

INVESTOR MANUAL



Invest for impact

SVX IS REGISTERED AS A RESTRICTED DEALER WITH
THE ONTARIO SECURITIES COMMISSION (OSC)

An initiative of

In collaboration with

MaRS Centre for
Impact Investing



The SVX is a private investment platform built to connect impact ventures, funds and investors in order to catalyze new debt and equity investment capital for ventures that have demonstrable social and/or environmental impact and the potential for financial return.



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The problem: Raising capital for impact

We are faced with pressing social and environmental problems at a local, national and global level. These problems are increasing in urgency and growing in complexity.

From rising inequality and intractable multi-generational poverty to the dramatic implications of climate change on our food systems and energy supply, we are collectively in search of solutions to maintain and improve our quality of life and the ecosystems we inhabit.

Fortunately, there is a growing group of impact ventures that are building business models to tackle these problems. Their goal is to create sustainable and resilient communities, and they are already demonstrating a breadth of solutions to our world's most critical social and environmental challenges.

These impact ventures need a different type of capital to help them grow, scale and achieve systemic impact. They need impact capital: a type of investing with the goal of achieving a triple bottom line of social, environmental and economic return.

But as impact ventures are turning to investors for financing, they are faced with significant challenges and barriers, including:

Access to capital

Raising capital is already challenging for startups and early-stage ventures. Coupled with the new paradigm of investing for social and environmental returns, impact ventures face major challenges in identifying investors and accessing capital that will enable them to achieve their goals and make an impact. Our research shows that 70% of impact ventures report that access to capital is a major challenge to their success.



Cost of raising capital

It can cost tens to hundreds of thousands of dollars for impact ventures to raise capital. The high cost of raising capital includes efforts such as lead generation and targeted and personal outreach to investors; this cost limits the scope of capital-raising opportunities available to impact ventures and inhibits the potential for deal flow.

Due diligence

Once an impact venture has attracted the attention of a potential investor, it can be costly and time-consuming for investors to conduct due diligence.

Unco-ordinated marketplace

Impact investing is a new approach to investing in solutions that can change the world. There is no access point for investors to find impact investment opportunities or for impact ventures to connect with investors.

Each of the financing challenges faced by impact ventures is a challenge not only to the growth of the organizations, but also an impediment to the ventures' ability to change the world for the better by solving the critical crises of our time. To support the innovation behind these solutions requires an innovation that will change the way in which impact ventures access capital.

The SVX is this innovation.

The game changer: The SVX

For investors to maximize their impact and for impact organizations to reach their full potential, they need a space to interact, connect and share opportunities to create social, environmental and financial return. The SVX was developed to meet this need.

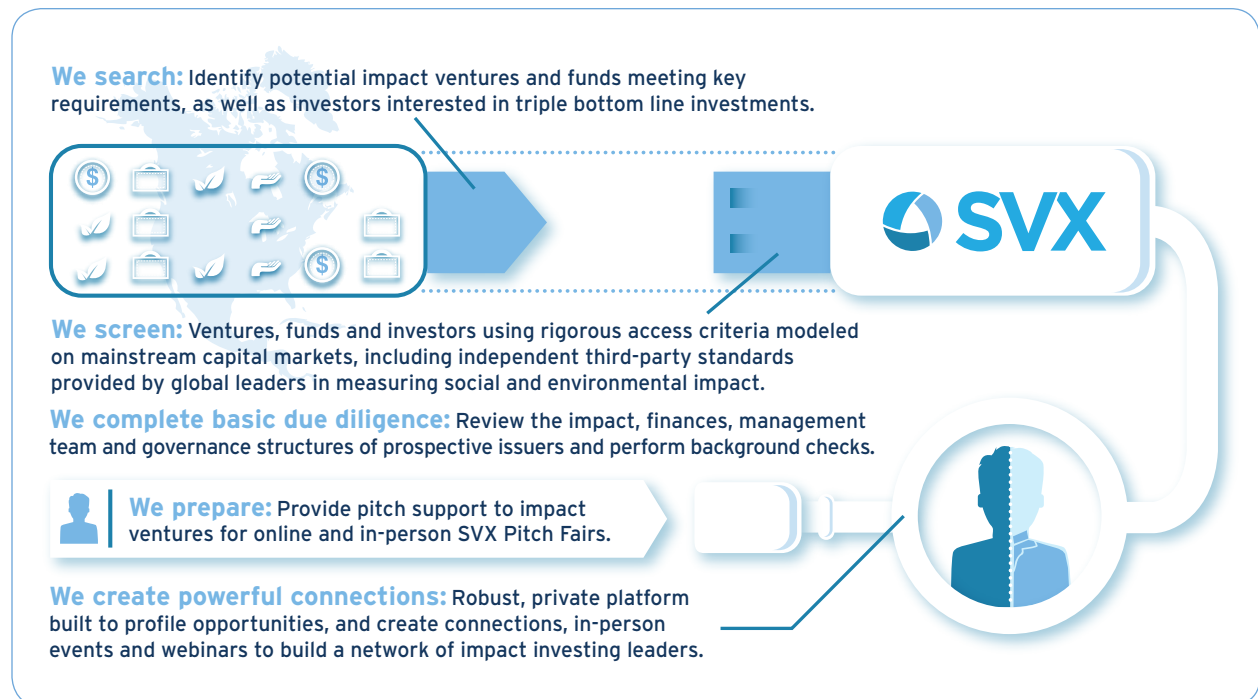
The SVX acts as a single access point to a strong, local network of impact ventures, funds, investors and service providers. As a private platform built to connect impact ventures, funds and investors, the aim of the SVX is to catalyze new

debt and equity investment capital for ventures that have demonstrable social and/or environmental impact and the potential for financial return.

By creating a space that allows investors to place their capital in enterprises that can make money and do good, and that allows high-impact organizations to find the capital to help them grow, the SVX achieves its mission to mobilize money toward impact ventures that are reducing poverty, creating opportunities and advancing environmental sustainability.

What we do

The SVX has been designed to increase access to capital for impact ventures by reducing the cost of raising capital, conducting basic due diligence for investors, and creating a co-ordinated network for ventures and investors to meet and interact.



A collaborative enterprise

Our story

Our story started with a simple idea: Create a market for good.

We recognized the tremendous challenges we face in Ontario, from the hundreds of thousands of people turning to food banks to the impact of changing weather patterns in our North. We wanted to find a means to fight poverty and climate change. Community organizations lacked the financial resources to tackle these problems and take their solutions to scale. We knew we needed progressive policy and government leadership, but we also needed the means to attract the necessary financial resources to support local efforts to address our most pressing issues. It was a capital problem. We needed a market to mobilize capital for impact.

The SVX was first proposed in 2007, as a platform to attract financial resources for local social ventures focused on reducing poverty. We didn't want it to be another proposal that would get lost in an old file folder. We quickly organized and laid the groundwork to move from idea to initiative. We met with government. We met with local leaders in social innovation and capital markets. We met with global leaders considering similar projects in Europe, Asia and Africa.

