

## NOTICE OF PROPOSED CHANGES AND REQUEST FOR FEEDBACK

The Rules Committee of the Board of Directors of Alpha Exchange Inc. (“Alpha”) has approved amendments (“Amendments”) to the Alpha Exchange Trading Policies (“Trading Policies”). The Amendments, shown as blacklined text, are attached as Appendix “A”.

Alpha is publishing this Notice of Proposed Changes (“Notice”) in accordance with the requirements set out in the rule protocol attached to its Recognition Order. Market participants are invited to provide the Commission with feedback on the proposed Public Interest Rule Changes.

Feedback on the proposed amendments should be in writing and submitted by April 4, 2013 to:

Market Regulation Branch  
Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, Ontario M5H 3S8  
Fax: (416) 595-8940  
e-mail: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

And to:

Stacey Hoisak  
Alpha Exchange Inc.  
70 York Street, Suite 1501  
Toronto, Ontario M5J 1S9  
Fax: (416) 642-2120  
e-mail: [stacey.hoisak@alpha-group.ca](mailto:stacey.hoisak@alpha-group.ca)

Feedback received will be made public on the OSC website. Upon completion of the review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff's review and to outline the intended implementation date of the changes.

Terms not defined in this Notice are defined in the Alpha Exchange Inc. Trading Policies.

# NOTICE OF PROPOSED CHANGES

## **I. Proposed Changes, Rationale and Relevant Supporting Analysis**

In connection with the migration of Alpha to the Quantum platform and the overall integration of Alpha with TMX, certain changes are required to Alpha's Trading Policies. The public interest changes and supporting rationale are referenced below:

1. All references to the Alpha Listing Markets (Main and Venture Plus), Alpha Listed Securities and the Alpha Listing Handbooks have been removed. This is consistent with the OSC's approval of the abandonment of Alpha's listings business, as has been previously communicated to clients.
2. The section on Market Making and Odd Lot Dealers has been modified to remove all references to market making on Alpha, and to make the odd lot structure consistent with the TSX Venture odd lot dealer structure.
3. All references to Alpha's "TTM Service" have been removed, consistent with the decision to move to the TSX SOR (Smart Order Router) from Alpha's own "TTM Service" order router.
4. The sections referencing the Order Protection Rule have been modified to reflect the fact that Alpha will leverage the TSX SOR in order to offer a Route Out option for order protection. A reference has been added to TSX's existing Order Protection document that all the TMX markets currently use to comply with the Order Protection Rule.
5. The Section on "Governance of Trading Sessions" has been modified to reflect the operational changes that will result once Alpha has been migrated to Quantum. These include items such as changes to order types, changes in how price parameters operate, the removal of the "closing auction", and the removal of certain commentary and examples. All of these changes are consistent with aligning such operational features on Alpha with those on TMX, and further to the migration to the Quantum platform.
6. The terms and conditions which are required to be included in agreements between Sponsoring Members and their DMA Sponsored Access Clients have been moved from the Alpha Member Agreement to the Trading Policies. This was done in order to streamline the Alpha Member Agreement to make it more consistent with the existing Agreements for TSX, TSX Venture, and TMX Select. The terms and conditions themselves have not been changed.

## **II. Expected Date of Implementation**

April 29, 2013

## **III. Expected Impact on Market Structure, Members, Investors, Issuers and the Capital Markets**

Expected Impact to Members primarily relate to the following:

- Order entry and data feed protocol changes to TMX FIX and STAMP standards.
- Possible connectivity and infrastructure changes due to re-location of the trading system to TMX Data Centers.
- Consideration of operational/functional changes to order types and market features.

The changes are expected to provide a more consistent offering across all markets and to deliver benefits to in the form of efficiencies and cost savings over the mid to long-term, including:

- Increased alignment of order entry and data feed protocols across TMX markets;
- Reduced development, maintenance, and testing costs associated with customer trading and data applications;
- Potential reductions in complexity and client infrastructure costs with respect to physical circuits, network routers and data centres;
- Further alignment of operational and support standards, and the standardization of policies, procedures and contracting;
- Consolidated management, customer facing and support touch points.

## **IV. Impact on Exchange's Compliance with the Securities Law, Especially Fair Access and Maintenance of Fair and Orderly Markets**

The changes are being made pursuant to the Rule Change Protocol that applies to Alpha. The changes are consistent with NI 21-101, Alpha's Recognition Order and Securities Law.

## **V. Consultation and Review**

The changes being referenced are all part of the broader integration effort and have been generally communicated publicly.

The TMX Group will continue to operate the Alpha trading platform and ensure many of the capabilities and features currently valued by customers are maintained in the most cost-effective way and deliver enhanced value to customers.

The Alpha Exchange Rules Committee met and approved the changes to the Trading Policies on February 8, 2013.

## **VI. Technology Implementation Impact on Members and Service Vendors**

The TMX Group and Alpha provided updates to Members and Service Vendors regarding the technological impact and considerations of the migration. Alpha Specifications have been made public and Alpha was made available in TMX Quantum GTE (test environment) for customer testing effective February 19, 2013.

The updates include the following TMX Notices to Participating Organizations, Members and Subscribers:

- Notice 2012-046 dated October 24, 2012
- Notice 2012-050 dated December 5, 2012
- Notice 2013-003 dated February 1, 2013
- Notice 2013-005 dated February 5, 2013

A Technical Launch is scheduled for April 1, 2013 to facilitate client connectivity and routing testing/validation prior to the migration. Test symbols will also be enabled in the Alpha production environment on TMX Quantum upon Technical Launch.

## **VII. Comparable Rules**

Not Applicable



TRADE UP ▲

Alpha Exchange Inc.  
Trading Policies  
(the “Trading Policies”)

~~October 15, April 29, 2013~~

Blacklined changes to reflect Alpha Exchange Inc. migration to TSX Quantum platform subject to regulatory review

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## Change History

Version	Change	Date
V 1.0	Rebranded for Alpha Exchange	April 1, 2012
V1.1	Changes to IntraSpread and Opening Functionality	April 1, 2012
V 1.2	Changes to IntraSpread facility and Inside Match order respecting UMIR Dark liquidity provisions, effective October 15, 2012  Changes to short sell functionality respecting UMIR short selling provisions, effective October 15 2012.  Change to TTM consolidated order book depth.	July 16, 2012
<a href="#">V.1.3</a>	<a href="#">Changes to reflect migration to TSX Quantum platform.</a>	<a href="#">February 25, 2013</a>

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## PART I. Definitions and Interpretations

### 1.1 DEFINITIONS

Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in Alpha Requirements that is defined or interpreted in

- (a) Ontario securities law,
- (b) UMIR, or
- (c) IIROC Rules,

has the same meaning in these Trading Policies.

The following terms have the meanings set out when used in the Alpha Requirements and apply to the trading of ~~both Alpha Listed Securities and Other~~ Traded Securities unless otherwise specified:

**Alpha** The recognized exchange which provides a marketplace for ~~Alpha Listed Securities and Other~~ Traded Securities ~~on Alpha~~.

**Alpha Approval** Any approval given by Alpha under the Alpha Requirements.

**Alpha Best Bid and Offer (ABBO)** In respect of a particular security, the best bid, the highest price and its corresponding volume that a Member has published to buy, and the best offer, the lowest price and its corresponding volume that a Member has published to sell, in the Alpha CLOB.

~~Alpha Closing Price or (ACP)~~ ~~The CCP for an Alpha Listed Security unless it exceeds parameters established by Alpha. The Alpha Closing Price for Other Traded Securities will be adjusted overnight to reflect the closing price on the principal market as established in UMIR.~~

**Alpha Last Sale Price (ALSP)** The price at which the last trade of a Board Lot was executed on Alpha, other than a Special Terms trade.

~~Alpha Listed Security~~ ~~Securities listed on Alpha Main or Alpha Venture Plus.~~

**Alpha Requirements** Alpha Requirements include the following:

- (1) These Trading Policies;
- ~~(2) The Alpha Main Listing Handbook and Alpha Venture Plus Listing Handbook (together, the "Listing Handbooks");~~
- ~~(3)~~(2) Obligations arising out of the Member Agreement; ~~or~~ ~~Lead Market Maker Agreement for Alpha Listed Securities, Market Maker Agreement for Alpha Listed Securities, Market Maker Agreement; for Other Traded~~

~~October 15, April 29, 2013~~

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	<p><del>Securities or any Listing Forms;</del></p> <p><del>(4)(3)</del> Any forms issued pursuant to these Trading Policies <del>or the Listing Handbooks</del> and any obligations related to or created by such Forms;</p> <p><del>(5)(4)</del> UMIR; and</p> <p><del>(6)(5)</del> Ontario securities law, and any decision thereunder as it may be amended, supplemented and in effect from time to time.</p>
<b>Alpha Systems</b>	The electronic systems operated by Alpha for providing all facilities and services related to the trading of <del>Alpha Listed Securities and Other</del> Traded Securities on Alpha.
<b>Approved Trader</b>	An employee of a Member, or an employee of a client of a Sponsoring Member, authorized through a direct market access arrangement to enter orders onto a marketplace as a trader, who has been provided with a trading identifier to be used when accessing a marketplace.
<del>Assigned Security</del>	<del>The particular Alpha Listed Security or Other Traded Security for which a Member has been appointed either as the Lead Market Maker or Market Maker.</del>
<b>Board</b>	The Board of Directors of Alpha and any committee of the Board of Directors to which powers have been delegated.
<b>Board Lot</b>	A standard trading unit.
<b>Bypass Cross</b>	A cross that has a bypass marker.
<b>Bypass Order</b>	<p>An order that has a bypass marker to indicate that it is:</p> <p>(1) part of a designated trade; or</p> <p>(2) to satisfy an obligation to fill an order imposed on a Member or DMA Eligible Client by any provision of UMIR or a Policy;</p> <p>and that is entered on a protected marketplace to execute as against the disclosed volume on that marketplace prior to the execution or cancellation of the balance of the order.</p>
<b>Calculated Opening Price (COP)</b>	A single price calculated for a security whereby the trading volume is maximized and the trading imbalance is minimized and is within parameters defined by Alpha in the opening call.
<del>Calculated Closing Price (CCP)</del>	<del>A single price calculated for a security whereby the trading volume is maximized and the trading imbalance is minimized, and is within parameters defined by Alpha in the closing call.</del>
<b>Central Limit Order Book (CLOB)</b>	The electronic book containing all Board Lot orders entered for execution in a continuous manner with price and priority

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rankings.

