

# ITG Canada Corp. Order Handling and Execution Policy

With multiple marketplaces in Canada, ITG Canada Corp. ("ITGC") wishes to advise our clients of how ITGC handles their orders. Please be advised that unless our clients provide us with specific instructions to the contrary, the following policies will apply to all client orders.

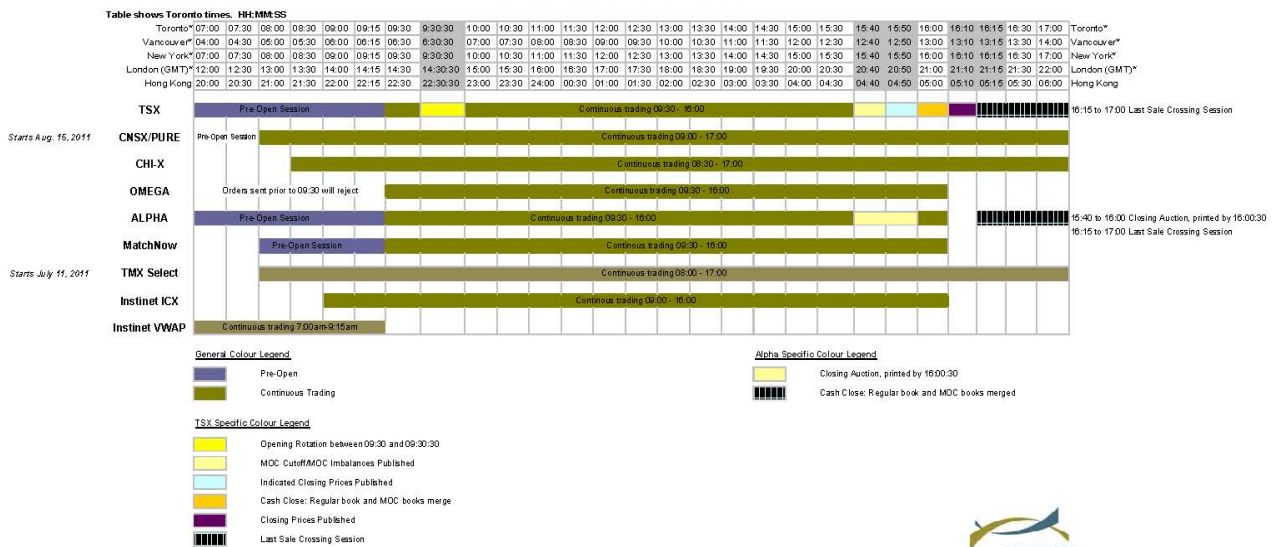
## 1. Hours of Operation

For Canadian listed equities, the ITGC trading desk will be available to accept orders for execution between the hours of 8:30 a.m. and 5:00 p.m., Eastern Time ("ET"), Monday through Friday, not including Canadian statutory holidays<sup>1</sup>. Staff may be further available for assistance before and after these hours.

Marketplaces in Canada hours of business for order execution are as follows:

### CANADIAN EQUITY MARKET TIMES

Market times shown have been standardized to Hong Kong Winter time (ie Northern Hemisphere Winter time, Southern Hemisphere Summer time). Markets where daylight savings occur are indicated with an asterisk



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<sup>1</sup> Limited coverage will be offered for access to US Markets if they continue to be open for trading.

Please note that the sequence of markets listed above is not intended to indicate the priority of order routing.  
Please note the following order types by marketplace:

Venue	Differentiating Order Types
TSX/TSXV	<p>Non-displayed Mid-point - Pegged to execute at the floating mid-point of the NBBO with an optional 'cap' limit price</p> <p>Non-displayed limit - entered with a full-tick limit price or a market price (in which case a limit is automatically assigned based on existing tick limits)</p> <p>Both order types will be able to execute against non-displayed, partially displayed and regular displayed orders</p>
Alpha Group	<p>Price Improvement Iceberg (PII) - Same characteristics as a standard Iceberg order, with the additional capability of matching with Inside Match orders. A price range is specified at which it will interact with IM orders.</p> <p>Inside Match Order (IM) - Executes against the Disclosed Volume of a Price Improvement Iceberg within the NBBO. The inside price is calculated based on a percentage of the bid/ask. Unfilled portions of Inside match orders are cancelled.</p> <p>Good for the Day (GFD) - will remain on the alpha book until completely filled or until the end of the Continuous Trading Session</p> <p>Good for the Extended Day (GFE) - will remain on the alpha book until completely filled or until the end of the Extended Trading Session</p>
CNSX Pure Trading	N/A
Omega ATS	N/A
Chi-X Canada	<p>Mid Peg - Orders will float at the midpoint of the NBBO, non-displayed, up to the limit price</p> <p>Primary Peg - orders are pegged to the passive side of the NBBO, displayed, up to the limit price</p> <p>Pegged Order Offset - A set increment or decrement that allows a pegged order to become more passive or aggressive</p> <p>Minimum Quantity - orders will execute only if the minimum quantity specified is available, for non-displayed orders</p> <p>Hidden Order - a non-displayed order</p>
MatchNow	<p>Liquidity Providing Orders (LP) - passive, confidential orders that remain in the Match Now book as day orders until filled, cancelled or expired</p> <p>Marketflow Orders - tradable orders that "glance" into Match Now if a potential match exists</p> <p>Marketflow orders route to MatchNow and match immediately to the extent possible.</p> <p>Minimum Fill Volume - minimum number of shares per fill to be executed</p> <p>Midpoint Only - an LP parameter, when matched with Marketflow orders, midpoint price improvement is provided</p> <p>Midpoint Eligibility - an LP parameter, midpoint-eligible LP orders match with other LP orders; non-midpoint-eligible LP orders match only with Marketflow orders</p> <p>Locked Market Exclusion - an LP parameter, LP orders will not trade if there is a locked market</p>
Liquidnet Canada	N/A