The idea was endorsed by the Government of Ontario as a part of its Poverty Reduction Strategy in 2008, and subsequently supported with funding for the feasibility study and pilot through Social Innovation Generation (SiG) at MaRS, the Ontario Ministry of Research and Innovation (MRI), Causeway Social Finance and TMX Group Inc.

We had a bit of money and the strength of trusted partners to

march forward with a clear vision. Next, we needed the right people.

We brought together a cross-sector group of expert advisors with decades of experience in mainstream capital markets, the non-profit, social venture and sustainable corporate sectors, social finance, and securities law and regulations to provide guidance. We also brought on a small team who had the financial experience and expertise needed to steward the development of the initiative.

We spent a year asking fundamental questions, engaging in painstaking market research, understanding the barriers and opportunities, and shaping the contours of the SVX to fit with our vision and our local conditions. We needed to know whether our idea could really work and how we could make it happen.

We found a growing number of charities, non-profits, co-ops and for-profit companies building business models to tackle the problems we face and turning to investors for financing to launch and scale innovative and impactful enterprises.

These local social ventures had tens of millions of dollars in capital demand. Their major problem was access to capital. We learned that their ability to achieve their mission of social and environmental change could be achieved more effectively with the right connections to the investors and service providers who could help them build their business.

We also found that although investors lack the expertise and resources to identify social ventures and make appropriate investments, they do not

lack interest. There is a strong base of existing impact investing activity, and a growing number of investors in Ontario and around the world want to make investments generating a financial return and a positive impact. The total Canadian impact investing market is \$5.3 billion today, and it is expected to grow to \$30 billion in 10 years.

There was a clear need for a market in Ontario.

Our research concluded in early 2011, and we set about assembling the bricks and beams that are the SVX, including the website, the access process, the ventures and our investor network.

The first phase of our market for good is what you are seeing today: A local, impact-first platform connecting impact ventures, funds and investors in order to catalyze new debt and equity investment capital with demonstrable social and/or environmental impact.

It is an agile platform, and it will continue to evolve and improve. Our long-term aim is to create a fully regulated market with access for retail investors that could be parallel to or integrated into mainstream markets. We are interested in spreading our model to other regions where it can have a positive impact, thus scaling our own impact.

It's really only the beginning of our story.

We hope that you will follow us along the way.

Our people – Staff team



Adam Spence,
Founder and CEO

Adam Spence has led the development of the SVX as founder and CEO.

For more than 10 years, Adam has focused his work on driving social, economic and environmental justice through community development, education, social innovation and public policy change, as an advocate, researcher and social entrepreneur.

At MaRS, Adam helped found the MaRS Centre for Impact Investing and the School for Social Entrepreneurs - Ontario. He was executive director of the Ontario Association of Food Banks (OAFB) for five years, a community animator for the skilled trades in Hamilton, ON, and led the Ontario Undergraduate Student Alliance (OUSA). In these positions, he successfully grew revenues, developed enterprise programs and successfully advocated for public policy change, including low-income grants for post-secondary students and Ontario's Poverty Reduction Strategy.

Adam was awarded the Queen's Jubilee Gold Medal in 2002, and in 2012 he was named one of McMaster University's 125 People of Impact, an honour given to McMaster staff and alumni who have made the greatest impact over the past 125 years.



Carlos Pinto Lobo,
Chief Compliance Officer

Carlos is an accomplished compliance, governance and risk-management professional with more than 25 years of extensive experience in the financial services industry, including futures, options, retail compliance, LCM, SOX, credit, operational risk management, anti-money laundering, privacy regulations and successful business solutions.

Carlos has had previous roles as a director at CIBC and VP at Deutsche Bank AG and BMO InvestorLine Inc. He helped launch Alpha ATS, and has been a guest speaker at a variety of industry-related events. He has also been instrumental in the development of regulatory regimes and ground-breaking industry initiatives.



Tristina Sinopoli,
Associate

As a project co-ordinator, Tristina supports the execution of the MaRS Centre for Impact Investing's education and engagement strategy, and market and product development initiatives. Tristina provides capital-raising advisory support to for-profit and non-profit impact ventures, manages expert financial advisors supporting the Centre's activities, and manages investor relations with target groups, including foundations, high-net-worth individuals, investment advisors and fund managers.

Tristina has had public sector experience as a volunteer constituency assistant at the City of Toronto in Ward 19 Trinity-Spadina, where she supported a range of community and economic development issues, and as a co-ordinator for the College Promenade Business Improvement Area in Toronto.

Our people – Board of directors



Dr. Ilse Treurnicht,
CEO, MaRS Discovery District

Ilse Treurnicht is the CEO of MaRS Discovery District, a leading innovation centre located in Toronto, ON. She oversees both the development and operations of the MaRS Centre and its broad suite of entrepreneurship and innovation programs.

Ilse joined MaRS in early 2005 from her role as president and CEO of Primaxis Technology Ventures, a startup-stage venture capital fund focused on the advanced technologies sector. Prior to Primaxis, Ilse was an entrepreneur with senior management roles in a number of emerging technology companies.

Ilse holds a DPhil in chemistry from Oxford University, which she attended as a Rhodes Scholar.



Ted Anderson,
Director, MaRS Centre for Impact Investing

Ted has an extensive background in venture capital investing in both Canada and emerging markets. With 30 years of experience in venture investing, most recently as the managing general partner of Ventures West Capital, Canada's largest institutionally backed venture capital fund management company, Ted has been an investor in many of Canada's most interesting technology companies.

Ted is also a past president and a former director of the Canadian Venture Capital and Private Equity Association, Canada's national private equity trade association.

Ted has also been very active in emerging markets, particularly Africa. He has worked with the International Finance Corporation on initiatives relating to the establishment of venture capital funds in Africa and has participated in projects in eastern Africa (Kenya, Tanzania and Uganda) and in Ethiopia. He was also an advisor to the Government of Canada on the establishment of the Canada Investment Fund for Africa (CIFA), a US\$212 million pan-African investment fund, and currently sits on the advisory boards of the Aureos Southern Africa Fund and the Aureos Western Africa Fund, two investment funds focusing on small- and medium-size business investments in southern and western Africa.

Ted has a BA in economics from the University of Toronto and an MBA from the Schulich School of Business at York University, where he was also a lecturer.



Grace Lee Reynolds,
VP Finance, MaRS Discovery District

Grace is responsible for the finance function at MaRS, including accounting and reporting, planning and analysis, treasury, compliance and risk management.

Grace brings more than 16 years' experience in diverse finance roles to MaRS, having held senior positions in healthcare and charitable organizations. Prior to joining MaRS, she worked at University Health Network, where she held the position of director, finance, from 2006 to 2011 in the Corporate Office, Toronto General and Western Hospital Foundation and Toronto Western Hospital. She began her career at Ernst & Young before moving to the Research Institute of The Hospital for Sick Children, followed by a period of eight years with SickKids Foundation.

