

R2CROWD Privacy Agreement

Our Standards and Procedures

Under applicable Canadian securities laws, we are required to have you represent and warrant certain information to allow you to have access to certain information on our site. We uphold the highest standards when it comes to protecting your personal and financial information.

Please read this Privacy Policy to understand what information we collect, how it is used, and how it is protected.

Our Privacy Policy

The R2Crowd website www.R2Crowd.com (the "Site") is owned and operated by Real Crowd Capital Inc. ("R2CROWD", "R2Crowd" "we," "us," and/or "our").

Consent

Consent is required before R2CROWD may provide your information to any third parties. The consent provided to R2CROWD with regard to the collection, use and disclosure of personal information may be cancelled at any time by providing written notice to R2CROWD. R2CROWD does not require consent for the collection, use and disclosure of your personal information where:

- Such collection, use and disclosure is reasonably required in the normal course of providing service to accounts,
- For the collection of a debt owed to R2CROWD by clients,
- To a law enforcement agency, securities regulatory authority or Self-Regulatory Organization,
- To legal counsel for the purpose of obtaining advice.

Collection and Use of Personal Information by R2CROWD

When clients open an account with R2CROWD, R2CROWD will obtain personal information, which will be kept on file in accordance with industry regulations. Only authorized individuals and entities have access to this information. The information that we collect allows R2CROWD to identify clients; to protect against possible fraud, to assess potential investment needs so that R2CROWD may suggest products and services which are appropriate, and to comply with legal and regulatory requirements.

Social Insurance Number

If the client is an individual, R2CROWD may collect, use and disclose the client's SIN for income tax reporting purposes.

Disclosure of Personal Information to External Sources

R2CROWD may from time to time disclose personal information to external sources such as credit agencies, other financial institutions and other parties who provide services to R2CROWD. R2CROWD may also rely on external sources to collect personal information.

Affiliated Companies

R2CROWD may from time to time disclose personal information to affiliated companies for the purpose of making related products and services available.

Corrections to Personal Information

Clients may review the information they have provided to R2CROWD and make corrections.

R2CROWD may request that you provide corrections in writing. Clients may address corrections, questions or privacy related complaints to:

199 Bay Street, Toronto, Ontario, M5L 1G3

Attention: Mr. Amar Nijjar

Non-Identifiable and Aggregate Data Collected:

Certain information is automatically collected and stored on the www.r2crowd.com log files. This information includes:

- Internet protocol (IP) addresses, browser type, internet service provider (ISP), referring/exit pages, operating system, date/time stamp, and clickstream data
- Such information may be included in databases owned and maintained by R2Crowd or its affiliates, agents or service providers
- This Site may use such information and pool it with other information to track, for example, the total number of visitors to our Site, the number of visitors to each page of our Site, the domain names of our visitors' Internet service providers, and how our users use and interact with the Services
- Additionally, R2Crowd reserves the right to conduct research on its customer demographics, interests and behaviour based on the Personal Data and other information provided to us, to enhance the Service offered to you
- This research, based on non-identifiable data, may be compiled and analyzed on an aggregate basis, and may be shared with R2Crowd affiliates, agents and business partners
- R2Crowd may disclose aggregated user statistics in order to describe our Services to current and prospective business partners and to other third parties for other lawful purposes
- In operating this Site, we may also use a technology called "cookies." Cookies are pieces of information that the host computer of our Site gives to your browser when you access the Site. Cookies enable us to provide additional functionality to the Site and help us analyze Site usage more accurately, for example by allowing you to store a password in your browser so that you can conveniently enter the Site.
- In every case that we use cookies, we will not collect Personal Data except with your permission. Note that on most web browsers, you will find a "help" section on the toolbar which will contain

information on how to receive notification when you are receiving a new cookie and how to turn cookies off. Leaving cookies turned on is recommended because they allow you to take advantage of some of the Site's features

- Our privacy policy does not cover the use of cookies by any of our affiliates or service providers. Generally, our partners will use session ID cookies to make it easier for you to navigate our site and use our Services

Retention of Personal Information

R2CROWD may retain personal information on file after a client ceases to be a client of R2CROWD for as long as R2CROWD requires such information or as long as is demanded by our regulatory requirements. R2CROWD makes the following disclaimer to all clients who open accounts with the firm:

“BY OPENING AN ACCOUNT AT R2CROWD, YOU ARE PROVIDING CONSENT TO R2CROWD TO COLLECT, USE AND DISCLOSE YOUR PERSONAL INFORMATION AS SET OUT IN THIS AGREEMENT.”

