

Liquidnet Canada Inc.

Order Handling & Execution Policy

This document is intended to provide our brokerage clients with an overview of how Liquidnet Canada (Broker #038) handles their orders when trading on multiple Canadian marketplaces. Liquidnet Canada adheres to the definitions and guidelines pertaining to Best Execution set forth in Part 4 of National Instrument 23-101 and Rule 5.1 of the Universal Market Integrity Rules.

MARKETS ACCESSED

Liquidnet Canada is a subscriber to the following Canadian marketplaces:

Marketplace	Protected	Order Transparency		
		Visible	Hidden	Dark
TSX	Yes	Yes	Yes	No
TSXV	Yes	Yes	Yes	No
TSX Alpha	Yes	Yes	Yes	No
Nasdaq CXC	Yes	Yes	Yes	No
Nasdaq CX2	Yes	Yes	No	No
CSE	Yes	Yes	No	No
Omega	Yes	Yes	No	No
Lynx	Yes	Yes	No	No
Aequitas	Yes	Yes	No	No
Liquidnet	No	No	No	Yes
MatchNow	No	No	No	Yes

As detailed in the table above, different marketplaces may support orders having different levels of transparency, e.g., visible, hidden and/or dark orders.

HOURS OF OPERATION

For Canadian listed equities (TSX and TSXV) the Liquidnet Canada trading desk will be available to accept orders between the hours of 08:00 a.m. and 04:00 p.m. Eastern Standard Time ("EST"), Monday through Friday, excluding Canadian statutory holidays.

Canadian marketplace hours are:

Marketplace	Trading Hours (EST)
TSX	9:30 a.m. to 4:00 p.m. Extended hours trading: 4:15 p.m. to 5:00 p.m.
TSXV	9:30 a.m. to 4:00 p.m.
Alpha	8:00 a.m. to 5:00 p.m.

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Nasdaq CXC	8:30 a.m. to 5:00 p.m.
Nasdaq CX2	8:30 a.m. to 5:00 p.m.
CSE	CSE Listed Securities: 9:30 a.m. to 4:00 p.m. Other Listed Securities: 8:00 a.m. to 5:00 p.m.
Omega	8:00 a.m. to 5:00 p.m.
Lynx	8:00 a.m. to 5:00 p.m.
Aequitas NEO	9:30 a.m. to 5:00 p.m.
Aequitas NLB	9:30 a.m. to 4:00 p.m.
Liquidnet	8:00 a.m. to 5:00 p.m.
MatchNow	9:30 a.m. to 4:00 p.m.

Please note that the sequence of markets listed above is not intended to indicate the priority of order routing.

PRINCIPAL MARKETPLACE

Unless otherwise notified by Liquidnet Canada, the Principal Marketplace for all securities listed on the Toronto Stock Exchange (TSX) or TSX Venture Exchange (TSXV), whether or not the security is trading on other alternate marketplaces, will be the TSX and TSXV respectively.

ORDER HANDLING

All orders received for TSX or TSXV securities will be handled in the following manner during the prescribed market session:

Pre-Open Session

Orders received from a client during the pre-open hours of the Principal Market will be held until the Principal Market has begun its regular trading session.

Regular Trading Session

In accordance with Best Execution, Liquidnet Smart Order Routing (SOR) strategies are configured to maximize fill potential for client orders, while meeting applicable regulatory obligations, e.g., the Order Protection Rule. Orders received during the Hours of Operation of the Principal Marketplace will be routed to the best market available at the time of entry. Liquidnet Canada considers the “best market” to be the marketplace that displays the highest bid and lowest offer price.

Post-Market Session

Liquidnet Canada does not accept orders after the close of the Principal Market. However, approved error and accommodation orders may be entered on a marketplace that supports after-hours trading, if required.

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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 Liquidnet ("Liquidnet Affiliates") and/or third party broker dealers ("Third Parties"). Liquidnet Affiliates and/or Third Parties may execute such orders as either agent or principal. The fees or commissions charged to us by Third Parties for such orders may be reported as a net price. Liquidnet may earn a nominal FX spread when trading foreign securities into a Canadian dollar account.

BEST EXECUTION AND PRICE IMPROVEMENT

During the Regular Trading Session hours, Liquidnet Canada achieves best execution by using automated systems i.e. SOR, Benchmark and Opportunistic algorithmic trading strategies that attempt to provide best execution of a client order from multiple Canadian marketplaces. Available protected and unprotected markets are considered and may include markets that offer no pre-trade transparency (Dark Pools).

Liquidnet has established a Best Execution Committee to ensure that our clients' best execution interests are met. The committee meets at least quarterly, and ad hoc as required, to review market structure, regulatory, technology changes and liquidity sources. The committee meets additionally on an annual basis to discuss Liquidnet's routing methodology and evaluates whether the current methodology continues to be consistent with Liquidnet's overall Best Execution strategy.

PRICING

Market Order

A market order is an order to buy or sell a security at whatever prices are available in a marketplace to help ensure a complete and full fill. Liquidnet Canada cautions clients from entering market orders given the different treatment that market orders receive in a multiple market environment. Liquidnet Canada will route market orders through its automated system that examines each available marketplace and enters the order in the market that secures the best price.

Limit Order

A limit order is an order for a security at a specific minimum sale price, or a maximum purchase price, set by the client. If a limit order is not immediately executable, Liquidnet Canada will route this order to a marketplace. These orders will remain in that market until the order is filled, cancelled or expired.

In a multiple market environment, clients should be aware that once their limit order is booked on a marketplace, it is possible for the security to trade in other markets without the client's booked order participating.

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ORDER TYPES

Day Orders (DAY)

Orders marked as Day Orders expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains live.

Immediate-or-Cancel (IOC)

Orders marked IOC instruct a marketplace to immediately fill an order, either fully or partially, and immediately cancel any remaining shares.

Market on Close Orders (MOC)

TSX and TSXV are the only Canadian marketplaces that support a MOC facility. All MOC orders must be entered by 3:40 p.m. EST and will be executed at a calculated closing price for the security on the TSX or TSXV. It should be noted that MOC orders are not guaranteed a fill.

ALGORITHMIC TRADING AND RISK LIMITS

Liquidnet Canada employs pre- and post-trade risk limits on all orders entered through its systems. Risk limits are applied at a per-order and aggregate level. If you would like further details on these risk controls and limits, please contact your Liquidnet Relationship Manager.

DETAILS OF ORDER EXECUTION AND MARKETPLACES

An order executed on one or more marketplaces will be reported to the client using a single confirmation with a general disclosure stating "Traded on one or more Canadian marketplaces, details available upon request".

SUPERVISION METHODOLOGY

Liquidnet Canada monitors our client order execution quality on an ongoing basis. The methodology used to ensure client best execution selects a random sampling, in accordance to UMIR 7.1, of orders from each of the client order execution applications currently in service.

REQUEST FOR ADDITIONAL ORDER DETAILS

If you have any questions about this policy, or wish to request details about your orders and executions, please contact your Sales & Relationship Manager at +1-416-594-2470 or at canadasales@liquidnet.com. Alternatively, please consult the Member website for our global Order Handling Q&A document.

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