Grace holds a chartered accountant (CA) designation, as well as bachelor of arts and master of accounting degrees.

Our people – Advisors

Kevin Doyle,
Director, Corporate Strategy,
TMX Group Inc.

Robert Peterman,
Head of Business Development,
Clean Technology, TMX Group Inc.

Ronald Alepian,
VP and Group Head, Marketing and
Corporate Communications, TMX
Group Inc.

Suzanne Peters,
Director, Business Communications
and Strategic Programs,
TMX Group Inc.

Allyson Hewitt,
Senior Fellow, Social Innovation,
MaRS Discovery District

Albert Leung,
Partner, Audit, KPMG LLP

Nelson Switzer,
Director, Sustainable Business
Solutions, PricewaterhouseCoopers
LLP

Marc Marzotto,
Associate Portfolio Manager,
Gryphon Investment Counsel

Don McCreesh,
Head of HR Execution,
The Schreiber Bart Group

Cynthia Peters,
President,
From the Farm Enterprises Inc.

Susan McLean,
Principal,
GreenEdge Capital Solutions

Jeff Gallant,
Analyst,
Alignvest Capital Management

Our partners



MaRS Centre for
Impact Investing



THE
ROCKEFELLER
FOUNDATION



**HAMILTON
COMMUNITY
FOUNDATION**
For Hamilton, For Ever



TORYS
LLP

**THE J.W. McCONNELL
FAMILY FOUNDATION**

**LA FONDATION DE LA
FAMILLE J.W. McCONNELL**



TWG THE
WORKING
GROUP

GIIRS

GLOBAL
IMPACT
INVESTING
RATING
SYSTEM



Structure

The SVX is the first platform of its kind in North America. Tremendous care has been taken to set the foundation to support the creation of social, environmental and economic prosperity for the investors and for the impact ventures and funds issuing securities on the SVX.

We are registered

The SVX is registered as a restricted dealer with the Ontario Securities Commission. The SVX adheres to all relevant and applicable securities legislation as prescribed by the Ontario Securities Commission. We are highly accountable and transparent in our operations. We employ fair and equitable processes to ensure that investors and issuers are able to connect, to engage with one another and to participate in the impact investing movement in a meaningful and effective way.

We are a collaboration

Developed under the leadership of MaRS Discovery District and the MaRS Centre for Impact Investing, the SVX is a powerful collaboration between key partners and stakeholders. Although it is a separately incorporated entity, MaRS Discovery District is the institutional home for the SVX, providing a great connection to highly motivated investors and entrepreneurs.

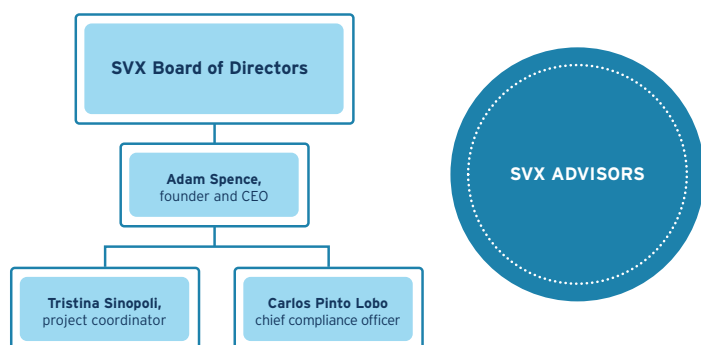
The key collaborator on the SVX is the TMX Group Inc. As a co-founder of the project, TMX provides vital talent, advice and financial support to the organization. TMX has been a longstanding collaborator on the SVX project, providing support since the concept was first developed.

The SVX also collaborates with a range of actors in impact investing from the capital markets, financial advisory and community sectors. From legal services provided by Torys LLP to advisory support by KPMG, there is an outstanding team of collaborators committed to the SVX.

We are an independent, values-driven, non-profit organization

The SVX is an independently incorporated non-profit corporation with a strong commitment to impact. Our board of directors, staff and advisors have committed to pursuing a mission to support and enable the growth of impact investing in order to benefit social, environmental and economic development. Our aim is to break the cycle of poverty, create opportunity and build environmental sustainability, and we support a range of subsectors advancing solutions to tackle these issues. Our strategic direction and operations fully align with our values, ensuring that we remain at the leading edge of creating positive change.

Organizational Chart



A trusted connector

Connect privately with ventures, investors, funds, and service providers via a trusted online platform operating under appropriate securities regulations.

Search ▶



Who should access the platform?

The SVX should be accessed by Ontario-based small and medium enterprises (SMEs) with less than \$25M in revenues, which have a prioritized social mission, including non-profits, charities, co-operatives and social purpose for-profit businesses from (but not limited to) the following sectors and subsectors:

- ▶ Social impact issuers—ventures creating opportunities and breaking the cycle of poverty in the following subsectors:
 - Affordable housing
 - Employment services
 - Food security
 - Education
 - First Nations
 - New Canadians (or supplemental supports)
 - Life sciences (medical devices and technology)
- ▶ Environmental impact issuers—ventures building environmental sustainability in the following subsectors:
 - Renewable energy
 - Sustainable agriculture
 - Consumer products
 - Water
 - Transportation

Securities

Issuers on the SVX may be issuing one or a combination of the following securities:

Promissory notes: Debt issued by a corporation to its lenders, usually with a specified amount of interest for a specified length of time.

Loans (debt): Money borrowed from lenders for a variety of purposes, which may include specific terms, conditions or covenants. The borrower typically pays interest for the use of the money and is obligated to repay it at a set date.

Mortgages: A contract specifying that certain property is pledged as security for a loan.

Debentures: A long-term debt instrument issued by corporations or governments that is backed only by the integrity of the borrower, not by collateral. A debenture is unsecured and subordinate to secured debt. A debenture is unsecured in that there are no liens or pledges on specific assets.

Common shares: Securities representing part ownership in a company and generally carrying voting privileges. Common shareholders may be paid dividends, but only after preferred shareholders are paid. Common shareholders are last in line after creditors, debt holders and preferred shareholders to claim any of a company's assets in the event of liquidation.

Preferred shares: A class of share capital that entitles the owner to a fixed dividend ahead of the issuer's common shares and to a stated dollar value per share in the event of liquidation. It usually does not have voting rights, unless a stated number of dividends have been omitted.