<b>Clearing Corporation</b>	CDS Clearing and Depository Services Inc. and any successor corporation or entity recognized as a clearing agency.
<b>Contra Order Matching Preference (COMP)</b>	Dark order designation identifying which orders in the IntraSpread™ facility the Dark order will trade against.
<b>Dark Order</b>	A fully hidden order used to manage passive interest within the IntraSpread™ Facility. It includes the Touch Dark order and Midpoint Dark order.
<b>Directed Action Order (DAO)</b>	A specific order type as defined in NI 23-101 that informs a marketplace that the order can be immediately carried out without delay or regard to any other better priced orders displayed by another marketplace.
<b>Decision</b>	Any decision, direction, order, ruling, guideline or other determination of Alpha, or of the Market Regulator made in the administration of these Trading Policies.
<b>DMA Eligible Client</b>	<p>A DMA Eligible Client is a client of a Sponsoring Member to which it provides sponsored access to Alpha Systems and that is :</p> <ol style="list-style-type: none"> <li>(1) A client that falls within the definition of “acceptable counterparties” or “acceptable institutions” or “regulated entities” as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report.</li> <li>(2) A client that is registered as a portfolio manager under the Securities Act of one or more of the Provinces of Canada.</li> <li>(3) A client that is a foreign broker or dealer (or the equivalent registration) registered with the appropriate regulatory body in the broker’s or dealer’s home jurisdiction and that is an affiliate of a Member acting for its own account, the accounts of other Eligible Clients or the accounts of its clients.</li> <li>(4) A client that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the customer and falls into one of the following categories:             <ol style="list-style-type: none"> <li>(a) An insurance company as defined in section 2(13) of the U.S. Securities Act of 1933,</li> </ol> </li> </ol>

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- (b) An investment company registered under the U.S. Securities Act of 1933 or any business development company as defined in section 2(a)(48) of that Act,
  - (c) A small business investment company licensed by the U.S. Small Business Administration under section 301 (c) or (d) of the U.S. Small Business Investment Act of 1958,
  - (d) A plan established and maintained by a U.S. state, its political subdivisions, or any agency or instrumentality of a U.S. state or its political subdivisions, for the benefit of its employees,
  - (e) An employee benefit plan within the meaning of Title I of the U.S. Employee Retirement Income Securities Act of 1974,
  - (f) A trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in (d) or (e) above, except trust funds that include as participants individual retirement accounts or U.S. H.R. 10 plans,
  - (g) A business development company as defined in section 202(a)(22) of the U.S. Investment Advisers Act of 1940,
  - (h) An organization described in section 501 (c)(3) of the U.S. Internal Revenue Code, corporation (other than a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933 or a savings and loan association or other institution referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933 or a foreign bank or savings and loan association or equivalent institution), partnership or Massachusetts or similar business trust, and
  - (i) An investment adviser registered under the U.S. Investment Advisers Act.
- (5) A client that is a dealer registered pursuant to section 15 of the U.S. Securities Exchange Act of 1934, acting for its own account or the accounts of other Eligible Clients, that in the aggregate owns and invests on a discretionary basis

at least \$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.

- (6) A client that is an investment company registered under the U.S. Investment Company Act, acting for its own account or for the accounts of other Eligible Clients, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies and, for these purposes, “family of investment companies” means any two or more investment companies registered under the U.S. Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided, for these purposes:
- (a) Each series of a series company (as defined in Rule 18f-2 under the U.S. Investment Company Act) shall be deemed to be a separate investment company; and
  - (b) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company’s adviser (or depositor) is a majority owned subsidiary of the other investment company’s adviser (or depositor).
- (7) A client, all of the equity owners of which are Eligible Clients, acting for its own account or the accounts of other Eligible Clients.
- (8) A client that is not an individual, with total securities under administration or management exceeding \$10 million, where the client is a resident in a Basel Accord country as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report.

- (9) A client that is a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933, or any savings and loan institution or other institution as referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933, acting for its own account or the accounts of other Eligible Clients, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million.

**IIROC**

The Investment Industry Regulatory Organization of Canada.

**IIROC Rules**

UMIR and IIROC's dealer member rules.

**Intentional Cross**

A trade resulting from the entry by a Member or DMA Eligible Client of both the order to purchase and the order to sell a security, but does not include a trade in which the Member has entered one of the orders as a jitney order.

**Internal Cross**

An Intentional Cross between two accounts which are managed by a single firm acting as a portfolio manager with discretionary authority to manage the investment portfolio granted by each of the holders of the accounts and includes a trade in respect of which the Member or DMA Eligible Client is acting as a portfolio manager in authorizing the trade between the two accounts.

**IntraSpread™ Facility**

An optional facility which allows a Member to seek order matches with price improvement for active orders, without pre-trade transparency.

**Large order**

An order with a volume over 50 Board lots or a value greater than \$100,000. It may be combined with a specific type of order such as an SDL order (Large SDL order) to indicate that the SDL Order has a volume over 50 Board lots or a value of greater than \$100,000.

~~**Lead Market Maker**~~

~~The Member appointed as a Lead Market Maker by Alpha for a particular Alpha Listed Security.~~

~~**Lead Market Maker  
Approved Trader**~~

~~The Approved Trader identified by the Lead Market Maker to fulfill a Lead Market Maker's responsibilities under these Trading Policies.~~

~~**Market Maker**~~

~~The Member or Members appointed as market maker for a~~

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~~particular Alpha Listed Security or Other Traded Security.~~

~~**Commentary:** The terms “Market Maker for an Alpha Listed Security” and “Market Maker for an Other Traded Security” will be used if the provision is only applicable to one and not the other. Otherwise the provision will be applicable to both.~~

~~**Market Maker  
Approved Trader**~~

~~The Approved Trader given responsibility to fulfill a Market Maker’s responsibilities under these Trading Policies.~~

**Market Regulator**

IIROC or such other person recognized by the Ontario Securities Commission as a Regulation Services Provider for the purposes of Ontario securities law and which has been retained by Alpha as an acceptable Regulation Services Provider.

**Member**

A member approved by Alpha to access the Alpha Systems, provided such access has not been terminated.

**Member Agreement**

The agreement entered into between Alpha and a Member which sets out the terms and conditions of the Member’s access to the Alpha Systems.

**Member Related  
Entity<sup>1</sup>**

A Person that is

1. an affiliated entity of a Member, or
- a control person of a Member or of which the Member is a control person,
- and that carries on as a substantial part of its business in Canada that of a broker, dealer or advisor in securities and that is not itself a Member.

**Member Related  
Person<sup>2</sup>**

A Member Related Person is:

2. A Member Related Entity,

An employee, agent or contractor acting as an employee of a Member or a Member Related Entity,  
Partners, directors and officers of a Member or Member

<sup>1</sup> Note that this definition is being used for the purpose of these Trading Policies and may differ from definitions used by other parties.

<sup>2</sup> Note that this definition is being used for the purpose of these Trading Policies and may differ from definitions used by other parties



	Related Entity, An Approved Trader; and Any other Person designated by Alpha.
<b>Minimum Acceptable Quantity (MAQ)</b>	Optional minimum acceptable execution quantity condition attached to a Dark order.
<b>Mixed Lot</b>	An order containing at least one Board Lot and an Odd Lot.
<b>National Best Bid and Offer (NBBO)</b>	The best bid and best offer of at least a Board Lot on all visible marketplaces, but does not include special terms orders.
<b>National Cross</b>	A cross entered during the continuous trading session which at the time of entry was at or within the NBBO.
<b>National Last Sale Price (NLSP)</b>	The most recent trade of at least a Board Lot on any marketplace, other than a special terms trade.
<b>Notice</b>	A communication or document given, delivered, sent or served by Alpha.
<b>Odd Lot</b>	Any amount less than a Board Lot.
<b>Odd Lot Dealer</b>	A Member appointed by Alpha as an Odd Lot dealer for a particular security to perform the functions described in Part VI.
<b>Odd Lot Order Book (OLOB)</b>	The electronic book containing all Odd Lot orders.
<del><b>Opening Market Condition Security (OMC Security)</b></del>	<del>A security identified by Alpha through a Trading Notice as subject to an Opening Market Conditions price band validation.</del>

**Order Protection Rule (OPR)**

NI 23-101, which sets out the requirements that ensure that all immediately accessible, visible, better-priced limit orders are executed before inferior-priced limit orders and are not traded through. OPR requires each marketplace to establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to prevent trade-throughs on that marketplace.

**Other Marketplace**

An exchange, quotation and trade reporting system, or alternative trading system other than Alpha, which is subject to National Instrument 23-101 – Trading Rules, on which any of the same securities as are tradable on Alpha are tradable, which has been identified as a Protected Marketplace by an applicable regulatory authority, excluding marketplaces which Alpha specifically identifies as an excepted Other Marketplace.

**Person ~~Other Traded~~ Security (OTS)**

Includes without limitation an individual, corporation, incorporated syndicated or other incorporated organization, sole proprietorship, partnership or trust. ~~A security listed by an exchange other than Alpha and traded on Alpha.~~

~~**Commentary:** A security that is listed both on Alpha and on another exchange in Canada will be considered to be an Alpha Listed Security for purposes of Alpha Requirements unless otherwise specified.~~

**Retail Customer**

Is defined in accordance with IIROC's dealer member rules.

**Settlement Day**

Any day on which trades may be settled through the facilities of the Clearing Corporation.

**Small Order**

An order with a volume less than 50 Board lots ~~or~~ and a value less than \$100,000. It may be combined with a specific type of order such as an SDL order (Large SDL order) to indicate that the SDL Order has a volume less than 50 Board lots or a value of less than \$100,000.

A Member that provides a DMA Eligible Client with access to

~~October 15, April 29, 2013~~

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**ALPHA EXCHANGE**

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[alpha-group.ca](http://alpha-group.ca)

**Sponsoring Member** the Alpha Systems.

**Trading Contract** Any agreement or contract:

- (1) To buy or sell any ~~Alpha Listed Security or Traded Security~~ through Alpha's facilities; or
- (2) For delivery of, or payment for, any Traded Security (or security which was a Traded Security when the contract was made) arising from settlement through the Clearing Corporation.

**Trading Policies** (3) These Alpha Exchange trading policies, as they may be amended or supplemented from time to time.

