Conflicts of Interest Chart - Alpaca Clearing & Custody Canada Ltd.

Potential conflicts of interest at Alpaca Clearing & Custody Canada Ltd., Sourced from: (Conflict of Interest Disclosure, Alpaca Trade Desk Policy, Alpaca AML Policy, Alpaca New Client Application Form with Margin, and Alpaca Compliance Policies and Procedures Manual 2025.

BROAD CATEGORY OF COI	Specific potential COI	Material COI indicators	Degree of materiality of the conflict (H/M/L)	Control mechanisms	Disclosure Measures including potential impact and risk COI may pose to the client	Documentation Measures - Detailed or more general records required?	Will the COI be managed in the best interest of the client(s)	Other - example links to firm's related policies & procedures
Compensation Arrangements	Commissions and Fees (Authorized Business Partner)	Client account established via an authorized business partner where commission-free trading	Medium	Fee schedule provided through authorized partner's website or platform. Alpaca Canada's	Clients are directed to their authorized business partner's fee schedule or Alpaca Canada's fee	General record of client's account being established via an authorized business	Yes, by providing transparency and accessibility to fee schedules.	Conflict Of Interest Disclosure.docx.pdf (Page 1) Alpaca New Client Application From with Margin.
Compensation Arrangements	Margin Interest Fees	Client uses borrowed funds for self-directed trades.	Medium	Additional fees charged on daily borrowed balance at an annualized prevailing rate.	Disclosure of margin interest fees. Clients are informed that they will incur additional fees on	Detailed record of margin account usage and associated charges on statements.	Yes, by clearly disclosing the fees and advising on risks.	Conflict Of Interest Disclosure.docx.pdf (Page 1) Alpaca New Client Application From with Margin.
Compensation Arrangements	Short Sale Borrow Fees	Client sells securities short.	Medium	Prevailing borrow rate charged daily on a full lot.	Disclosure of short sale borrow fees. Clients are informed that the prevailing borrow rate is	Detailed record of short sale transactions and associated borrow fees.	Yes, by clearly disclosing the fees and advising on risks.	Conflict Of Interest Disclosure.docx.pdf (Page 1) Alpaca New Client Application From with Margin.
Compensation Arrangements	Other Service Fees (Wire Transfers, ACATS, Returned EFT/Wire)	Client utilizes additional services.	Low	Services charged at the then prevailing rate.	Clients are informed of charges for additional services. Risk: Additional unexpected costs for	Record of service usage and associated fees on statements.	Yes, by clearly outlining the fees for additional services.	Conflict Of Interest Disclosure.docx.pdf (Page 1) Alpaca New Client Application From with Margin.
Compensation Arrangements	Payment for Order Flow (PFOF)	Alpaca receives compensation from third-party market centers for routing client orders.	Medium	Alpaca commits to obtaining the most favorable terms reasonably available for client orders	Disclosure that Alpaca receives PFOF and has an incentive for clients to trade more. Alpaca	Documentation in "Payment for Order Flow" reports. Regular compliance reviews of order	Yes, by prioritizing best execution and regularly reviewing routing	Conflict Of Interest Disclosure.docx.pdf (Page 2) Alpaca Trade Desk Policy.docx.pdf (Page 58,
Compensation Arrangements	Interest on Uninvested Cash (Sweep Program)	Alpaca receives interest/rebates on customer free credit balances.	Low	Alpaca is not obligated to pay interest on free credit balances.	Disclosure that Alpaca receives interest/rebates on customer margin debt and free credit	Account statements detail holdings.	Yes, by clearly disclosing the arrangement and CIPF coverage	Conflict Of Interest Disclosure.docx.pdf (Page 2) Alpaca New Client Application From with Margin.
Compensation Arrangements	Fee Differentials (ETFs)	Certain investments impose additional fees.	Low	Alpaca does not recommend investments or strategies; client self-directs.	Clients are informed that some investments (e. g., ETFs) impose additional fees that will reduce	Trade confirmations and statements identify fees.	Yes, by making clients responsible for understanding fees and	Conflict Of Interest Disclosure.docx.pdf (Page 2) Alpaca New Client Application From with Margin.
Trading Practices	Principal Trading (Fractional Shares)	Alpaca acts as principal, buying from or selling securities to clients from its own inventory to	Medium	Alpaca endeavors to price fractional shares at a price between the National Best Bid and Offer	Disclosure that Alpaca may act as principal and has an incentive to trade through its own	Not explicitly stated beyond general trade records.	Yes, by striving for fair pricing and operating as a self-directed platform.	Conflict Of Interest Disclosure.docx.pdf (Page 2) Alpaca New Client Application From with Margin.