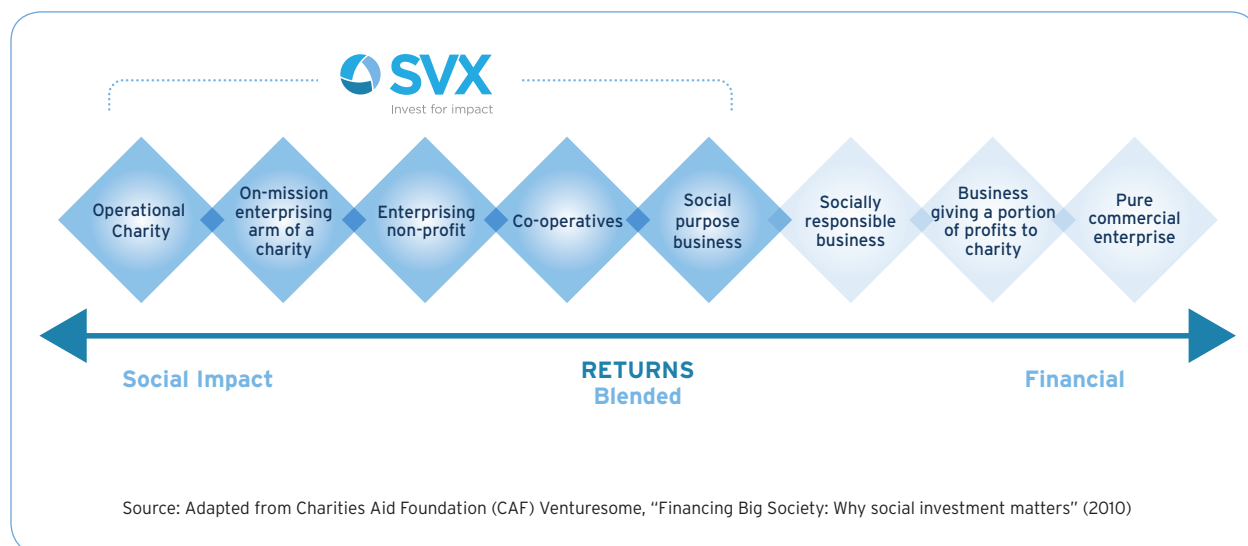
Co-op shares: A co-op share is evidence of part of the total capital of a co-operative. Shareholders invest their money in a co-op to be able to benefit from its services or to enjoy some of its surplus (profits). As in other businesses, co-op shares are not secured by any assets and are therefore risk investments. When a co-op dissolves, its shareholders may lose their investment. Each class of shares has specific features. These may include the right to vote, the right to be paid a certain dividend, the right to be paid dividends before other shareholders or the right to be repaid before other shareholders if the co-op is dissolved.

Limited partnership unit: A unit representing a unit of ownership in a partnership, which has both general and limited partners, is called a limited partnership. A limited partnership is a type of partnership whereby a limited partner cannot participate in the daily business activity and liability is limited to the partner's investment.

Convertible debentures: A security of an issuer (debenture) that may be converted into other securities of that issuer, in accordance with the terms of the conversion feature. The conversion usually occurs at the option of the securities holder, but it may occur at the option of the issuer.

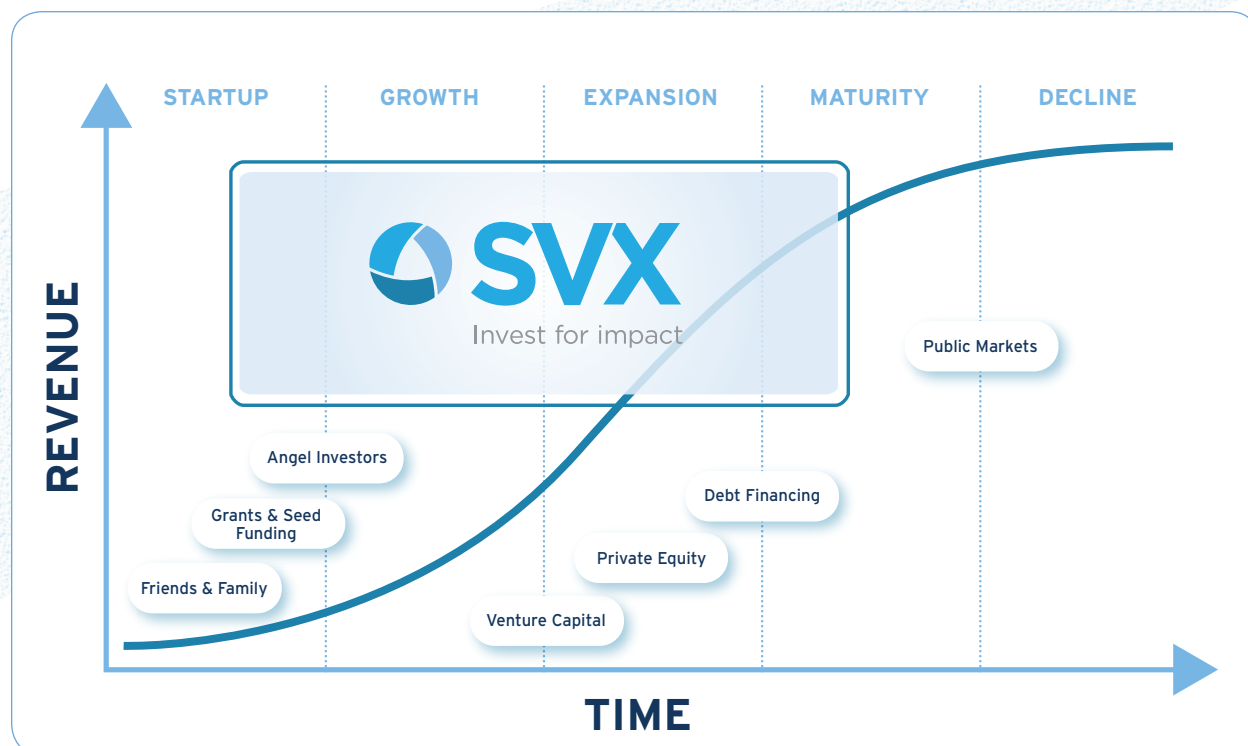
Please note: The securities definitions provided above have been adapted from the TMX Group Inc.'s Stock Market Terms, the Canadian Securities Institute Glossary and the Financial Services Commission of Ontario Licensing and Market Conduct Division, and, as a result, may differ from standard general definitions.

Who are the issuers?



For non-profit organizations, charities and non-profit co-operatives, the SVX is best suited to organizations and initiatives raising blended financing on the spectrum beyond traditional grants and donations. These potential investment vehicles include promissory notes, loans, loan guarantees and mortgages.

For for-profit corporations and for-profit co-operatives, the SVX is best suited to a range of impact ventures, from those exiting their startup phase and entering a new phase of growth, to those impact ventures nearing the end of their expansive growth phase.