**UMIR ~~TTM~~ Service** The Universal Market Integrity Rules adopted by IIROC as amended, supplemented and in effect from time to time. ~~The service used by Alpha to route designated orders, in part or in whole, to Other Marketplaces with the objective of complying with the Order Protection Rule (NI 23-101) to not trade through displayed better priced orders on such marketplaces.~~

## 1.2 INTERPRETATION

- (1) A company is an affiliate of another company if one of them is a subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same Person.
- (2) The division of Alpha Requirements into separate policies, divisions, sections, subsections and clauses and the provision of a table of contents, headings and notes is for convenience of reference only and shall not affect the construction or interpretation of Alpha Requirements.
- (3) The words "hereof," "herein," "hereby," "hereunder" and similar expressions mean the whole of these Trading Policies and not simply the particular section of the Trading Policies in which the term is mentioned, unless the context clearly indicates otherwise.
- (4) The word "or" is not exclusive.
- (5) The word "including," when following any general statement or term, does not limit the meaning of the general statement or term to the specific matter immediately following the statement or term.

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- (6) Unless otherwise specified, any reference to a statute includes that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that supersedes that statute or regulation.
- (7) Unless otherwise specified, any reference to a rule, policy, blanket order or instrument includes all amendments made and in force from time to time, and to any rule, policy, blanket order or instrument that supersedes that rule, policy, blanket order or instrument.
- (8) Grammatical variations of any defined term have the same meaning.
- (9) Any word imputing gender includes the masculine, feminine and neuter genders.
- (10) Any word in the singular includes the plural and vice versa.
- (11) All references to time in Alpha Requirements are to Toronto time unless otherwise stated.
- (12) All references to currency in Alpha Requirements are to Canadian dollars unless otherwise stated.
- ~~(13) All provisions of these Trading Policies apply to the trading of both Alpha Listed Securities and Other Traded Securities unless otherwise specified.~~

## PART II. Application of Policies and Authority of Alpha

### 2.1 APPLICATION OF POLICIES

- (1) Members and Member Related Persons must comply with all applicable Alpha Requirements when trading on Alpha.
- (2) Alpha may take disciplinary action against any Member or Member Related Person who violates any Alpha Requirement.

### 2.2 EXERCISE OF POWERS

- (1) Unless otherwise expressly provided, whenever Alpha is given any power, right, exercise of discretion or entitlement to take action in respect of Alpha Requirements, the same may be exercised by the Board, any Committee of the Board, the appropriate officers of Alpha or any committee or person designated by the Board ~~or the CEO~~ of Alpha, including the Market Regulator.
- (2) Unless the subject matter or context otherwise requires, any action taken by a Person under subsection (1) is subject to the overall authority of the Board.

### 2.3 GENERAL EXEMPTIVE RELIEF

- (1) Alpha may exempt any Member from the application of any Alpha Requirement, if in the opinion of Alpha, the provision of such exemption:
  - (a) Would not be contrary to the provisions of the Securities Act (Ontario) and the rules and regulations thereunder or UMIR;
  - (b) Would not be prejudicial to the public interest or to the maintenance of a fair and orderly market; and
  - (c) Is warranted after due consideration of the circumstances.

### 2.4 NO WAIVER OF RIGHTS

- (1) Failure by Alpha or the Market Regulator to exercise any of its rights, powers or remedies under Alpha Requirements or their delay to do so is not a waiver of those rights, powers or remedies.
- (2) The single or partial exercise of a right, power or remedy does not in any way limit the ability of Alpha or the Market Regulator to exercise that right, power or remedy.
- (3) Any waiver of a right, power or remedy must be in writing and may be general or particular in its application.

### 2.5 ANTI-AVOIDANCE

- (1) If, in the opinion of Alpha, a Member has organized its business and affairs for the purpose of avoiding the application of any Alpha Requirement, Alpha may apply such Alpha

Requirement to the Member in the same manner as if such provision had directly applied to such Member.

## PART III. Membership

### DIVISION 1 — APPROVAL

#### 3.1 QUALIFICATION FOR BECOMING A MEMBER

- (1) An applicant must
  - (a) be a dealer member of IIROC (or any successor recognized as a self regulatory entity or comparable self-regulatory entity) in good standing;
  - (b) be a participant of the Clearing Corporation or have entered into an arrangement for the clearing and settlement of trade with a participant in the Clearing Corporation; and
  - (c) meet Alpha Requirements, including completion of a Member Agreement.
- ~~(2) A Member is authorized to trade both Alpha Listed Securities and OTSs on Alpha.~~
- ~~(3)~~(2) Membership is not transferable or assignable.
- ~~(4)~~(3) Membership is solely an authorization to have access to Alpha Systems and to trade on Alpha and does not confer any ownership or shareholder rights.

#### 3.2 APPLICATION AND APPROVAL

- (1) An applicant for membership shall submit:
  - (a) a completed Member Agreement; and
  - (b) such information, books and records as may be reasonably required by Alpha to ascertain relevant facts bearing on the applicant's qualifications or activities on the Alpha Systems.
- (2) Alpha may:
  - (a) approve an applicant for membership without condition,
  - (b) defer approval pending receipt of further information concerning the applicant,
  - (c) approve a Person as a Member subject to such terms and conditions as are appropriate or necessary to ensure compliance with Alpha Requirements, or
  - (d) refuse the application for such factors it considers relevant, including
    - (i) past or present misconduct by the applicant or any Member Related Person,
    - (ii) the applicant or any Member Related Person refuses to comply with Alpha Requirements,
    - (iii) the applicant is not qualified by reason of integrity, solvency, training or experience, or
    - (iv) such approval is otherwise not in the public interest.
- (3) An applicant that is approved subject to conditions or is rejected may appeal the Decision using the procedures set out in Part [910](#).
- (4) Subject to the exercise of a right of appeal, a rejected applicant may not reapply for a period of six months following the date of refusal.

## DIVISION 2 — CONTINUING REQUIREMENTS

### 3.3 AUTHORIZED REPRESENTATIVE

- (1) Each Member must appoint a senior officer, director or partner as its representative who shall be named in the Member Agreement.
- (2) The representative shall:
  - (a) have authority to speak for the Member in dealings with Alpha; and
  - (b) serve as primary contact to Alpha on inquiries regarding the conduct and supervision of the Member's Approved Traders and DMA Eligible Clients.
- (3) A Member must give Alpha notice of a change of its representative at least 10 business days prior to the change unless circumstances make this impossible, in which case notice must be given as soon as possible.

### 3.4 PAYMENT OF FEES, ETC.

- (1) Members must pay all fees and charges fixed by Alpha and the Market Regulator, which are due and payable as Alpha or the Market Regulator require from time to time.
- (2) Alpha may at any time, and from time to time, on not less than 30 days' Notice to Members, increase any or all fees or charges. Alpha may decrease fees by providing Members with Notice of such a change within 30 days prior to the effective date of the change.
- (3) Alpha may suspend without further notice a Member that has not paid any fees or charges within 30 days of becoming payable, and such suspension shall remain in place until all outstanding fees and charges have been paid by the Member. If the Member has not paid all outstanding fees and charges within 15 days of such suspension, Alpha may terminate such Member's membership.

### 3.5 CONTINUING SRO MEMBERSHIP

- (1) A Member that ceases to comply with the requirements of Section 3.1(1) must notify Alpha immediately.
- (2) A Member must inform Alpha immediately if it ceases to be a member of, or becomes aware that it is being investigated by, or is subject to an enforcement action (a hearing has been scheduled) by a recognized self-regulatory organization.
- (3) If a Member ceases to be a member of IIROC (or any successor recognized as a self regulatory entity or comparable self-regulatory entity), it may be suspended pursuant to Section 3.10(1)(a) or terminated as a Member of Alpha pursuant to Section 3.13(1)(b), at the discretion of Alpha. In case of termination, the Member may reapply for membership with Alpha upon becoming reinstated as a member of IIROC, by following the procedures set forth in Section 3.2.
- (4) Alpha may from time to time review the continued eligibility of a Member for membership.



### 3.6 NOTIFICATIONS

- (1) A Member must give Alpha written notice of:
  - (a) a change of its name or the name under which it does business; or
  - (b) a change in the address of its head office.
- (2) The Member must give such notice at least 10 business days prior to the change.

### 3.7 MAINTAINING RECORDS

- (3) The Member shall be responsible for maintaining any required records relating to transactions sent and received by it on the Alpha Systems. For the purpose of this section records relating to transactions will include all information directly or indirectly relating to orders routed to the Alpha Systems or trades executed on the Alpha Systems.

### 3.8 TRAINING

- (4) The Member shall be responsible for developing and providing comprehensive training and materials for Approved Traders (and any other Person deemed appropriate by the Member) with respect to applicable regulatory requirements relating to, among other things, the entry and trading of orders through Alpha and other Canadian marketplaces required to allow the Member to meet its obligations under applicable regulatory requirements, these Trading Policies and the Member Agreement.

## DIVISION 3 — TERMINATION OF MEMBERSHIP

### 3.9 VOLUNTARY SURRENDER

- (1) A Member may resign its membership by giving not less than 30 days' prior written notice.
- (2) Alpha may postpone the effective date of termination if the Member
  - (a) is the subject of disciplinary proceedings or is under investigation for a failure to comply with Alpha Requirements, or
  - (b) has any trades outstanding.

### 3.10 SUSPENSION BY ALPHA WITHOUT PRIOR NOTICE

- (1) A Member may be suspended immediately and without prior notice if any of the following events occur:
  - (a) the Member ceases to comply with the requirements of Section 3.1(1);
  - (b) the Member is for any reason unable to meet its obligations as they generally become due;
  - (c) the Member has ceased paying its current obligations in the ordinary course of business as they become due;

- (d) the aggregate of the property of the Member is not, at a fair valuation, sufficient, or if disposed of in a fairly-conducted sale under legal process, would not be sufficient to enable payment of all of its obligations due or becoming due;
- (e) the Member defaults in, or fails to meet or admits its inability to meet its liabilities to the Canadian Investor Protection Fund or the Clearing Corporation or another Member;
- (f) Section 3.13(1) applies and Alpha has elected not to exercise its right to terminate the Member's membership pursuant to such section;
- (g) Section 3.4(3) applies; or
- (h) continued access by the Member raises inappropriate risk to the operations of Alpha, financial risk to other Members, and/or market quality issues.

**Commentary:** A suspension without prior notice under Section 3.10(1) will only be considered where the continuing trading by the Member will put Alpha or any of its Members at risk of serious immediate harm.

- (2) The Member may, at Alpha's discretion, be reinstated with or without any restrictions upon the Member demonstrating to Alpha's satisfaction that:
  - (a) it now complies with all provisions of Section 3.1,
  - (b) if the Member has been suspended due to the occurrence of one or more of the events listed in Section 3.10(1), such events have been remedied to Alpha's satisfaction; and
  - (c) it otherwise meets the criteria for membership with Alpha.