R2CROWD RELATIONSHIP DISCLOSURE DOCUMENT

Real Crowd Capital Inc. (“**Real Crowd**”) is required by law to provide pertinent information to you in order to assist you with understanding the nature of your relationship with Real Crowd and understanding, among other things, the potential risks and returns on your investments. We encourage you to ask questions and request information from Real Crowd regarding your account, transactions or investments, and where appropriate consult professionals such as a lawyer or an accountant for legal or tax advice.

Real Crowd is registered as an Exempt Market Dealer under National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* in the province of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and Nova Scotia and is subject to the laws of such province. We distribute equity and debt securities of private companies (“**Issuers**”).

1. Relationship with Investors. Real Crowd will act as a broker for effecting trades in exempt market equity and debt securities. Real Crowd may also act as a referral agent in introducing you to securities offered directly by Issuers. Unless you are a Permitted Client who has certified in writing that you will not be relying on Real Crowd to advise on the suitability of purchases made through the firm, Real Crowd is obligated to ensure all such trades and referrals are suitable, based on the financial and other information we have collected in the Know Your Client information questionnaire (“KYC”). Real Crowd does not purport to provide advice or guidance on your general financial needs or circumstances, and confirm this account has been opened solely for the purpose of transacting in exempt market equity and debt securities.

2. Permitted Clients - Individuals. As an individual you may qualify as a Permitted Client if you are:

- a) a person acting on behalf of a managed account managed by the person or company, if you are registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; or
- b) you beneficially own financial assets, as defined in Section 1.1 of National Instrument 45-106 – *Prospectus and Registration Exemptions* (“**NI 45-106**”)¹, having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5 million.Canada Revenue Agency (CRA) requirements.

Real Crowd is required to review financial and other information provided by an individual investor in support of our determination that an individual qualifies as a Permitted Client, and accepts the information provided by the Permitted Client in good faith.

3. Permitted Clients – Corporations. A Corporation may qualify as Permitted Client if it is:

- (a) a Canadian financial institution or a Schedule III bank.

¹In NI 45-106, Section 1.1 “Financial Assets” means:

(a) cash, (b) securities, or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada).
- (c) a subsidiary of any company referred to in (a) or (b) above, if the 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 company registered under the securities legislation of a jurisdiction of Canada as an adviser, investment dealer, mutual fund dealer or exempt market 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) above.
- (g) 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.
- (h) a company acting on behalf of a managed account managed by the company, if the company is registered or authorized to carry on business as an adviser 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 adviser under the securities legislation of a jurisdiction of Canada;
- (j) a registered charity under the *Income Tax Act* (Canada) that obtains advice on the securities to be traded from an eligibility adviser, as defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions*, or an adviser registered under the securities legislation of the jurisdiction of the registered charity.
- (k) a company that is entirely owned by an individual or individuals who each beneficially own financial assets, as defined in Section 1.1 of NI 45-106, that have an aggregate realizable value that, before taxes but net of any related liabilities in excess of \$5 million, who holds the beneficial ownership interest in the 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.

- (l) a company, other than an investment fund, that has net assets of at least \$25 million as shown on its most recently prepared financial statements.
- (m) a company that distributes securities of its own issue in Canada only to companies referred to in paragraphs (a) to (l) above.

4. Permitted Client Waiver of Suitability Obligation. If you are an individual or corporation that qualifies as a Permitted Client you may certify in writing that you waive your right to be advised by Real Crowd on the suitability of purchases made on your behalf through the firm.

5. Nature or Type of Client's Account. Real Crowd deals with clients on a transactional and often infrequent basis and does not hold or have access to client assets. Similarly, clients do not make payments to Real Crowd but to the Issuer or its legal representative. This account has been opened solely for the purpose of transacting in exempt market equity and debt securities.

6. Products and Services Offered by Real Crowd. Real Crowd's core service is fundraising for private companies. Real Crowd primarily assists in the distribution of securities through private placements with accredited and eligible investors for companies in Canada. Real Crowd also provides a range of advisory services including strategic advisory and advising Issuers on features that would make their securities attractive and successful in the Canadian marketplace.

7. Investment Risks.

1. **Liquidity Risk:** A liquid asset is one that can be bought or sold at a fair price and converted to cash on short notice. A security that is difficult to sell suffers from liquidity risk, which is the risk that an investor will not be able to buy or sell a security at a fair price quickly enough due to limited buying or selling opportunities.
2. **Inflation Rate Risk:** Inflation reduces future purchasing power and the return on investments.
3. **Risks Associated with Exempt Market Securities:**
 - a. Exempt market securities may not be listed on any stock exchange which could restrict your ability to resell them.
 - b. There could be a lockup period that applies to the security that restricts you from trading, selling or transferring the security.
 - c. Some securities may include a warrant, which also has a lockup period and an Expiry date. It is possible the warrant may be worthless at the expiry date.
 - d. Issuers of exempt market securities generally do not have to file a prospectus. A prospectus describes the investment in detail and gives you some legal protections.
 - e. There is a risk that the Issuer will be unable to meet interest and principal payments on its obligations on a timely basis.