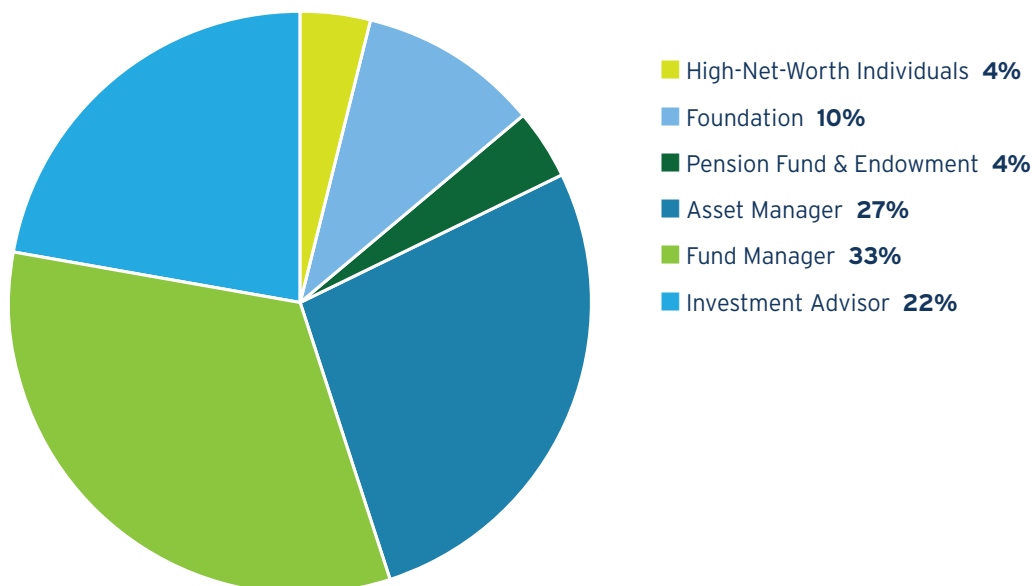


Who are the investors?

- ▶ **Accredited Investors**, as defined in Section 1.1 of National Instrument 45-106 - Prospectus and Registration Exemptions, resident in jurisdictions where appropriate regulatory approvals are granted, may use the SVX online portal. For a list of jurisdictions, please visit www.svx.ca.
- ▶ **Foundations and endowments (private, public or community), asset managers, wealth advisors and high-net-worth individuals** that meet the definitional requirements of an accredited investor as per securities regulations.
- ▶ **Impact-first investors** with a focus on achieving positive social and/or environmental outcomes with patient capital investments.



Investor categories*



* based on the prospective investor target for the SVX.

Why access SVX?

What sets us apart as an investment portal?

Cost effective

Our goal is not to drive transactions but to drive impact. Therefore, we do not collect any transaction fees or commissions, and there are no fees to investors to access the platform.

Trusted and registered

SVX is a restricted dealer registered with the Ontario Securities Commission (OSC) and adheres to all relevant and applicable securities legislation. We are incorporated as a non-profit corporation with a mission to mobilize investment capital for impact ventures that are reducing poverty, creating opportunities and advancing environmental sustainability.

Wide range of opportunities

Recognizing that impact investors have a variety of investment needs, SVX includes a wide range of investment vehicles to invest in for-profit, non-profit, co-operative and charitable organizations. We take care to ensure that we build a robust pipeline of impact investing opportunities. We actively engage with a range of prospective issuers and identify impact investments across a range of impact sectors.

A network, not a website

The SVX is more than a website. We believe that in-person connections are critical for ventures to access capital. Each impact venture accessing the SVX has the opportunity to participate in SVX pitch sessions and investor breakfasts. Impact investors are highly engaged and interested in meeting the people behind the solutions that are changing our world.

Privacy

SVX values investor and impact venture privacy. The platform is a private portal, accessible only to investors and impact ventures that have met each of their respective access criteria. This design ensures that ventures and investors can share information based on their needs and level of comfort. For further privacy, impact ventures may create a private "Deal Room," which investors can access by permission only.

Impact focused

We're committed to generating positive social and environmental impact. We are a non-profit organization that aims to connect a diverse selection of impact investment opportunities with impact investors. We take care to ensure that all of the impact ventures and funds on the SVX directory have met all of our access criteria and standards before they are allowed access to the SVX platform. This includes a minimum Global Impact Investing Rating System (GIIRS) rating for for-profit ventures and funds.

The screenshot displays the SVX platform interface. At the top, there's a navigation bar with the SVX logo, MaRS Centre for Impact Investing, and links for About, How it Works, Directory, and a user profile icon. Below this is a search bar with a 'Search' button. The main content area is divided into 'Advanced Filters' on the left and 'Search Results (1)' on the right. The 'Advanced Filters' section includes checkboxes for various sectors (All Sectors, Affordable Housing, Employment Services, Food Security, Education, First Nations, New Canadians, Renewable Energy, Sustainable Agriculture, Consumer Products, Water, Transportation) and a 'Deal Room' dropdown menu. The 'Search Results (1)' section shows a single result for 'Sample Company', which is a consumer products company. It includes a thumbnail image of a social finance forum, a brief description, and key financial metrics: Revenues (current year) of \$250k - \$0.99M, Capital Raise of \$500,000, and Minimum Investment of \$50,000. The result is displayed as 'Displaying 1 venture'.

SVX MaRS CENTRE FOR IMPACT INVESTING

About How it Works Directory

Venture Fund Investor Service Provider

Keyword Search Search

Advanced Filters Reset

All Sectors

- ☒ Affordable Housing
- ☒ Employment Services
- ☒ Food Security
- ☒ Education
- ☒ First Nations
- ☒ New Canadians
- ☒ Renewable Energy
- ☒ Sustainable Agriculture
- ☒ Consumer Products
- ☒ Water
- ☒ Transportation

Deal Room

- ☒ Currently Active

Corporate Structure

- ☒ Incorporated non-profit
- ☒ Incorporated non-profit charity
- ☒ Incorporated non-profit co-operative

Search Results (1)