### 3.11 DISCRETIONARY SUSPENSION

- (1) Alpha may, in its sole and absolute discretion, suspend the Member's access to the System for any period of time as Alpha believes is advisable. Alpha shall, where practical, provide prior written notification of such a suspension. Where the provision of prior written notice is impractical, Alpha shall promptly notify the Member that access has been suspended. In each case Alpha shall advise of the reasons for such suspension.

**Commentary:** Examples of situations where Alpha may exercise its discretion to suspend a Member's access to the System include:

1. runaway algorithmic trading by an employee or DMA Eligible Client;
  2. continuous breaches of price band parameters unrelated to a market event;  
or
  3. failure to provide information in response to a request due to concerns about order entry or other Alpha Requirements.
- (2) The Member's access to the System may, at Alpha's discretion, be reinstated upon the Member demonstrating to Alpha's satisfaction that the reasons for the suspension have been remedied.

### 3.12 TERMINATION BY ALPHA WITH NOTICE

- (1) Alpha may terminate a membership by giving not less than 5 days' prior written notice if Alpha has concluded after reasonable investigation that the Member has
  - (a) failed to comply or is not in compliance with Alpha Requirements; or
  - (b) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha.

### 3.13 TERMINATION BY ALPHA WITHOUT NOTICE

- (1) Alpha may terminate a membership without notice if:
  - (a) the Member has committed an act of bankruptcy as provided in the Bankruptcy and Insolvency Act (Canada); or
  - (b) Section 3.4(3) or Section 3.5(3) applies.

**Commentary:** A termination without notice under Section 3.13(1) will only be considered where the continuing trading by the Member will put Alpha or any of its Members at risk of serious immediate harm.

- (2) A Member must give Alpha immediate notice on the occurrence of an act listed in subsection (1)(a).

### 3.14 EFFECT OF SUSPENSION OR TERMINATION

- (1) Upon suspension or termination, Alpha may at its discretion cancel all of the Member's or former Member's open orders or impose any other restrictions and/or conditions on the Member's rights until the Member has been reinstated in accordance with Section 3.14(3) or Section 3.14(4).
- (2) A Member that has been suspended or terminated or that has been deprived of some of the rights of membership under Alpha Requirements does not for that reason alone lose its rights in respect of any claims it may have against another Member unless such rights are expressly dealt with.
- (3) A Member that has been suspended may have its rights reinstated, at Alpha's discretion, upon providing evidence, satisfactory to Alpha in its sole discretion, that the reason for the suspension has been remedied.
- (4) A Member that has had its membership terminated may, no sooner than six months after the date of the termination of membership, reapply for membership with Alpha by following the procedures set out in Section 3.2.

**Commentary:** The requirements in this section 3.14(4) supersede any ability of a Member to re-apply for membership pursuant to the provisions of section 3.5(3).

## PART IV. Access to Trading

### DIVISION 1 — APPROVED TRADERS

#### 4.1 APPROVED TRADERS

- (1) A Member must provide Alpha with the names and identifiers of all Approved Traders.
- (2) A Member must maintain a list of all Approved Traders and their identifiers for the preceding 7-year period.
- (3) A Member must give Alpha written notice of additions or terminations of Approved Traders at least 10 business days prior to the change unless circumstances make such prior notice of a termination impossible, in which case notice must be given as soon as possible.
- (4) The Member shall be responsible for all instructions entered, transmitted or received under an Approved Trader identifier, and for the trading and other consequences thereof.

#### 4.2 ACCESS

- (1) A Member must not allow an employee to enter orders or crosses on Alpha if the person is not properly qualified in accordance with the requirements of a Market Regulator or securities regulatory authority.
- (2) Alpha may suspend an Approved Trader's access to the Alpha Systems without notice if it concludes after reasonable investigation that the Approved Trader is misusing the Alpha Systems or is causing a disorderly market.

**Commentary:** This section includes a conclusion that the Approved Trader has engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha, for example where such conduct, business or affairs would cause technical problems for the Alpha System or a market integrity issue.

- (3) Subject to Section 4.2(2), Alpha may suspend an Approved Trader's access to the Alpha Systems by giving not less than 5 days' prior written notice if Alpha has concluded after reasonable investigation that the Approved Trader has failed to comply or is not in compliance with Alpha Requirements.
- (4) A Member must terminate an Approved Trader's access to the Alpha Systems immediately upon receiving notice and must not reinstate access without Alpha's written approval. If the Member fails to comply with this provision, Alpha shall have the right to take such action as it considers necessary, in its sole discretion, to prevent access to the Alpha Systems by any person, including the termination of the Member's right to access the Alpha Systems in its entirety.
- (5) Upon termination of an Approved Trader, Alpha may in its sole discretion cancel all open orders entered by that trader.

**Commentary:** In making any decision regarding cancellation of orders under this provision, Alpha will take into consideration the interests of the clients of the Member.

A Member shall cease use of the Alpha Systems as soon as practicable after it is notified by Alpha of, or it otherwise becomes aware of or suspects, a technical failure or security breach of the Alpha Systems and shall immediately notify Alpha of such failure or breach of security in accordance with the notice provisions set out in these Trading Policies.

## DIVISION 2 — DMA ELIGIBLE CLIENTS AND MEMBER-SPONSORED ACCESS

### 4.3 SPONSORING MEMBER SUPERVISORY RESPONSIBILITIES

- (1) If a Sponsoring Member provides access to the Alpha Systems to its DMA Eligible Clients, then prior to granting such access, the Sponsoring Member shall enter into a binding legal agreement with such DMA Eligible Client which contains, at a minimum, the [prescribed terms and conditions set out in section 4.5 set out in Schedule 3 to the Member Agreement](#) and shall provide to Alpha any DMA Eligible Client documentation as requested by Alpha from time to time;
- (2) A Sponsoring Member which enters into an agreement with a DMA Eligible Client to transmit orders received from the DMA Eligible Client in accordance with these Trading Policies shall exercise due diligence to ensure that each such DMA Eligible Client complies with all Alpha Requirements and shall put in place policies and procedures governing, and be responsible for, compliance with the Alpha Requirements with respect to the entry and execution of orders transmitted by DMA Eligible Clients through the Member.
- (3) The Sponsoring Member shall have the ability to receive an immediate report of the entry and execution of orders entered by the DMA Eligible Client. The Sponsoring Member shall have the capability of rejecting orders that do not fall within the designated parameters of authorized orders for a particular DMA Eligible Client.
- (4) The Sponsoring Member shall have procedures in place to ensure that DMA Eligible Clients use system interconnects and can comply with the Alpha Requirements and other applicable regulatory requirements.
- (5) The eligibility of DMA Eligible Clients using system interconnects shall be reviewed at least annually by the Sponsoring Member.
- (6) In addition to all other account documentation, the Sponsoring Member shall ensure specifically that the Sponsoring Member or Alpha has the right, at any time and for any reason, including if compelled to do so by any regulatory authority or Alpha to discontinue receiving or processing orders which will be routed to the System from any DMA Eligible Client.

#### 4.4 TERMINATION OF SPONSORED ACCESS

- (1) Alpha may suspend a DMA Eligible Client's access to Alpha Systems without notice if it concludes after reasonable investigation that the DMA Eligible Client has:
- (a) misused the Alpha Systems or has caused a disorderly market;
  - (b) failed to comply or is not in compliance with Alpha Requirements; or
  - (c) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha.
- (2) A Sponsoring Member must terminate a DMA Eligible Client's access to the Alpha Systems immediately upon receiving notice from Alpha or the Market Regulator and must not reinstate access to Alpha Systems without Alpha's written approval.

#### 4.5 TERMS AND CONDITIONS

For the purposes of Section 4.3(1), the agreement between the Member and the DMA Eligible Client shall provide that:

- 1) the DMA Eligible Client will only enter orders in compliance with Alpha Requirements and other applicable regulatory requirements respecting the entry and trading of orders;
- 2) specific parameters defining the orders that may be entered by the DMA Eligible Client are stated, including restriction to specific securities or size of orders;
- 3) the Sponsoring Member has the right to reject an order for any reason;
- 4) the Sponsoring Member has the right to change or remove an order in the Alpha Systems and has the right to cancel any trade made by the DMA Eligible Client for any reason;
- 5) the Sponsoring Member has the right to discontinue accepting orders from the DMA Eligible Client at any time without notice;
- 6) the Sponsoring Member agrees to train the DMA Eligible Client in the Alpha Requirements dealing with the entry and trading of orders and other applicable Alpha Requirements, so that individuals with adequate training and knowledge of applicable regulatory requirements will be provided with access to the Alpha Systems;
- 7) the Sponsoring Member accepts the responsibility to ensure that revisions and updates to Alpha Requirements relating to the entry and trading of orders are promptly communicated to the DMA Eligible Client;
- 8) the Alpha Systems are being provided on an "as is" basis and none of Alpha, its related parties, subsidiaries, affiliates, partners, officers, directors and employees or Member makes any warranty (whether express or implied) as to the operation of the Alpha Systems

or its fitness for purpose. In no event shall Alpha, its related parties, subsidiaries, affiliates, partners, officers, directors and employees have any liability to DMA Eligible Clients under, or related to, the agreement;

1)9) all disclaimers or other limitations shall apply irrespective of the nature of the loss or of the cause of action (including but not limited to breach of contract, breach of warranty, negligence, strict liability, tort) and shall survive a fundamental breach or breaches of the agreement.

## PART V. Governance of Trading Sessions

### DIVISION 1 — GENERAL

#### 5.1 MARKET INTEGRITY AND GENERAL COMPLIANCE REQUIREMENT

- (1) Each Member and each Approved Trader on Alpha shall comply with all Alpha Requirements.

#### 5.2 TIMES OF SESSIONS

- (1) On each business day Alpha will be open for trading sessions.
- (2) Alpha will determine from time to time the opening and closing times for each session and will publish the time of the sessions by Notice to Members.
- (3) The current trading sessions are:
  - (a) System open for queries
  - (b) Pre-opening until the opening call (Pre-Open)
  - (c) Opening Call
  - (d) Continuous trading ~~from the opening call to the closing call~~ (Continuous Trading)session
  - ~~(e) Closing Call~~
  - ~~(f) Extended closing session from the closing call to the final closing call~~ (Extended Closing)
  - ~~(g) Final Closing Call~~
  - ~~(h)~~(e) Extended Trading session

#### 5.3 CHANGES TO TRADING SESSIONS

- (1) The CEO of TMX Group Limited or ~~in his or her absence~~ any person designated by the CEO may at any time in the event of an emergency
  - (a) suspend all trading at any session or sessions or trading in any security during any session or sessions, or
  - (b) close, reduce, extend or otherwise alter the time of any session or sessions.