Trading Practices	Trade Allocation	Conflicts may arise in how trades are allocated, particularly for corporate/mandatory action events.	Medium	Regular compliance reviews, including periodic audits of trade allocation.	Disclosure of potential conflicts in trade allocation for multiple clients.	Regular compliance reviews and audits of trade allocation.	Yes, by ensuring fair allocation and adherence to regulatory	Conflict Of Interest Disclosure.docx.pdf (Page 2-3)
Trading Practices	Frontrunning	Alpaca employee trades ahead of client orders with knowledge of material block transactions.	Low (Risk assessed as "LOW" by Alpaca, due to "Online	Frontrunning regulations prohibit representatives from trading ahead of client orders. Alpaca relies	Disclosure of personal trading policies and prohibition of insider trading. Risk: Employees	Daily and quarterly review of Frontrunning Reports (Internal and External Accounts). All	Yes, through strict prohibitions, monitoring, and regular reviews.	Alpaca Trade Desk Policy.docx.pdf (Page 10, Section 6, and Page 31, Section 21.1) Conflict Of
Trading Practices	Client Priority	Employee orders given priority over client orders for the same security, price, and side of the market.	Low (Risk assessed as "LOW" by Alpaca, due to "Online	Alpaca must give priority to client orders over all Employee orders. IR cannot intentionally hold	General disclosure on client priority.	Order Handling Report review to ensure orders are not withheld from the marketplace.	Yes, through strict rules and monitoring to ensure client orders	Alpaca Trade Desk Policy.docx.pdf (Page 11, Section 6) Alpaca Trade Desk Policy.docx.pdf
Trading Practices	Best Execution	Failure to obtain the most advantageous execution terms for client orders.	Low (Risk assessed as "LOW" by Alpaca, due to "smart order	Alpaca relies on Smart Order Routers (SOR) of Jane Street, Citadel, and Virtu. Annual review of	Disclosure of Best Execution Policies (Appendix C of Trade Desk Policy). Clients are informed of	Daily Bypass Order Report review for orders bypassing SOR. Quarterly review of at least	Yes, by actively pursuing best execution through SOR and ongoing	Alpaca Trade Desk Policy.docx.pdf (Page 17, Section 6.11, Page 35, Section 25, Page 57,
Trading Practices	Manipulative and Deceptive Trading (Wash Trades, Spoofing, Layering, Artificial Prices)	Client or firm engages in activities that artificially distort trading volume or price.	Low-Medium (Risk assessed as "LOW-MED" by Alpaca)	Alpaca refuses orders believed to be manipulative. Automated filters, pre-trade	General firm commitment to transparent and fair trading.	Daily, Weekly & Quarterly review of various reports (Wash Trades, High/Low Close,	Yes, through robust automated systems, continuous monitoring, and	Alpaca Trade Desk Policy.docx.pdf (Page 8, Section 5, Page 28, Section 18, Page 29, Section
Employee Conduct / Personal Trading	Employee Trading in Restricted/Grey Listed Securities	Employees trading securities on internal grey/restricted lists.	Low-Medium (Risk assessed as "LOW-MED" by Alpaca)	Employee accounts held outside Alpaca must be pre-approved with duplicate statements sent to	Not explicitly stated beyond general knowledge of compliance policies.	Daily review of Grey List Report (Internal Accounts). Monthly and Quarterly review of	Yes, through pre-approvals, monitoring, and regular reviews.	Alpaca Trade Desk Policy.docx.pdf (Page 6, Section 2, Page 31, Section 20) Conflict Of Interest
Employee Conduct / Personal Trading	Insider Trading	Employees trading on material nonpublic information or communicating it to others.	High (Prohibited activity with severe penalties)	Firm prohibits associated persons from trading or communicating material nonpublic	Policy on "insider trading" is disclosed and applies to every associated person. Risk:	Reporting requirements for personal securities transactions monitored monthly by CCO. All	Yes, through strict prohibition, monitoring, and immediate reporting.	Conflict Of Interest Disclosure.docx.pdf (Page 3-4) Alpaca Trade Desk Policy.docx.pdf (Page 9,
Employee Conduct / Personal Trading	Personal Financial Dealings with Clients	Employees engage in financial transactions directly with clients (e.g., borrowing/lending money, acting	High (Strictly prohibited by firm)	Strictly prohibited. Exceptions only in rare circumstances with compliance approval. For	Not explicitly stated in disclosure, but implicit in prohibition. Potential impact: Undermines trust,	Detailed approval process required for rare exceptions. Documentation of any approved	Yes, by explicitly prohibiting such dealings to protect client interests.	Alpaca Compliance Policies and Procedures Manual 2025.docx.pdf (Page 14, Section 1.10;
Employee Conduct / Personal Trading	Outside Business Activities (OBAs) / Directorships	Employees engage in non-registered activities, including serving on boards, or have other	Medium	Required disclosure of all outside activities and pre-approval by CCO. Review from conflicts of	Potential impacts: May call into question representative's ability to carry out	Outside Activity Approval Request Form. Where necessary, client's signature	Yes, by requiring pre-approval, identifying and resolving conflicts in	Alpaca Compliance Policies and Procedures Manual 2025.docx.pdf (Page 14, Section 1.11;