Sample Company

Consumer products
Incorporated for-profit company

Revenues (current year)
\$250k - \$0.99M

Capital Raise
\$500,000

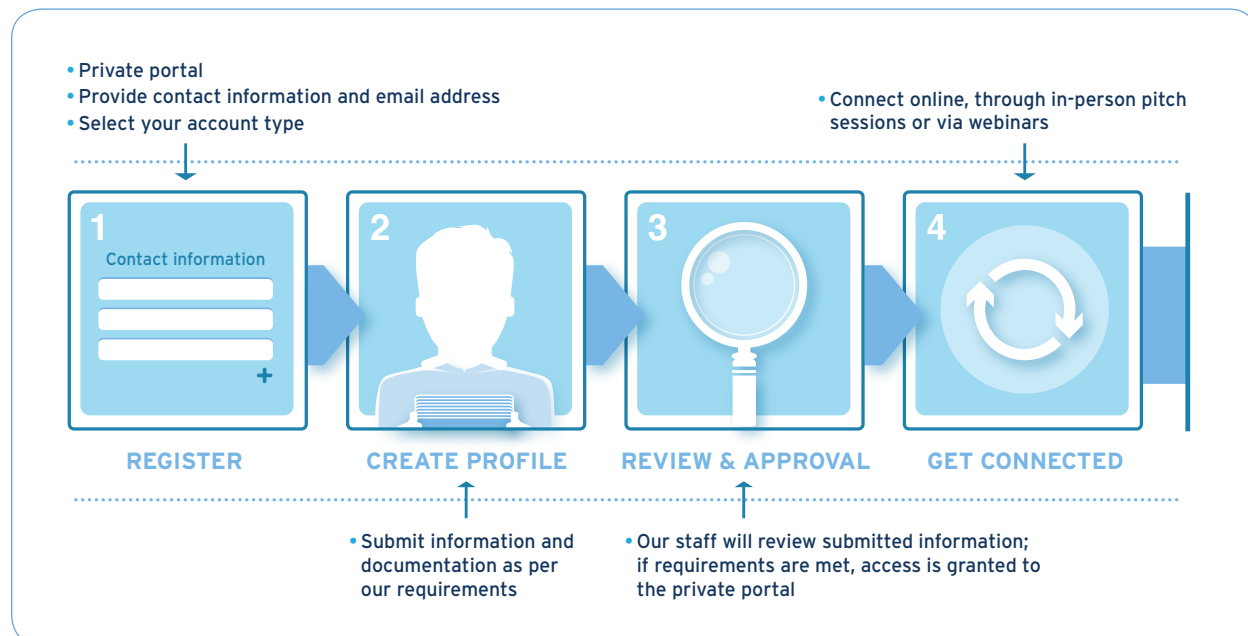
Investment Product
Loan guarantees, Debentures...

Minimum Investment
\$50,000

Displaying 1 venture

How to access SVX

The Process



Overview

Most new companies eventually face the need for additional capital that cannot be funded by the company alone. At this point the principals of the company may consider raising money from the broader capital market in the form of equity or debt transactions.

As a general rule, issuers may not sell securities without a prospectus, which is a detailed legal document designed to inform investors about the issuer and offered securities. There are exceptions to this rule, known as prospectus exemptions. When an issuer sells securities under a prospectus exemption, the sale is called an “exempt distribution”. An example of a prospectus exemption is the accredited investor exemption.

Accredited investors are investors who are presumed to be sophisticated due to certain characteristics that minimize the need for the additional information provided in a prospectus. There are two divisions of an accredited investor: permitted clients and non-permitted clients. The definitions for both accredited investors and permitted clients are given below.

SVX will only allow investors that meet the definition of accredited investor to access the private portal.

The following maximum investment amounts will apply to investments made by accredited investors that are allowed to access the private platform:

1. If the investor is a permitted client¹ that has waived the know-your-client and suitability requirements of sections 13.2(2) (c) and 13.3 of National Instrument 31-103 – Registration Requirements and Exemptions and Ongoing Registration Obligations (“NI 31-103”) under sections 13.2(6) and 13.3(4) of NI 31-103, respectively, there will be no maximum amount that such an investor may subscribe for on the private portal.
2. If the investor is either: (i) an accredited investor that is not a permitted client; or (ii) a permitted client that has not waived the know-your-client and suitability requirements of sections 13.2(2) (c) and 13.3 of NI 31-103;

¹ Issuers should refer to National Instrument 31-103 – Registration Requirements and Exemptions for the definition of “permitted client”.

- a. The investor shall be limited to investing a maximum of \$25,000 in a single offering on the private portal in a calendar year and a maximum of \$50,000 in total in all offerings on the private portal in a calendar year; or
- b. There will be no maximum amount that the accredited investor may subscribe for in a particular offering on the private portal if the investor provides SVX with a letter from a registered dealer confirming that such dealer has fulfilled the know-your-client and suitability requirements of NI 31-103 with respect to that particular offering on the private portal and that the said offering is a suitable investment for the investor.²

With respect to suitability, it is important that as an investor you are aware that:

Investing in offerings posted on SVX has significant risk including severe illiquidity (including that there is no market for resale of securities issued from the offerings posted on SVX) and potential volatility of the investment.

The main objective of these issuers is not to maximize returns to investors. You should invest in SVX issuers only if you are prepared not to receive any return on your investment and to lose your investment in its entirety.



ACCREDITED INVESTOR DEFINITION³

- a) A Canadian financial institution⁴, or a Schedule III bank;
- b) The Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
- c) A subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- d) A person registered under the securities legislation of a jurisdiction of Canada as an advisor or dealer, other than a person registered solely as a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);
- e) An individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph d);
- f) The Government of Canada or a jurisdiction of Canada, or any Crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada;
- g) A municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- h) Any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- i) A pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
- j) An individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000;

² See also section 2 under the heading "Decision" of the Ontario Securities Commission's decision dated June 17, 2013 regarding SVX.

³ Section 1.1, National Instrument 45-106 Prospectus and Registration Exemption.

⁴ A "Canadian financial institution" means a bank named in Schedule I or II of the Bank Act (Canada), loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada or an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act.

- k) An individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
- l) An individual who, either alone or with a spouse, has net assets of at least \$5,000,000;
- m) A person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;
- n) An investment fund that distributes or has distributed its securities only to:
 - (i) A person that is or was an accredited investor at the time of the distribution;
 - (ii) A person that acquires or acquired securities in the circumstances referred to in sections 2.10 (Minimum amount investment) or 2.19 (Additional investment in investment funds) of National Instrument 45-106 ("NI 45-106"); or
- (iii) A person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 (Investment fund reinvestment) of NI 45-106;
- o) An investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- p) A trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed⁵ by the trust company or trust corporation, as the case may be;
- q) A person acting on behalf of a fully managed account managed by that person, if that person:
 - (i) Is registered or authorized to carry on business as an advisor or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; and
 - (ii) In Ontario, is purchasing a security that is not a security of an investment fund;
- r) A registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility advisor or an advisor registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- s) An entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs a) to d) or paragraph (i) in form and function;
- t) A person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;
- u) An investment fund that is advised by a person registered as an advisor or a person that is exempt from registration as an advisor; or
- v) A person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor.

PERMITTED CLIENT DEFINITION⁶

- a) A Canadian financial institution or a Schedule III bank;
- b) The Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
- c) A subsidiary of any person or company referred to in paragraph a) or b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of the subsidiary;
- d) A person or company registered under the securities legislation of a jurisdiction of Canada as an advisor or dealer, other than as a scholarship plan dealer or a restricted dealer;
- e) A pension fund that is regulated by either the federal Office of the Superintendent of Financial Institutions or a pension commission or similar regulatory authority of a jurisdiction of Canada or a wholly-owned subsidiary of such a pension fund;
- f) An entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs a) to e);

⁵ A "fully managed account" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction.

⁶ Section 1.1, National Instrument 31-103 Registration Requirements Exemptions and Ongoing Registrant Obligations.