#### 5.4 TRADES OR QUERIES OUTSIDE OF TRADING SESSION HOURS

- (1) No Member or DMA Eligible Client may make a bid, offer or transaction on Alpha or issue a commitment to trade on Alpha outside trading session hours.
- (2) Members and DMA Eligible Clients have the ability to run queries on the Alpha Systems during and outside of trading session hours.

#### 5.5 TRADING HALTS

- (1) Alpha can initiate a trading halt based on certain external events at any time.

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- (2) The Market Regulator may initiate a trading halt due to market conditions, or to allow for the dissemination of material information by an issuer.
- (3) Trading may be halted by Alpha or any applicable securities regulatory authority.

**Commentary:** Examples of circumstances when a halt may occur include:

1. Halt trading of a security to permit the dissemination of material news; or
2. Halt trading of a security during a trading halt imposed by another marketplace to permit the dissemination of material news; or
3. Halt trading in a security when Alpha determines that extraordinary market activity in the security is occurring, such as the execution of a series of transactions for a significant dollar value at prices substantially unrelated to the current market for the security, as measured by the NBBO; or
4. other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

~~(4) During a halt new orders can be entered and existing orders can be amended or cancelled, but no matching is permitted. Alpha can initiate two types of trading halts based on certain external events.~~

~~(5) During a "full" halt order entry, amendment and matching are not permitted, and orders can be cancelled.~~

~~(6) During a "no matching" halt, new orders can be entered and existing orders can be amended or cancelled, but no matching is permitted.~~

~~(7)(4) After a trading halt is lifted, Once the security is halted the security enters a Pre-open phase allowing for order entry, amendment and cancellation but no matching is permitted. When the halt is lifted an opening auction is initiated, followed by an auction.~~

~~(8)(5)~~ For greater certainty, in the event that the decision as to whether to impose a halt has been outsourced to the Market Regulator, such decision will be made by such Market Regulator and not by Alpha. In all other cases, Alpha may make the decision to impose a trading halt, but Alpha will make all reasonable efforts to coordinate any such decision with the Market Regulator.

**Commentary:** Notification messages pertaining to trading halts are sent out on the Alpha public feed.

## 5.6 PRICE VOLATILITY PARAMETERS

(1) Freeze limits are:

1. configurable for each security and are determined at Alpha's discretion;
2. established by applying a pre-determined price deviation against the most recent independent Alpha trade or another reference price; and

3. breached when an order, if executed, will cause the price of the security to exceed the freeze limit, and produce a temporary suspension of trading on the security.
4. When a security freezes, Alpha staff to assess and determines whether the order will be allowed, and whether to resume trading in the security. While the security is frozen, further order entry is prevented and existing orders cannot be cancelled or modified.

**(2) Bid/Ask limits:**

1. are configurable across the market based on the security's quoted price, and apply automatically to market and better price limit orders; and
2. limit the number of ticks past the best bid price or best ask price an order can trade through.

If an incoming tradable order hits the bid/ask limit and still has volume remaining, the remaining volume is booked at the bid/ask limit.

#### **5.6 EXCEEDING PRICE BAND PARAMETERS (PRICE BAND LIMITS)**

- ~~(1) Alpha may determine price band parameters which set limits based on a variance from the ALSP or any other reference price.~~
- ~~(2) Alpha may change the price band parameters to adjust to changes in the markets or to events on a particular day.~~
- ~~(3) Alpha will publish, through a Member Notice and by posting on its website, the establishment of a price band parameter and any changes (other than those made for a temporary period to adjust to a particular event) before implementation.~~
- ~~(4) During the Continuous Trading session, if a tradable order would trade through the price band parameter or limit for a security, the order will trade up to the price band parameter and any remaining balance will be cancelled.~~
- ~~(5) Price band parameters do not affect execution of crosses and Special Terms trades.~~

#### **5.7 GENERAL CAPACITY THRESHOLDS TO ACHIEVE PERFORMANCE**

- ~~(1) Alpha may determine thresholds based on system capacity criteria.~~
- ~~(2) If a Member or DMA Eligible Client, directly or indirectly, exceeds the threshold, Alpha may take action to mitigate the impact.~~

#### **5.85.7 CANCELLATION AND CORRECTION OF TRADES BY ALPHA**

- (1) Subject to Section 5.89, Alpha retains the discretion to cancel and correct executed trades on Alpha that have not yet been submitted by Alpha to the clearing agency clearance and settlement process for the purposes of mitigating errors made by Alpha in order execution. Cancellation or correction of trades involving orders with regulatory markers (insider or

significant shareholder) will be subject to the guidelines set out by Market Regulator or any other applicable regulator.

**Commentary:** Decisions may require consultation with and instructions by Market Regulator and/or other marketplaces and the counterparties of the trade.

#### **5.95.8 ERROR CORRECTIONS REQUESTED BY MEMBER**

- (1) A Member, and persons authorized by the Member to do so, may seek to have a trade cancelled or changed. ~~Alpha has implemented processes for handling these requests, and has implemented price bands to minimize erroneous trades from occurring. Information regarding the price bands will be published so that Members can efficiently manage risks due to erroneous trades.~~
- (2) Trade Cancellations or Amendments at the Opening:
  - (a) *Requests for cancelling trades that occurred at the opening.* Any trade that occurs during the opening can only be cancelled upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade. .
  - (b) *Requests to amend or correct a trade at the opening.* Any request to change the price or increase the volume of a trade that occurs during the opening can only be amended upon consent of both parties to the trade and consent of a representative of the Market Regulator or upon instructions of a representative of the Market Regulator. Any request to decrease the volume of a trade that occurs during the opening can only be amended upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade.
  - ~~(c) *Impact of hitting the price bands.* Alpha has established price bands for the opening auction. If the COP is outside the price band, then the security will go into delayed opening. Such price bands can be amended from time to time by publication of a notice describing the amended price bands.~~
- (3) Trade Cancellations or Amendments during Continuous Session:
  - (a) *Requests for cancelling trades that occurred during the continuous trading session.* Any trade that occurs can only be cancelled upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel or correct the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade.

(b) *Requests to amend or correct a trade during the continuous trading session.* Any request to change the price or increase the volume of a trade that occurs during the continuous trading session can only be amended upon consent of both parties to the trade and consent of a representative of the Market Regulator or upon instructions of a representative of the Market Regulator. Any request to decrease the volume of a trade that occurs during the continuous trading session can only be amended upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade.

~~(c) *Impact of hitting the price bands.* Alpha has established price bands for the continuous trading session. If an order for a security hits a price band parameter, it will be rejected at the price that is outside the price band. Such price bands can be amended from time to time by publication of a notice describing the amended price bands.~~

~~(4) *Trade Cancellations or Amendments at the Closing Auction*~~

~~(a) *Requests for cancelling trades that occurred at the closing.* Any trade that occurs during the closing can only be cancelled upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel the trade.~~

~~(b) *Requests to amend or correct a trade at the closing.* Any request to change the price or increase the volume of a trade that occurs during the closing can only be amended upon consent of both parties to the trade and consent of a representative of the Market Regulator or upon instructions of a representative of the Market Regulator. Any request to decrease the volume of a trade that occurs during the closing can only be amended upon consent of both parties to the trade or upon instructions of the Market Regulator. The trader can seek the consent of the party on the other side to cancel the trade, request Alpha to seek consent from the contra-party or can call the Market Regulator who can then instruct Alpha to cancel or correct the trade.~~

~~(c) *Impact of hitting the price bands.* Alpha has established price bands for the closing auction. If the CCP is outside the price band, then the security will go into delayed closing. Such price bands can be amended from time to time by publication of a notice describing the amended price bands~~

~~(5)~~(4) Requests for trade cancellations or amendments on T+1 and T+2. Members must send requests for trade cancellations or amendments on T+1 or T+2, for trades executed on T, directly to the Clearing Corporation. Alpha cannot process these requests.

**Commentary:** *Market Regulator time limit.* It is the Member's obligation to promptly contact the Market Regulator if it wants to seek a decision from it regarding whether it will permit a cancellation or amendment. Generally the Market Regulator must be contacted within 30 minutes of the time of the trade.

## DIVISION 2 — ORDER ENTRY

### 5.105.9 ORDER TYPES

<b>Dark</b>	A fully hidden order used to manage passive interest within the IntraSpread™ Facility.
<del>Fill or Kill Immediate or Cancel (FOKIOC)</del>	An order that is to be filled immediately in full or in part, with the unfilled quantity cancelled.
<del>Fill and or Kill (FOAK)</del>	An order that is to be filled immediately in full, or cancelled.
<b>Good for Day</b>	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the end of the continuous trading session
<del>Good for Extended DayDay</del>	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the end of the extended trading session
<b>Good till Cancel</b>	Order that remains valid until it is fully filled or is cancelled by the Member or DMA Eligible Client.
<b>Good till Date</b>	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until a specified expiry date
<del>Good till Time</del>	<del>Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the specified expiry date and time</del>
<del>Inside Match (IM)</del>	<del>Order with a limit price at 50% of the NBBO hat trades with PII orders immediately on entry. Any unfilled balance of an IM order is cancelled. Trades may occur at smaller price increments than the minimum quotation increments contained in UMIR.</del>
<del>Limit on Open</del>	<del>A Limit Order that is only available for execution at the opening call.</del>

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<del>(LOO)</del>	
<b>Limit Order</b>	An order to buy or sell a security at a price equal to, or better than, the specified limit price. An unfilled Limit Order entered during the Pre-Open session will be available for trading in the Continuous Trading session
<del><b>Market on Close (MOC)</b></del>	<del>A Market Order participating only in the closing and executing at the CCP. MOC orders do not participate in the continuous trading session. MOC orders can be entered, modified and cancelled any time between 7:00 a.m. and the closing call. Any unfilled part of the order is killed after the Closing Call.</del> <del><b>Commentary:</b> MOC orders are currently being rejected.</del>
<del><b>Market on Open (MOO)</b></del>	<del>A Market Order that is only available for execution at the Opening Call. Any unfilled MOO orders will be killed when the Continuous Trading Session begins.</del>
<b>Market Order</b>	An order to buy or sell a security at the best price available, up to a specified volume. <del>An unfilled Market Order entered during the Pre-Open session, is booked as a Limit Order for trading in the Continuous Trading session at the COP.</del>
<b>Mixed Lot</b>	An order for at least one Board Lot and an Odd Lot.
<b>Odd Lot</b>	An order for less than a Board Lot.
<b>On-Stop</b>	An order that becomes a <del>Market Order or</del> Limit Order if a specified price (the stop price) is reached, or passed.
<b>Passive Only (PO)</b>	The PO order is cancelled at the time of entry if any portion of the order is immediately tradable. PO orders are also cancelled if the order becomes active due to a price change (i.e., a price amendment). <del>Passive Only is also available for TTM orders.</del>
<del><b>Price Improvement Iceberg (PII)</b></del>	<del>An SI with a non-disclosed, discretionary limit price expressed in a number of ticks beyond its limit price. The PII can match with IM orders at the price of the IM order, if the price of the IM order is equal to or better than the PII discretionary price.</del>
<b>Seek Dark Liquidity™ (SDL™)</b>	<del>A Fill or Kill</del> <u>An Immediate or Cancel</u> order that trades with eligible IntraSpread Dark orders and CLOB orders to the extent possible and any residual is cancelled.