Client Identification & AML	Dealing with Politically Exposed Persons (PEPs) / Heads of International Organizations (HIOs)	Client is a PEFP, PEDP, HIO, or their family/close associate.	High (implied by "enhanced ongoing monitoring" for high-risk	CCO/CAMLO approval required to open account. Reasonable measures to establish	Client Application Form requires representation regarding PEP/HIO status.	Detailed records of client identification, source of funds, and enhanced ongoing monitoring	Yes, through stringent identification, approval, and enhanced monitoring	Alpaca AML Policy v1 052025.docx.pdf (Page 16, Section 3) Alpaca New Client Application From with
Client Identification & AML	Suspicious Transactions	Transaction or series of transactions raises questions or suspicion related to money laundering	High	Employees trained to identify suspicious transactions. Escalation process to	Confidentiality: Alpaca is not allowed to inform anyone (including client) about STR filing.	Copies of STRs and terrorist property reports kept for five years. Detailed records of	Yes, by adhering to regulatory reporting obligations and internal	Alpaca AML Policy v1 052025.docx.pdf (Page 27, Section 5) Alpaca Compliance Policies and
Client Identification & AML	Third-Party Involvement in Transactions/Accounts	Individual or entity is acting on behalf of a third party, especially for large cash transactions or	High (implied by "suspicion when it comes to transactions involving	Reasonable measures to determine if acting on behalf of a third party. If suspected, details of	Not explicitly stated beyond general AML policy.	Detailed records of third party's name, address, principal business/occupation, date	Yes, by requiring due diligence to identify underlying beneficial	Alpaca AML Policy v1 052025.docx.pdf (Page 17, Section 2.9) Alpaca AML Policy v1 052025.docx.
Electronic Trading & Risk Management	Electronic Access (ETR) / Automated Order Systems	Risks associated with access to marketplaces and use of automated order systems (e.g., system	Medium (Risk assessed as "MEDIUM" by Alpaca)	System of risk management and supervisory controls, policies, and procedures designed to	Clients are responsible for keeping PINs confidential and monitoring accounts. Client	Written record of testing. Annual confirmation of adequacy and consistent application of	Yes, through robust risk management, testing, and control	Alpaca Trade Desk Policy.docx.pdf (Page 23, Section 13) Alpaca Trade Desk Policy.docx.pdf
Regulatory Compliance & Reporting	Audit Trail Requirements / Order Markers	Failure to maintain accurate and complete audit trails for orders and trades.	Low (Risk assessed as "LOW" by Alpaca)	Electronic audit trail with time stamps, quantity, price, security, client name/account, trader	Trade confirmations for debt securities include transaction price and marketplace.	Daily electronic trade ticket review. Minimum 25 trades each quarter sampled for review. All	Yes, by ensuring compliance with regulatory requirements for audit	Alpaca Trade Desk Policy.docx.pdf (Page 27, Section 16) Alpaca Trade Desk Policy.docx.pdf
Regulatory Compliance & Reporting	Trade Disclosures (Average Price, Commission, Multiple Marketplaces, Related/Connected to Issuer)	Failure to provide appropriate disclosures on trade confirmations.	Not explicitly rated in "Risk Assessment" table, but is a	Compliance reviews trade confirmations to ensure proper disclosure.	Trade confirmations include required disclosures (e.g., "Average Price disclosure; may be an	Quarterly sample of trade confirmations reviewed (approx. 25 trades per disclosure	Yes, by ensuring transparency and adherence to CIRO regulations.	Alpaca Trade Desk Policy.docx.pdf (Page 34, Section 24) Alpaca Compliance Policies and
Regulatory Compliance & Reporting	Trading Errors / Trade Adjustment/Correction Compensation	Errors in trading and their correction.	Not explicitly rated in "Risk Assessment" table, but is a	Errors must be reported immediately to client and Supervisor. Employees do not correct errors	Client informed of errors immediately.	Error Report completed for all errors (description, cause, corrective actions).	Yes, by ensuring prompt reporting, proper approval, and mitigation of	Alpaca Trade Desk Policy.docx.pdf (Page 15, Section 6.8) Alpaca Compliance Policies and
Regulatory Compliance & Reporting	Conflicts of Interest Management (General)	Failure to identify, assess, address, and disclose material conflicts of interest as per CIRO rules.	High (CIRO Rule 3110-3116)	Robust policies and procedures to identify existing and reasonably foreseeable material	Disclosure in writing at account opening or in a timely manner (prominent, specific, plain	Records of how each material conflict was addressed, with increasing detail for higher	Yes, firm is committed to putting client interests first and addressing	Alpaca Compliance Policies and Procedures Manual 2025.docx.pdf (Page 35, Section 6.2)