- f. The securities could be from a non-reporting issuer. This type of Issuer does not have to publish financial information or notify the public of changes in its business.
4. **Systematic Risk.** A non-controllable, non-diversifiable risk that is common to all investments within a given asset class. With equities it is called market risk, with fixed income securities it would be interest rate risk.

8. Risks Associated with Borrowing Money/Leveraging to Finance. Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

9. Conflicts of Interest. Real Crowd may from time to time participate in new distributions of securities of Issuers with which it is connected and its procedures will require Real Crowd to provide full disclosure of such relationships as they arise. Real Crowd will ensure that it does not act in a manner which is prejudicial to investors or the public interest.

Real Crowd's disclosure of conflicts principle recognizes that each Dealing Representative has a duty to: (i) each client, (ii) Real Crowd Capital Inc., and (iii) the securities industry and its regulators. By adhering to this principle Dealing Representatives are better able to maintain Real Crowd's reputation. The reputation of Real Crowd is among its greatest assets. Even the appearance of impropriety can have a harmful impact on Real Crowd's reputation and its operations.

10. Client Costs for Account. Real Crowd does not charge a fee to its clients, however, it does earn a one-time sales commission and working fees which are paid by the Issuer for each transaction where Real Crowd has acted as agent.

11. Client Costs for Investments. The offering document or term sheet will describe costs that may be charged, including legal and marketing costs.

12. Compensation Paid to Real Crowd. Real Crowd earns a one-time sales commission which is paid by the Issuer for each transaction where Real Crowd has acted as agent. The commission from the Issuer to Real Crowd is usually 4% of the subscription price, which commission is disclosed in the offering documents of the Issuer.

13. Reporting for Each Account. A confirmation of each transaction will be provided to you by e-mail verifying each transaction that has occurred in your account. Among other things, the confirmation will include the date of the transaction, the number and type of securities purchased, the purchase price, the Issuer and all other particulars of the transaction.

An activity statement will also be provided to you at the end of the month that any activity has occurred. This statement will contain all transactions that you have completed for the quarter in which the activity occurred.

If you would rather receive a paper copy of the confirmation and activity statement instead of e-mail form, please contact the CCO at the phone or e-mail address provided in this document, and copies will be forwarded to you at no additional cost. If you would prefer confirmations and activity statements to be forwarded to you in paper form on an ongoing basis, please contact the CCO and we will make this change.

14. Client Complaints/Dispute Resolution Services. Client complaints should be directed to Real Crowd's CCO. Real Crowd requests the following types of complaints be submitted in writing, complaints:

- a. allegations of compliance-related violation or a violation of industry rules, best practices guidelines or securities laws;
- b. complaints which involve the Firm's or a registrant's sales practices.

Please email complaints to chad.gemmell@r2crowd.com, or mail to:

Mr. Chad Gemmell
Real Crowd Capital Inc. / DBA R2CROWD
Commerce Court
199 Bay Street – Suite 4601
Toronto, ON M5L 1G3

Your complaints will be responded to immediately and resolved in a timely manner. Where the complaint cannot be resolved to your satisfaction, Real Crowd offers a third party dispute resolution process at no cost to you.

15. Assessment of Product Suitability for Client. Real Crowd is required to take reasonable steps to ensure that a proposed trade is suitable for you before making a recommendation or accepting instructions from you. To meet this suitability obligation, Real Crowd must have in-depth knowledge of all securities that are bought, sold or recommended to you.

Real Crowd will explain to you the security's risks, key features, structure, management and financial strength of the Issuer, liquidity restrictions, and initial and ongoing costs and fees. In considering such matters, Real Crowd shall take into account your needs and circumstances and the basic characteristics of the investment involved.

16. KYC and Suitability. Real Crowd is obligated to ensure all such trades and referrals are suitable, based on the financial and other information we have collected in the KYC, and accept the information provided by the client in good faith. A Permitted Client may certify in writing that he/she will not be relying on Real Crowd to advise on the suitability of purchases made through Real Crowd, and such certification will be saved in the investor file.

17. Trust Accounts. Prepaid fees of any kind will not be collected by Real Crowd in connection with its registration as an Exempt Market Dealer.

18. Books and Records. Real Crowd shall maintain electronic records of the KYC, any other client information, banking reconciliations, any agreements with third parties, signed subscription agreements and investor forms.

19. Marketing Materials and Websites. **The CCO shall review and approve all marketing materials prior to their release.**