<b>Short Sell</b>	An order to sell a security that the seller does not own (either directly, or through an agent or trustee) at the time of the order.
<b>Special Terms</b>	Orders that are not for standard settlement or that have a minimum execution condition.
<b>Standard Iceberg (SI)</b>	A Limit Order that specifies a total size and a disclosed size. Once the disclosed size is executed in full, the new quantity of the disclosed size is released with time priority corresponding to the release time.

**5-10-15.9.1 PRICE RELATED ORDERS**

A "price-related execution condition" means any restrictions that apply to the price at which an order can execute. Alpha supports the following price conditions:

- (a) **Market Order:** Executed at multiple price levels until the volume of the order is satisfied. The unfilled part of the order is converted to a Limit Order at a price equal to the price of the last fill ~~of the order or the ALSP.~~

**Example:**

**XYZ Security**

Bid	Ask
500 shares — 10.00	10.01 — 500 shares
300 shares — 9.99	10.02 — 200 shares
200 shares — 9.98	

~~A trader enters a Market Order to buy 3000 shares.~~

~~After the trades of 500 shares at \$10.01 and 200 shares at \$10.02, the remaining 2300 shares will be booked at \$10.02.~~

~~The book for XYZ would look as follows:~~

**XYZ Security**

Bid	Ask
2300 shares — 10.02	
-500 shares — 10.00	

<del>300 shares</del> <del>9.99</del>	
<del>200 shares</del> <del>9.98</del>	

- (b) **Limit Order:** Executed at the price equal to or better than the specified limit price.
- ~~(c) **IM Order:** Upon receipt, it will trigger PII orders for an immediate match. Any unfilled part of the IM order is killed. If there are no matching PII orders, the entire IM order is killed.~~

**Example:**

**XYZ Security**

Bid		Ask	
<del>200 shares (1000 reserve)</del>	<del>3.00 (discretionary 3.20)</del>	<del>4.00</del>	<del>200 shares</del>
<del>500 shares</del>	<del>3.00</del>		

~~NBBO is 3.00 - 4.00~~

~~A trader enters a sell Inside Match order for 100 shares with a specified percentage 80%~~

~~The engine assigns a limit of \$3.20 to the IM order~~

~~The IM is matched against the PII order and 100 shares will trade at 3.20~~

~~The book for XYZ would look as follows:~~

**XYZ Security**

Bid		Ask	
<del>100 shares (1000 reserve)</del>	<del>3.00 (discretionary 3.20)</del>	<del>4.00</del>	<del>200 shares</del>
<del>500 shares</del>	<del>3.00</del>		

~~5.10.2 TRADE SESSION RELATED ORDERS~~

~~Some orders are only valid during specific Trading Sessions: MOO, LOO, and MOC.~~

~~5.10.35.9.2 VOLUME- RELATED ORDERS~~

~~These are volume-related execution conditions: FAK-IOC orders and FOK orders.~~

~~**Commentary:** A Fill or Kill Order is known in other marketplaces as an Immediate or Cancel Order (IOC).~~



**5.10.45.9.3** TIME RELATED ORDERS

These are orders with time-related conditions, which limit the time the unfilled part of the order remains in the order book. (Note that for Good till Cancel Orders, Alpha will automatically cancel the order if it is older than a set number of days determined by Alpha. Currently, Good till Cancel orders are cancelled after 90 days).

**5.10.55.9.4** ON-STOP ORDERS

An On-Stop order activates once the specified trigger price is equal to or better than the ALSP. A buy On-Stop order triggers a buy order when the ALSP is greater to or equal to the stop price. A sell On-Stop order triggers a sell order when the ALSP is less than or equal to the stop price.

~~On Stop orders may execute immediately after triggering but before entry in the CLOB. (see example below).~~

The trading system will reject an On-Stop order with a Limit price that is not equal to the trigger price.

~~Commentary: On Stop orders processed via the Trade Through Management Service of the Alpha Router will support On Stop Market Orders and On Stop Limit Orders with a limit price not equal to the trigger price.~~

Example:

XYZ Security

Bid	Ask
500 shares — 10.00	10.04 — 400 shares
200 shares — 9.99	10.05 — 500 shares
300 shares — 9.98	10.06 — 500 shares

~~ALSP is 10.03.~~

~~Trader 1 enters a limit on stop buy order for 600 shares, with trigger and limit price of 10.05.~~

~~A market buy order for 500 shares is entered and executed.~~

~~ALSP becomes 10.05 and triggers the on stop order. The order is immediately executed 400 shares at 10.05 and the remaining 200 shares is booked into the CLOB with a limit price of 10.05~~

~~The book for XYZ would look as follows:~~

~~XYZ Security~~

Bid	Ask
<del>200 shares — 10.05</del>	<del>10.06 — 500 shares</del>
500 shares — 10.00	
200 shares — 9.99	
300 shares — 9.98	

#### 5.10.65.9.5 SHORT SALE ORDERS

A Short Sell order is an order to sell a security that the seller does not own.

**Commentary:** Members are responsible for the identification and designation of short sell and short-marking exempt orders.

#### 5.10.75.9.6 ICEBERG ORDERS

An Iceberg order is a Limit Order containing a total size and a disclosed size. The CLOB displays the disclosed size. Once the displayed size is completely executed, the CLOB will display another order equal to the originally disclosed size and the undisclosed size, or reserve, will be reduced accordingly.

~~A PII order is an SI order with a hidden, discretionary limit price expressed as a number of ticks beyond its limit price. The PII can match with IM orders at the price of the IM order, if the price of the IM order is equal to or better than the PII discretionary price.~~

#### 5.10.85.9.7 SPECIAL TERMS ORDERS

Special Settlement Terms: Orders with settlement terms that differ from the standard settlement terms.

#### 5.10.95.9.8 MIXED AND ODD LOT ORDERS

A Mixed Lot order is a Market Order or Limit Order for a quantity that is larger than a Board Lot but is not a Board Lot.

An Odd Lot order is a Market Order or Limit Order for a quantity that is less than a Board Lot.

#### 5.115.10 ACCOUNT TYPES

- (1) The Alpha Systems support order entry for:
- (a) Client accounts;
  - (b) House or principal accounts;
  - (c) Non-client accounts;
  - (d) Options Market Maker;
  - (e) Options Firm;

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- (f) Equity Specialist; ~~and~~  
 (g) ~~Orders entered for execution of a Normal Course Issuer Bid (i.e. NCIB).~~

### 5.125.11 CROSSES

- (1) A Member or DMA Eligible Client may report crosses made outside the CLOB subject to any regulatory provisions applicable to the entry of crosses.  
 (2) Subject to any regulatory provisions, crosses other than Specialty Price crosses during the Continuous Trading session must be entered at a price that is at or within the ABBO.

~~(3) National Crosses entered during the continuous trading session must be made at a price that is at or within the NBBO.~~

~~(4) Crosses can be entered at any price during the Extended Trading session provided the Member complies with the Alpha process.~~

~~**Commentary:** Crosses entered during the Extended Trading session at the Closing Price can be entered by the Approved Trader through the Alpha Systems. For crosses at any other price during the Extended Trading Session, Alpha must be in receipt of a completed "Extended Trading Cross Request" Form prior to executing the cross in the Extended Session. This form must be received between 4:15 and 4:50 pm on the day the cross is to be entered. The Extended Session cross will be entered by a representative of Alpha in accordance with the submitted request and confirmed to the client by email. Alpha will confirm that the price of the cross is at or within the NBBO at the time Alpha receives the order. If the price is not at or within the NBBO, the cross will be rejected. Alpha staff will also confirm that the price of the cross would not trade outside a better priced order in the Alpha CLOB at 4 pm. If the cross would in fact trade outside a better priced order in the Alpha book, the cross will be rejected. Alpha will not be responsible for a Member's compliance with applicable securities regulation or rules of a Market Regulator. A Bypass Cross entered in the Extended Trading Session is allowed at any price. As a result, the submission of a completed "Extended Trading Cross Request" Form is not required for crosses marked bypass.~~

~~(5)(3) Bypass Crosses are only allowed on a regular Alpha cross (no BBO check), and are not allowed on SPC Contingent Cross, Internal Cross, National Cross and SST Cross. A bypass Cross is exempt from cross interference, is only allowed on round lots and mixed lots and does not update NLSP.~~

~~(6)(4) Jitney Crosses will reflect the Jitney order designation on both sides of the cross.~~

~~(5) An internal cross is an intentional cross at or between the best bid/ask and between two client accounts of a Member which are managed by the Member as a portfolio manager with discretionary authority and is not subject to interference.~~

### 5.135.12 SPECIALTY PRICE CROSSES

(1) Basis Cross

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A trade whereby a basket of securities or an index participation unit is transacted at prices achieved through the execution of related exchange-traded derivative instruments which may include index futures, index options and index participation units in an amount that will correspond to an equivalent market exposure.

(2) VWAP Cross

A transaction for the purpose of executing a trade at a volume-weighted average price of a security traded for a continuous period on or during a trading day on Toronto Stock Exchange.

(3) Contingent Cross

A trade resulting from a paired order placed by a Participant Member on behalf of a client to execute an order on a security that is contingent on the execution of a second order placed by the same client for an offsetting volume of a related security.

(4) Special Trading Session (STS Cross)

An STS Cross is a closing price cross resulting from an order placed by a Participant Member on behalf of a client for execution in the Special Trading Session at the last sale price.