- g) The Government of Canada or a jurisdiction of Canada, or any Crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada;
- h) Any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- i) A municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- j) A trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a managed account managed by the trust company or trust corporation, as the case may be;
- k) A person or company acting on behalf of a managed account managed by the person or company, if the person or company is registered or authorized to carry on business as an advisor or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- l) An investment fund if one or both of the following apply:
 - (i) the fund is managed by a person or company registered as an investment fund manager under the securities legislation of a jurisdiction of Canada;
 - (ii) the fund is advised by a person or company authorized to act as an advisor under the securities legislation of a jurisdiction of Canada;
- m) In respect of a dealer, a registered charity under the Income Tax Act (Canada) that obtains advice on the securities to be traded from an eligibility advisor, as defined in section 1.1 of NI 45-106, or an advisor registered under the securities legislation of the jurisdiction of the registered charity;
- n) In respect of an advisor, a registered charity under the Income Tax Act (Canada) that is advised by an eligibility advisor, as defined in section 1.1 of NI 45-106, or an advisor registered under the securities legislation of the jurisdiction of the registered charity;
- o) An individual who beneficially owns financial assets, as defined in section 1.1 of NI 45-106, having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5 million;
- p) A person or company that is entirely owned by an individual or individuals referred to in paragraph (o), who holds the beneficial ownership interest in the person or company directly or through a trust, the trustee of which is a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction;
- q) A person or company, other than an individual or an investment fund, that has net assets of at least \$25 million as shown on its most recently prepared financial statements; or
- r) A person or company that distributes securities of its own issue in Canada only to persons or companies referred to in paragraphs (a) to (q).

Agreements and policies

A. SVX INVESTOR AGREEMENT

The following set forth the terms and conditions under which the undersigned accredited investor (hereinafter called either the Investor, You or Your) may use the SVX (hereinafter called either SVX, We or Our) online platform. In consideration of being provided access to the SVX online platform, the Investor agrees with SVX as follows:

1. The Investor meets one or more of the definitions of an accredited investor, as specified in the attached Accredited Investor Statement.
2. The Investor will notify SVX promptly of any changes to their status as an accredited investor.
3. The Investor is required to recertify its eligibility as an accredited investor annually. The Investor acknowledges that if, after this Investor Agreement is entered into, SVX becomes aware that the Investor is not, or there is reasonable basis for believing that the Investor is an accredited investor, SVX will take appropriate action, including removing the Investor's access to the SVX online platform.
4. The Investor will comply with all SVX requirements applicable to its access to the SVX platform, including SVX rules, policies, rulings and procedural requirements, and any additions or amendments which may be made thereto from time to time (collectively, the "SVX Requirements"). The Investor will be notified if there are any material changes made to the requirements; however, failure of SVX to provide such notification does not limit your obligations under this agreement. The Investor acknowledges that it is responsible for reviewing the most current version of the SVX Requirements on the SVX website. The Investor's continued use of the SVX online platform will be deemed conclusive acceptance of the SVX Requirements.
5. The Investor will furnish to SVX, at any time upon demand, such information or documentation concerning the Investor as SVX may reasonably require or request to confirm its status as an accredited investor.
6. The Investor will abide by all applicable securities laws, regulations and policies.
7. The Investor understands that the SVX online platform is an impact investment platform, providing access to private investments opportunities offering debt and/or equity products that may have the potential for social and/or environmental impact and financial returns.
8. Investing in issuers whose offerings are posted on the SVX online platform has significant risk. The main objective of these issuers is not to maximize returns to the investors and you should invest in issuers whose offerings are posted on the SVX online platform only if you are prepared not to receive any return on your investment and to lose your investment in its entirety.
9. The investor understands the significant risks associated with the offerings posted on the SVX online platform, including the severe illiquidity (including that there is no market for resale of securities issued through the offerings) and potential volatility of the investment.
10. SVX shall have the right, at any time, to halt, suspend or terminate the access of the Investor to the SVX online platform either temporarily or permanently, with or without notice, and with or without giving any reason for such action. The Investor further agrees that neither SVX, our partners or any third-party service providers will be liable for any damages, (whether in contract, tort, negligence or otherwise), including lost business opportunities, should such a discontinuance occur, or be liable for any other damages, (whether in contract, tort, negligence or otherwise).
11. The Investor acknowledges that a breach or threatened breach by the Investor of this Investor Agreement will result in SVX suffering irreparable harm that cannot be calculated or fully or adequately compensated by recovery of damages alone. Accordingly, the Investor agrees that SVX shall be entitled to interim and permanent injunctive relief, specific performance and other equitable remedies, in addition to any other relief to which SVX may become entitled.
12. SVX grants to you a non-exclusive, non-transferable access to the SVX website. The SVX website, and all the information contained therein, is the property of SVX. The publication, distribution, display and retransmission of any portion of SVX's website is expressly prohibited, unless you first obtain written permission from SVX.
13. The Investor acknowledges that SVX is not responsible for any issuer whose offerings are posted on the SVX online platform, including for any errors or omissions or misstatements in issuer materials provided to the Investor through the SVX online platform.

14. If the Investor is either: (i) an accredited investor that is not a permitted client (as defined in the section titled Permitted Client Definition in this document; or (ii) a permitted client that has not waived the know-your-client and suitability requirements of sections 13.2(2)(c) and 13.3 of NI 31-103, the Investor agrees to comply with either of the following investment options available on the SVX platform:
- Option 1** Maximum investment in any offering: \$25,000
Maximum investment, in a calendar year, on SVX: \$50,000
- Option 2** There will be no maximum amount that the accredited investor may subscribe for in a particular offering on the private portal if the Investor provides SVX with a letter from a registered dealer confirming that such dealer has fulfilled the know-your-client and suitability requirements of NI 31-103 with respect to that particular offering on the private portal and the said offering is a suitable investment for the Investor.
15. SVX collects information (which may include personal, confidential, non-public or other information) in forms that are submitted by the Investor. The information collected is for, but not limited to, the following purposes:
- a. Conducting background checks;
 - b. Verifying the information that has been provided to SVX;
 - c. Considering the eligibility of the Investor;
 - d. Detecting and preventing fraud; and
 - e. Performing other investigations as required by and to ensure compliance with SVX Requirements, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.
16. The Investor consents to the disclosure of the information SVX collects to securities regulatory authorities in Canada, as may be requested by such securities regulatory authorities from time to time.
17. The Investor may terminate its access to SVX with two business days written notice.
18. This Agreement survives any halt or suspension of the Investor's access or termination of the Investor's access.
19. The undersigned acknowledges and agrees they have read and accept the conditions of the SVX Terms and Agreements.
15. SVX collects information (which may include personal, confidential, non-public or other information) in forms that are submitted by the Investor. The information collected is for, but not limited to, the following purposes:

SIGNATURE OF INVESTOR

DATE

NAME OF INVESTOR

NAME OF INVESTOR'S ORGANIZATION (IF APPLICABLE)

B. PRIVACY POLICY

Your privacy is our priority. Earning and keeping your trust is at the heart of our business and SVX is committed to protecting your confidential and private information you have entrusted to us by using our platform. Following the principles of Privacy by Design (PbD), we have embedded privacy protection right into our technology and business practices so that your information is secure regardless of the format in which it is held. Below, we outline what information we collect and why, and how we use, disclose and safeguard your information collected when you use our platform.

