

# ITG Canada Corp. Order Handling and Execution Policy

With the introduction of new alternative marketplaces in Canada, ITG Canada Corp. ("ITGC") wish to advise our clients of some changes to how ITGC plans to handle client orders with multiple transparent markets. 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, 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 statutory Canadian holidays. Staff may be further available before and after these hours.

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

Marketplace	Standard Trading hours (Eastern Time)
TSX	9:30 a.m. to 4:00 p.m. <sup>1</sup>
TSX-Venture	9:30 a.m. to 4:00 p.m.
Pure Trading <sup>2</sup>	9:00 a.m. to 5:00 p.m.
BlockBook <sup>3</sup>	9:30 a.m. to 4:00 p.m.
Match Now <sup>4</sup>	9:30 a.m. to 4:00 p.m.
Chi-X Canada <sup>5</sup>	8:30 a.m. to 5:00 p.m.

## 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<sup>6</sup> as designated by Market Regulation Services. Please note that for the introduction of new alternative marketplaces in 2007 and continuing into 2008, the principal marketplace will initially be the TSX or TSX-V respectively, unless notified otherwise by ITGC.

- a) an order received prior to 9:30 a.m. will book to the pre-opening of the principal marketplace (currently the TSX or TSX-V) for execution on the opening; and
- b) an order received after 4:00 p.m. will be entered the next business day to the pre-opening of the principal marketplace (currently the TSX or TSX-V).

## 3. Best Execution and Price Improvement Opportunities

It is our goal to always provide our client's 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.

<sup>1</sup> TSX offers extend hours trading from 4:15 p.m. to 5:00 p.m.

<sup>2</sup> Pure Trading's continuous auction market launched September 14, 2007. To obtain more information, please visit [www.puretrading.ca](http://www.puretrading.ca).

<sup>3</sup> Perimeter Markets Inc. To obtain more information, please visit [www.pfin.ca/product\\_blockbook.asp](http://www.pfin.ca/product_blockbook.asp)

<sup>4</sup> Match Now is a product offering of TriAct Canada Marketplace LP ("TriAct"), member IDA and CIPF and a subsidiary of ITG Canada Corp. Executions occur inside the Canadian bid-offer spread. To obtain more information, please visit [www.triactcanada.com](http://www.triactcanada.com).

<sup>5</sup> Chi-X Canada continuous auction market launched February 20, 2008. To obtain more information, please visit [www.chi-xcanada.com](http://www.chi-xcanada.com).

<sup>6</sup> Principal Marketplace as defined in Market Integrity Notice 2006-017 – Guidance – Securities Trading on Multiple Marketplaces (September 1, 2006) updated with MIN 2008-002 – "Principal Market" Determination for 2008.

Between the hours of 9:30 a.m. ET and 4:00 p.m. ET, "Best market" is defined as the market(s) that provide pre-trade transparency and have 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 the Principal Marketplace unless otherwise directed by the Client.

#### **4. Day Orders**

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 principal marketplace 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 the primary market. 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 as 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 and Limit Orders received before 9:30 a.m. ET will be entered on the Principal Marketplace with the intent to participate in the Principal Market 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. All or None Orders and Special Terms Orders**

Orders with specific terms that are not immediately executable in the regular marketplace such as All-or-None ("AON") and minimum size orders will only be posted to the Special Terms Market of the principal marketplace, currently 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.

#### **10. Disclosure of Marketplace**

The details of your trade executions will be reported to the client using an electronic trade confirmation by e-mail. If multiple fills and/or prices or marketplaces were used in the completion of the order, this disclosure will be provided.

#### **11. 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: [torstein.braaten@itg.com](mailto:torstein.braaten@itg.com))