(1) A Specialty Price cross is one of the following:

<u>Basis Cross</u>	<u>A cross of at least 80% of the component share weighting of the basket of securities or index participation unit that is the subject of the basis trade. A Member shall report details of the transaction to Alpha and the Market Regulator in the format and at the time required by Alpha and the Market Regulator and such information shall include complete details relating to the calculation of the price of the basis trade and all relevant supporting documentation</u>
<u>Volume-Weighted Average Price (VWAP) Cross</u>	<u>A VWAP trade price based on all trades during the Continuous Trading session. A VWAP trade price calculated on any other basis must be determined in such a manner that the time period for calculating the volume-weighted average price commences after the receipt of the order by the Member and the types of trades to be excluded from the calculation are determined prior to the commencement of the calculation. A Member shall report details of the transaction to Alpha and the Market Regulator in the format and at the time required by Alpha and the Market Regulator.</u>

(2) Specialty Price Crosses may be executed during the Continuous Trading session and the Extended Trading session.

- ~~(1) Specialty Price Crosses will not be reflected in the ALSP and will not be used in the calculation of the ACP.~~
- ~~(2) Specialty Price Crosses must contain the order identifier required by the Market Regulator.~~

**5.145.13 BYPASS ORDER**

- (1) A Bypass Order must be entered as a Limit Order during the Continuous Trading ~~or Extended Trading~~ sessions.
- (2) The Bypass marker is only allowed on Board Lot orders.
- (3) A Bypass Order only executes against disclosed volume.

**Commentary:** All Bypass Orders are ~~FOK/FAKIOC~~; as a result all CFO or Cancel instructions with the bypass marker are rejected. ~~It can be used through the Trade Through Service and updates the national last sale price (NLSP) which is the most recent trade of at least a Board Lot on any marketplace, other than a Special Terms trade.~~

Example 1:

The book for XYZ would look as follows:

XYZ Security

Buy Volume	Bid	Offer	Sell Volume	Non-disclosed/Reserved Volume
500 shares	\$2.00	\$2.50	200 shares	800 shares
		\$2.51	500 shares	
		\$2.53	200 shares	1000 shares

~~A user enters a Bypass Limit Order to buy 1000 @2.54~~

~~The order is validated and accepted by the system~~

~~The order is checked against the order book~~

Three trades occur:

- ~~• 200 @2.50~~
- ~~• 500 @2.51~~
- ~~• 200 @2.53~~

~~The remaining 100 of the Bypass Order is cancelled (Bypass Order is always FOK or FAK).~~

~~ALSP updates to 2.53~~

~~Post Trade:~~

~~XYZ Order Book~~

<del>Buy Volume</del>	<del>Bid</del>	<del>Offer</del>	<del>Sell Volume</del>	<del>Non-disclosed/Reserved Volume</del>
<del>500 shares</del>	<del>\$2.00</del>	<del>\$2.50</del>	<del>200 shares</del>	<del>600 shares</del>
		<del>\$2.53</del>	<del>200 shares</del>	<del>800 shares</del>

~~**Commentary:** UMIR Rule 6.2 Designations and Identifiers, clarifies the responsibility of ensuring that each order in any marketplace has specific identifiers and designations upon entry.~~

**5.155.14 CANCEL ON DISCONNECT**

- ~~(1) — Cancel on disconnect (COD) is an optional gateway session feature that will restrict order entry capability of specified session bundles and attempt to cancel all entered outstanding open orders per session upon involuntary loss of connectivity between TMX and the client. Once the COD is triggered, the associated session bundle will be blocked and new orders entered will be rejected on the associated order entry port until session is re-opened and re-established upon client requests. All open orders pertaining to the associated session bundle will be cancelled, with the exception of duration orders (i.e. GTC/GTD) and cancellation due to the stock/stock group state (e.g. stock is frozen, stock state is inhibited). Orders may be marked Cancel on Disconnect. The Alpha Systems will cancel all orders that are designated Cancel on Disconnect when the user is logged out from the trading system. When the session for the user in question is either disconnected or logged out, no matter whether it is planned or not, executed by the user or not, then any orders marked as cancel on disconnect managed through this session will be cancelled.~~

**5.15 SELF TRADE MANAGEMENT**

- (1) Alpha Self Trade Management is a designation that suppresses trades that occur in the Continuous Trading Session in the CLOB from the public feed, and prevents trades between two Dark orders in the IntraSpread™ facility, where orders on both sides of the trade are from the same Member and contain the same “self trade key” set by the Member.
- (2) Self Trade Management applies only to unintentional trading (e.g. does not apply to intentional crosses).
- (3) The designation is only applicable in Continuous Trading in CLOB and IntraSpread™.
- (4) Self trades that occur in the CLOB Continuous Trading Session are not disseminated on the public trade messages and do not update the last sale price, daily volume and turnover, or other trading statistics.
- (5) The designation is applicable to board lot orders and board lot portion of mixed lot orders.

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**Commentary:** The unique trading key provided by the Member for Self Trade Management is intended for use only on buy and sell orders for accounts that may result in trades where there is no change in beneficial or economic ownership.

### **5.16 SELF TRADE PREVENTION**

- (1) An optional feature that prevents two orders from the same broker from executing against each other based on unique trading keys defined by the broker. An active order is rejected instead of trading against a resting order from the same broker with the same unique trading key.

### **~~5.16 TRADES ON A "WHEN ISSUED" BASIS~~**

- ~~(1) Alpha may post any security to trade on a when issued basis if such security is approved for listing as an Alpha Listed Security prior to the closing of the offering related to such security.~~
- ~~(2) Alpha may trade any OTS on a when issued basis if it is trading on a when issued basis on the marketplace where it has been conditionally listed.~~
- ~~(3) Unless otherwise specified, trades on a when issued basis are subject to all applicable Alpha Requirements relating to trading in an Alpha Listed Security or OTS, notwithstanding that the security has not yet been issued.~~
- ~~(4) All trades on a when issued basis shall be cancelled if the securities subject to such trades will not be listed.~~

### **~~5.17 ADVANTAGE GOES WITH SECURITIES SOLD~~**

- ~~(1) Except as provided in section 5.18(2), in all trades of Alpha Listed Securities or OTSs, all entitlements to receive dividends or any other distribution made or right given to holders of that security shall pass with the security and shall belong to the purchaser, unless otherwise provided by Alpha for Alpha Listed Securities or the listing market of the OTS, as applicable, or the parties to the trade by mutual agreement.~~
- ~~(2) In all sales of listed bonds and debentures, all accrued interest shall belong to the seller unless otherwise provided by Alpha for Alpha Listed Securities or the listing market of the bonds or debentures for OTSs, or parties to the trade by mutual agreement.~~
- ~~(3) Claims for dividends, rights or any other benefits to be distributed to holders of record of listed securities on a certain date shall be made in accordance with the procedures established by the Clearing Corporation.~~
- ~~(4) If subscription rights attaching to securities are not claimed by the persons entitled to those rights at least twenty-four hours before the expiration of the time within which trading in respect of such rights may take place on Alpha, a Member holding such rights may, in its discretion, sell or exercise all or any part of such rights, and shall account for such sale or~~

~~exercise to the person or persons entitled to such rights, but in no case shall a Member be liable for any loss arising through failure to sell or exercise any unclaimed rights.~~

### ~~5.18 FOREIGN CURRENCY TRADING~~

- ~~(1) A report of a cross trade agreed to in a foreign currency shall be converted to Canadian dollars using the mid-market spot rate or 7-day forward exchange rate in effect at the time of the trade, plus or minus 15 basis points.~~
- ~~(2) If the converted price falls between two ticks, trades shall be done at each of the ticks immediately above and below the converted price for the number of shares, which yields the appropriate average price per share.~~
- ~~(3) The Member making the cross shall keep a record of the exchange rate used.~~

~~**Commentary:** The cross must be at or within the NBBO when entered.~~

### ~~5.195.17 UNATTRIBUTED ORDERS~~

- (1) Members and DMA Eligible Clients may enter orders on an attributed or unattributed basis.  
**Commentary:** When an order is entered in an Alpha order book, the identity of the Member will be disclosed to the trading community for attributed orders and will not be disclosed for unattributed (anonymous) orders.
- (2) Orders with Special Settlement terms must be attributed.

### ~~5.205.18 ALPHA INTRASPREAD™ FACILITY~~

- (1) Scope
- (a) Alpha IntraSpread™ facility allows Members to seek order matches without pre-trade transparency. It can also provide price improvement to active orders.
  - (b) The IntraSpread™ facility is available to all Members and for all symbols traded on Alpha .
  - (c) Order types in the Alpha IntraSpread™ facility include Dark orders and Seek Dark Liquidity™ (SDL™) orders.
- (2) Dark Orders
- (a) The Dark order is a fully hidden order with no pre-trade transparency.  
**Commentary:** Dark orders have no pre-trade transparency as information on Dark orders is not disseminated on any public feeds.
  - (b) Dark orders can trade with other Dark orders or with SDL™ orders, but do not trade with CLOB orders.
  - (c) Based on the COMP attribute, the Dark order can trade as follows:
    - (i) only with incoming SDL™ orders, or
    - (ii) only with other Dark orders, or
    - (iii) with both SDL™ and Dark orders.



- (d) The price of a Dark order is calculated as an offset of the NBBO by adding the price offset to the national best bid for a buy order and subtracting it from the national best offer for a sell order.
    - (i) The price offset is calculated as a percentage of the NBBO:
      - (1) (A Touch Dark Order will be calculated at 0% of the NBBO (at the BB for a sell order and at the BO for a buy order), or(
      - (2) A Midpoint Dark Order will be calculated at 50% of the NBBO.;
    - (ii) The price of the Dark order can be optionally capped.
    - (iii) If relevant side of the NBBO is not set, or the NBBO is locked or crossed, Dark orders will not trade.
  - (e) Touch Dark orders:
    - (i) trade with incoming Large SDL orders after all visible and iceberg reserve volume in the CLOB a the same price has been exhausted;
    - (ii) trade with incoming Small SDL orders after all visible and iceberg reserve volume in the CLOB at the same price has been exhausted and if no visible volume at the same price is available on other markets;
    - (iii) do not trade with other Dark orders.
  - (f) Midpoint Dark orders trade with:
    - (i) all incoming SDL orders, regardless of SDL order size;
    - (ii) other Midpoint Dark orders, if COMP attribute of both Dark Orders supports trading against Dark orders.
  - (g) Dark orders must be for a board lot quantity and are day only orders.
  - (h) Dark orders cannot be Iceberg, On-Stop, ~~Inside Match, FOKIOC, FAKFOK, MOO, LOO, MOC,~~ Special Terms, Bypass, or Passive Only, ~~TTM or ROC.~~
  - (i) Dark orders can be amended for quantity, price offset and price cap, in addition to other standard amendable order attributes.
  - (j) Dark order marked with the MAQ attribute may specify the minimum acceptable number of shares that it will trade against when trading with another Dark order. The MAQ condition does not apply to trades against SDL orders.
  - (k) Dark orders marked with the STM attribute will not trade with a matching STM marked Dark order from the same Member account.
- (3) Seek Dark Liquidity™ (SDL™) Orders
- (a) SDL™ orders trade with eligible Dark orders and transparent orders in the Alpha CLOB while not trading through price levels on other marketplaces.
  - (b) SDL™ Orders can only be entered on behalf of Retail Customers.
 