Alpha Intraspread	Dark - a fully hidden, passive order that offers price improvement to incoming, tradable orders Seek Dark Liquidity (SDL) - order type used to interact with eligible Dark orders, executed immediately or cancelled
TMX Select	Dark Mid-point - Pegged to execute at the floating mid-point of the NBBO with an optional 'cap' limit price Dark limit - entered with a full-tick limit price or a market price (in which case a limit is automatically assigned based on existing tick limits)  Both order types will be able to execute against non-displayed, partially displayed and visible orders  Self-Trade prevention - prevents two orders from the same subscriber from executing
Instinet Canada Cross (ICX)	Minimum Fill - orders will execute only if the minimum quantity specified is available

## 2. Principal or Default Marketplace (“Principal Marketplace”)

Unless directed otherwise, all orders for those securities listed on the Toronto Stock Exchange ("TSX"), Toronto Venture Exchange ("TSX-V") or CNQ will be directed to the Principal Marketplace as designated by IIROC<sup>2</sup> - Investment Industry Regulatory Organization of Canada. Please note since introduction of alternative marketplaces in 2007 and continuing into 2011, the principal marketplace for substantially all listed securities is the TSX or TSX-V. For orders outside of standard trading hours ITG will route:

- a) an order received prior to 9:30 a.m. for execution on the opening rotation and
- b) an order received after 4:00 p.m. to the TSX to execute against the last sale price if volume is available or be held until the next business day for the TSX or TSX-V opening rotation.

## 3. Best Execution and Price Improvement Opportunities

It is our goal to always provide our clients with Best Execution. ITGC will take all reasonable steps to obtain the best possible results for its clients on a consistent basis by taking into account best available prices, costs, speed, likelihood of execution and settlement, size or any other consideration relevant to the execution of the order. To achieve the best available price, ITGC will seek out price improvement opportunities in alternative marketplaces such as Match Now. Match Now offers price improvement on every transaction. Client orders will “glance” into Match Now’s Liquidity Pool on route to another Canadian marketplace. If a potential match within Match Now exists, the order routes to Match Now and executes immediately; if there is no potential match, the order by-passes Match Now and heads directly to the “Best Market”. Any unfilled balances route immediately to the “Best Market” for execution or booking.

Between the hours of 9:30 a.m. ET and 4:00 p.m. ET, "Best market" is defined as the market(s) that provides pre-trade transparency and has the best bid (buy price) or offer (sell price) and/or best historical liquidity and where ITGC feels the order has the highest probability of execution. As noted above, orders received before 9:30 a.m. and after 4:00 p.m. will be directed to TSX or TSX-V unless otherwise directed by the Client.

## 4. Day Orders

<sup>2</sup> On April 6, 2010 IIROC Rules Notice Guidance Note, designated Alpha as the principal market for the following securities for 2010: HAP.WT; MPC.C; TWF.DB; and WIF.P. <http://docs.iroc.ca/DisplayDocument.aspx?DocumentID=B9E4657202E2434D9417C258A3CB508E&Language=en>

A Day Order is an order that is only valid on and for the day it is entered. Day Orders will only be valid until the closing of the market on which they are booked (e.g. TSX and TSX-V day orders will expire at 5:00 p.m. ET). A Day Order received prior to the opening of the TSX and TSX-V at 9:30 a.m. ET will not route to an alternative marketplace. Instead the order will route into the opening sequence of the Principal Marketplace. The order will expire, if not filled in full, on the market where the last portion of the order remains live and the Market has closed for the day. Any remaining unfilled amounts from your Day Orders will not be automatically moved to another marketplace after the close of TSX and TSX-V. A new order is required to participate in any other marketplace that may still be open for trading.

## **5. Good-To-Cancel (“GTC”) Orders**

As a default, all client orders, unless otherwise confirmed back to the client as a GTC order, will be considered to be Day Orders and expire at the end of the day they were received.

