and transaction screening against terrorist and other sanctions watch-lists;
7. Regulatory reporting of prescribed transactions, including cash transactions, international electronic funds transfers, cross-border movements of cash and monetary instruments, as well as terrorist and other frozen property and rejected transactions;
8. Ongoing AML/ATF training for employees, directors and those who act on behalf of ITG Canada Corp.;
9. Ongoing assessment of money laundering, terrorist financing and sanctions risks; and
10. Regular, independent testing of control effectiveness.

ITG Canada Corp.'s AML/ATF program is routinely evaluated, updated and enhanced in order to reflect changes to the firm's business activities, as well as applicable supervisory standards and legal requirements. It is the responsibility of each employee of ITG to protect the firm from exploitation by money launderers; in line with this responsibility, the firm is committed to educating and training its employees in money laundering prevention on an ongoing basis.

An employee's non-compliance with the firm's AML/ATF risk and compliance management policies can create reputational damage to both the employee and the Firm, and can result in internal disciplinary measures or termination of employment from ITG. FINTRAC may issue an administrative monetary penalty to the individual employee and/or Firm, the size of which is dependent on the degree of harm caused by the violation (but can be up to \$100,000.00 per very serious violation for an individual, and \$500,000.00 per very serious violation for an entity). In addition, FINTRAC may disclose cases of non-compliance to law enforcement, where an employee(s) may be subject to criminal penalties, including the following:

- Failure to report suspicious transactions: up to \$2 million and/or 5 years imprisonment;
- Failure to report a large cash transaction or an electronic funds transfer: up to \$500,000 for the first offence, \$1 million for subsequent offences;
- Failure to meet record keeping requirements: up to \$500,000 and/or 5 years imprisonment;
- Failure to provide assistance or provide information during compliance examination: up to \$500,000 and/or 5 years imprisonment; and/or
- Disclosing the fact that a suspicious transaction report was made, or disclosing the contents of such a report, with the intent to prejudice a criminal investigation: up to 2 years imprisonment.

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