By using the SVX website, you are consenting to this privacy policy, and to the collection, use and disclosure of your personal information by SVX as outlined in this privacy policy.

Information collected on the SVX platform is required so that:

1. SVX may assess an Investor that has requested access to the private portal on the SVX platform; and
2. SVX may meet reporting requirements.

Information on the SVX platform may be categorized as follows:

1. **Public:** Includes the Investor's name, business, mission description and sector information. This information is collected to enable issuers on the platform to learn about the Investor, and is based on the information that would also be available through other public sources, including, possibly the Investor's own public website. The Investor has the option to keep all of their information private.
2. **Private:** Information available only on the private portal of the SVX platform. This information includes detailed information about the SVX Issuer's offering and the associated deal room. The SVX Issuer on a by-request-only basis grants access to this information.
3. **Administrative:** This is a combination of both public and private information and may include information requested to qualify an Applicant before granting them access to the platform, and to meet ongoing reporting requirements.

The Investor must create a unique account name and password, which can be used to access and update an Investor's information on the private portal. An Investor is responsible for the confidentiality and protection of its login information.

Information collected by SVX is securely stored and protected, and access to an Investor's information by SVX staff is limited to a need-to-know basis. SVX's staff is obligated to protect the privacy and confidentiality of the information collected on the SVX platform under the terms of their employment with SVX.

SVX will only use or disclose your personal information for the reason(s) it was collected. Under no circumstances do we sell or give lists of our clients to other companies for their own use and, if we obtain client lists from other organizations, we require that organizations confirm their compliance with all relevant privacy legislation. SVX will comply with applicable privacy legislation in connection with the use and disclosure of personal information.

Your personal information may be shared with other companies within the MaRS group of companies for the purpose of marketing, including telemarketing, so that these companies can offer you a broader range of product and service solutions to meet your needs.

SVX may use other companies to provide services on our behalf such as marketing, criminal and credit checks. They will be given only the information needed to perform those services. We have contracts in place holding these companies to the same high standards of confidentiality by which we are governed.

SVX is not required to obtain consent to the disclosure of your private information in specific circumstances such as:

1. To securities regulatory bodies;
2. To government agencies or law enforcement agencies; and
3. When we are in receipt of a valid court order or search warrant.

SVX is committed to keeping all information available on the users of our platform as accurate, complete and up to date as reasonably possible, based on the most recent information available to us. If you notice an inaccuracy, please report it to SVX and we will make the necessary changes. Investors are responsible for informing SVX of any change in their information, including their contact information as well as information gathered under the access requirements.

A copy of SVX's privacy policy is always available upon request, and may also be found on our website at www.svx.ca. If you want to review or verify your personal information, or find out to whom we have disclosed it, please request this by contacting us. There may be instances where we are unable to provide some of the personal information we hold about you and if we are unable, we will let you know the reason(s) why.

In most provinces you have the right to access and verify the personal information held about you by credit bureaus. We will provide you with the name and location of any credit bureau that has provided us with a report on you. If you have any questions or concerns, please do not hesitate to contact us at compliance@svx.ca or by phone at 416.673.8187. You may also contact the Office of the Privacy Commission at 1.800.282.1376 for additional information on privacy-related matters.

C. RESOLVING PROBLEMS AND CONCERNS

We will do everything we can to address your problem or concern quickly, efficiently and professionally.

What to do:

Step 1 – Gather your information, including:

1. Supporting documents concerning your query; and
2. Specifics of the concern and what you would like us to do.

Step 2 – Talk to us

1. Call **416.673.8187** to speak to the SVX Compliance Department.
2. Send us an email at info@svx.ca or a letter to:
SVX (MaRS Discovery District)
Attn: Adam Spence/Carlos Pinto Lobo
101 College Street, Suite 100
Toronto, ON M5G 1L7
Canada
3. We will respond with a commitment to a timeframe for resolving your problem. If we are not able to reach you personally, we'll send a letter of acknowledgement setting out this commitment. Our staff will regularly update you on the progress being made if there is a delay.

Step 3 – Take it to the next level

If you're not satisfied with the solution you receive in Step 2, we will provide you with the contact information to elevate the issue yourself.

D. ACCREDITED INVESTOR STATEMENT

The undersigned (the "Investor") hereby certifies to SVX that the Investor is an "Accredited Investor" within the definition of National Instrument 45-106 ("NI 45-106"). As such, the Investor must provide one of the following forms of supporting documentation and must confirm which of the applicable categories from the accredited investor definition below that the Investor meets.

The undersigned agrees to notify MaRS promptly of any changes in the following information that may occur prior to making any investment based on the Investor's access to the SVX platform.

Supporting documentation (Please check one)

- ☐ Reference letter from a broker-dealer, other registered dealer, or registered investment advisor confirming the Investor's status as an accredited investor;
- ☐ Reference letter from a financial institution, at a branch manager or higher level;
- ☐ Reference letter from a registered Chartered Accountant (CA) in Ontario;
- ☐ Copy of notice of assessment from the Canada Revenue Agency or the Investor's financial statements.

Please note that any reference letters must include contact information, including a full name, title, email address and telephone number.

Accredited investor categories (Please check one)

- ☐ (a) a Canadian financial institution, or a Schedule III bank;
- ☐ (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
- ☐ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- ☐ (d) a person registered under the securities legislation of a jurisdiction of Canada as an advisor or dealer, other than a person registered solely as a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);
- ☐ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

- ☐ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada;
- ☐ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- ☐ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- ☐ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada) a pension commission or similar regulatory authority of a jurisdiction of Canada;
- ☐ (j) an individual who, either alone or with a spouse, beneficially owns, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000;
- ☐ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
- ☐ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;
- ☐ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;
- ☐ (n) an investment fund that distributes or has distributed its securities only to:
 - ☐ (i) a person that is or was an accredited investor at the time of the distribution;
 - ☐ (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 (Minimum amount investment), or 2.19 (Additional investment in investment funds) of NI 45-106; or
 - ☐ (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 (Investment fund reinvestment) of NI 45-106.

- ☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- ☐ (p) a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- ☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person:
 - (i) is registered or authorized to carry on business as an advisor or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; and
 - (ii) in Ontario, is purchasing a security that is not a security of an investment fund.
- ☐ (r) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility advisor or an advisor registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- ☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;
- ☐ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;
- ☐ (u) an investment fund that is advised by a person registered as an advisor or a person that is exempt from registration as an advisor; or
- ☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor.

SIGNATURE OF INVESTOR

DATE

NAME OF INVESTOR

NAME OF INVESTOR'S ORGANIZATION (IF APPLICABLE)

Contact us

Telephone: **416.673.8100**

Email: **info@svx.ca**

Web: **www.svx.ca**