## **6. Market and Limit Orders**

A Market Order is an order to buy or sell that is to be executed immediately within the context of the marketplace. Limit Orders are orders to buy or sell at a specified price or better. Market Orders and Limit Orders received before 9:30 a.m. ET will be entered on TSX or TSX-V with the intent to participate in the Marketplace opening rotation.

## **7. Market on Close Orders**

A Market on Close (“MOC”) order is intended to trade on the close, at the calculated closing price, of the Principal Marketplace. To participate in the MOC match at 4:10 p.m., orders must be entered by 3:40 p.m. All orders before 3:40 p.m. must be Market Orders. Offsetting Limit orders can be entered to satisfy the imbalance published from 3:40 p.m. until 4:00 p.m. TSX will then calculate the closing price and publish it at 4:10 p.m. There is no guarantee that the MOC order will be completed. The TSX MOC is an anonymous price facility. Therefore you will not know the price and volume of your execution until after execution has completed.

## **8. Special Terms Orders (i.e. delayed settlement, all-or-none and minimum size)**

Special Terms Orders are orders with specific terms which are not immediately executable in the regular marketplace. As of January 19<sup>th</sup>, 2009 All-or-None (“AON”) orders are no longer permitted for the TSX and TSX-V. As a matter of practice this order type will no longer be available for Canadian Marketplaces. Other special terms orders such as minimum size orders will only be posted to the Special Terms Market of the TSX or TSX-V. Client’s should request guidance from the ITGC trading desk on entry of all other special terms orders that would include non standard settlement (short or delayed), short exempt, insider or significant shareholder order markers and specialty crosses such as internal cross or VWAP cross.

## **9. Fill or Kill (“FOK”) Orders**

FOK Orders will hit the market, either receive a fill, or expire. FOK orders can receive both full and partial fills. Depending on the marketplace who may define a FOK Order to operate as an all-or-kill (not fill partial kill remaining) while an Immediate or Cancel (“IOC”) marker will fill partial, kill remaining. Consult with the ITG trading desk or the Marketplace website for additional details.

## **10. Execution on Foreign Marketplaces**

All Orders for Canadian and non-Canadian listed equities to be traded on marketplaces outside of Canada may be executed by affiliates of ITGC (“ITGC Affiliates”) and by third party broker dealers (“Third Parties”). ITGC Affiliates and/or Third Parties may execute such orders as either agent or principal. The fees or commissions charged to us by ITGC Affiliates for such orders may be reported as a net price by ITGC Affiliates. We or ITGC Affiliates may earn a fee or premium on foreign exchange transactions resulting from or required by such orders. ITGC Affiliates may also have entered into transactions with Third Parties so that certain commissions from orders executed by Third Parties on behalf

of ITGC Affiliates are payable to ITGC Affiliates. Finally, products or services and/or rebates on certain products or services may be provided by ITGC Affiliates to ITGC in consideration for Client orders placed by ITGC with ITGC Affiliates for execution.

### **11. Circuit Breakers Halts**

Canadian Marketplaces will only halt when the US Markets (Dow Jones Industrial Average) reach circuit breaker triggers. If the US markets are closed for a Holiday then the Canadian Circuit Breaker is based on the decline of the TSX. The Canadian Markets do not have independent circuit breaker thresholds when the US markets are open.

ITG Canada Corp. ("ITG") will endeavor to cancel all open client orders on Canadian and US Markets during the halt or as soon as the Marketplace starts a reopening session or general open, whichever occurs earlier. Once ITG has submitted cancels to all destinations and Marketplaces (explained in further detail below), ITG will start to accept new orders. This means that clients will have to resubmit new orders and re-establish priority in the Marketplace. This uniform approach is to ensure that clients have an opportunity to reevaluate price levels and to be consistent with how US bound orders are treated. Please see further details on Circuit Breakers Halts see separate link on:

<http://www.itg.com/compliance/sec-rules-regulations/regulatory-information-for-canada/>

### **12. Details of Order Execution and Marketplaces**

The details of your trade executions, including individual execution prices when averaged, marketplaces and if any executions were as principal will be made available upon requested at no additional charge.

### **13. Request for additional order details**

If you have any questions about this policy or to request details on your orders and executions please contact your Account Executive, the ITGC Institutional Trading Desk 416-874-0700 or our Compliance Department at 416-874-0830 (e-mail: [canada.compliance@itg.com](mailto:canada.compliance@itg.com))

### **14. Complaints**

Additional information on how to resolve a complaint can be found on the IIROC website:

<http://www.iroc.ca/English/Investors/MakingComplaint/Pages/default.aspx>

You may also e-mail ITG's Designated Complaints Officer and Chief Compliance Officer Kuno Tucker ([kuno.tucker@itg.com](mailto:kuno.tucker@itg.com)) or by phone: 416-874-0830.

By mail: ITG Canada Corp. Attention: Compliance, 130 King Street West, Suite 1040, Toronto, Ontario M5X 1B1

### **DISCLAIMER**

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