**Commentary:** It is expected that Members have policies and procedures in place in regards to identifying which accounts qualify and supervisory procedures to monitor ongoing compliance. If Alpha deems that a firm is entering SDL™ orders from non-retail clients, it may take appropriate action against the firm in question (i.e. access to IntraSpread).

- (c) SDL™ orders can be market or limit orders but are treated as ~~FOK-IOC~~ – they trade with eligible orders to the extent possible, and any residual is cancelled.
  - (d) SDL™ orders must be for a board lot quantity.
  - (e) SDL™ orders cannot be Iceberg, On-Stop, ~~Inside Match, FAKFOK, MOO, LOO, MOC,~~ Special Terms, Bypass, or Passive Only.
  - (f) SDL™ orders are marked with a Seek Liquidity Type attribute which will determine what type of liquidity the orders will interact with. There are three values for the Seek Liquidity Type attribute:
    - (i) All Dark and Lit: SDL™ orders marked with this attribute value will trade with all eligible Dark and visible orders.
    - (ii) Price Improving Dark Only: SDL™ orders marked with this attribute value will only trade with Dark orders that offer a price improvement.
    - (+)(iii) All Dark orders: SDL™ orders marked with this attribute will trade with all eligible Dark orders whether price improvement is offered or not. SDL™ orders marked with this attribute value will not interact with visible orders, ~~TTM or ROC.~~
- (4) Eligible Trading Sessions
- (a) Dark orders are accepted in Pre-Open and Continuous Trading sessions (from 7:00am to 4:00pm).
  - (b) Dark orders trade in the Continuous Trading Session but do not participate in opening or closing auctions.
  - (c) SDL™ orders are accepted only during the Continuous Trading Session (from 9:30am to 4:00pm)
- (5) Post-trade Transparency
- (a) IntraSpread™ trades are disseminated on the public data feed in real-time. These trades set the Alpha last sale price (ALSP) and/or the NLSP.
  - (b) Trade prices may have up to three decimal places for prices above \$0.50 and up to four decimal places for prices below \$0.50.
- (6) IntraSpread™ Matching
- (a) Incoming SDL™ orders trade with eligible resting Dark and CLOB orders in price priority.
  - (b) Within a price level, transparent and Iceberg reserve CLOB volume has priority over Dark orders.
  - (c) Subject to Section 5.23(6)(a) and (b), resting Dark orders are matched with incoming Dark orders and SDL™ orders according to the following allocation priority:
    - (i) Broker preferencing: Dark orders from the same Member have priority, then
    - (ii) Smart size priority: Dark orders with sufficient size to fully fill the incoming order have priority, then
    - (iii) Round-robin priority: Dark orders take turns interacting with the incoming order. Each time a Dark order is inserted, it trades, or its priority is changed

through amendment, the order is placed at the bottom of the round-robin priority queue.

**Commentary:** Unlike in the CLOB, Broker preferencing is observed regardless of whether the order on either side is marked anonymous. ~~In addition, orders designated as Jitney are subject to broker preferencing.~~ Resting CLOB orders are matched with incoming SDL™ orders according to CLOB allocation priority.

### **DIVISION 3 — ~~TRADING AT THE OPENING~~Pre-Open Session and Opening CallAuction**

#### **5.21—DISPLAY OF ORDERS**

Market and limit priced orders can be entered but will not be executed until 9:30am. The Calculated Opening Price (COP) is calculated, displayed and updated continuously from 7:00am to 9:30am. The COP is determined as the price where the most shares can trade at the price closest to the previous day's closing price. Orders priced more aggressively than the current COP are displayed at the COP price instead of revealing their true limit price. Market priced orders are also displayed at the COP instead of revealing their unconditional market price. Limit orders that were previously booked as good 'till cancelled or good 'thru date also participate. Odd lot orders do not participate in the opening auction. Odd lot orders with a price equal to or better than the opposite side of the first continuous session quote will auto-execute at the price of that quote against the odd lot dealer.

#### **(1) Market On Open Allocation**

Allocation is guaranteed for most orders that are priced at or better than the COP as of 9:30am (with a few exceptions). Undisclosed portions of iceberg orders have the same priority as disclosed portions. The general matching of orders is still performed sequentially with first allocation based on best price/same broker/latest time with the specific rules outlined below

#### **(2) Guaranteed orders**

Aggressively priced displayed limit orders that are better than the COP and displayed market priced orders are both guaranteed to trade fully in the opening. Non-displayed portions of these orders will contribute to COP formation but the non-displayed portions are not guaranteed. A guarantee means that the security will not open unless the guaranteed portions of these orders are completely filled. In the event that the guaranteed portions of orders are not filled the security will not open until either more liquidity is provided to offset the guaranteed portions of orders or (after a delay) the guaranteed orders themselves are either removed or price adjusted. All orders not filled during the

opening are subsequently booked in the continuous market at their limit price and are then eligible to trade throughout the day in the continuous market.

- ~~(1) — During the pre-opening session, Market Orders and better-priced Limit Orders will be displayed at the COP.~~
- ~~(2) — Between the hours of 7:00 a.m. and the Opening Call, CLOB orders will be displayed and the COP and the imbalance are disseminated. During this time the following orders can be entered, modified or cancelled:~~
  - ~~(a) — Market Order~~
  - ~~(b) — Limit Order~~
  - ~~(c) — Order with time conditions~~
  - ~~(d) — Market on Open Order~~
  - ~~(e) — Limit on Open Order~~
  - ~~(f) — Market on Close Order~~
  - ~~(g) — On Stop Order~~
  - ~~(h) — Short Sell Order~~
  - ~~(i) — Standard and Price Improvement Iceberg Order~~
  - ~~(j) — Odd Lot Order~~
  - ~~(k) — Mixed Lot Order~~
  - ~~(l) — Dark Order~~

## ~~5.22 OPENING CALL~~

- ~~(1) — The Opening Call for each security will occur at a random time between 9:30:00 a.m. and a time specified by Notice.~~
- ~~(1) — Each security will open at the COP.~~

**Commentary:** ~~The COP is calculated to maximize the traded volume. If there are two prices at which the same volume will trade, the COP is the price that will leave the smallest imbalance. If there is more than one price that satisfies the second rule, then the price that does not leave the better priced order in the book will be the COP. If the imbalances are equal, and no price leaves better priced orders in the book, the price will be the one closest to the previous day's closing price. For the purposes of determining the COP, Market Orders are assigned the worst price on the opposite side of the book, or if that price is not available, the best price of its own side.~~
- ~~(2) — Orders will be matched at the COP in the following priority:~~
  - ~~(a) — Better priced Limit and LOO orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then~~
  - ~~(b) — Better priced Limit and LOO orders trade with all other offsetting orders according to time priority; then~~

- ~~(c) Market and MOO Orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then~~
- ~~(d) Market and MOO Orders trade with all other offsetting orders, according to time priority; then~~
- ~~(e) Limit and LOO Orders at the COP trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then~~
- ~~(f) Remaining orders in the Opening Call trade with offsetting orders, according to time priority.~~

~~**Commentary:** Limit Orders and LOO Orders have the same priority. Market Orders and MOO Orders have the same priority.~~

- ~~(3) Market Orders that are not completely filled in the Opening Call will be booked in the CLOB as Limit Orders at the COP.~~
- ~~(4) Limit Orders that are not completely filled in the Opening Call will be booked in the CLOB at the original limit price.~~
- ~~(5) The unfilled balance of any LOO and MOO Order will be cancelled immediately after the opening call.~~

### ~~5.23 DELAYED OPENINGS~~

- ~~(1) Alpha may delay the opening of a security for trading on Alpha for the following reasons:~~
  - ~~(a) Opening Deviation Price Band Validation. If the COP differs from the previous day's ACP (adjusted to the Closing price of the listing marketplace) by an amount greater than the price band parameters set by Alpha and provided to Members by way of a Member Notice, or~~
  - ~~(b) Opening Markets Conditions Price Validation. If the COP of an OMC Security is~~
    - ~~(i) Lower than each of the NBB, NBO and NLSP by more than the market conditions price variation parameter, or~~
    - ~~(ii) Higher than each of the NBB, NBO and NLSP by more than the market conditions price variation parameter.~~
  - ~~(c) Alpha determines that it is appropriate due to market conditions.~~

~~**Commentary:** If a security is listed on both Alpha and another Canadian exchange, the ACP will be based on the closing price of the initial listing marketplace.~~

- ~~(1) During a delayed opening, a Member may place new orders and cancel or amend existing orders regarding the security that is subject to the delay.~~

~~**Commentary:** With every change in the boo, the COP is recalculated and revalidated using the updated pricing band validation and can move out of the delayed state immediately.~~

## **DIVISION 4 — CONTINUOUS TRADING SESSION**

**5.245.19 ESTABLISHING PRICE AND TIME PRIORITY**

- (1) An order, other than a Special Terms order, entered in the CLOB at a particular price will be executed in priority to all orders at inferior prices.
- (2) Except as provided in section 5.28, an order at a particular price, other than a Special Terms order, will be executed prior to any orders at the same price entered subsequently in time, and after all orders at the same price entered previously ('time priority').
- (3) An undisclosed portion of an order does not have time priority until it is disclosed.
- (4) An order loses its time priority if its disclosed volume is increased
- (5) Special Terms orders have no priority in the CLOB.

**5.255.20 ALLOCATION OF TRADES**

- (6) Internal Crosses, unattributed Intentional Crosses and Specialty Price crosses may be entered without interference from orders in the CLOB at that price.
- (7) Intentional attributed crosses will be subject to interference only from attributed orders in the CLOB from the same Member according to time priority.
- (8) A tradable order entered in the CLOB will be executed in the following sequence:
  - (a) against offsetting orders entered in the CLOB by the same Member, according to the time of entry of the offsetting order, provided neither order is an unattributed order; then
  - (b) against offsetting orders in the CLOB according to time priority.

**~~DIVISION 6 — EXTENDED CLOSING SESSION:~~****~~5.26 ADDITIONAL CLOSING CALL~~**

- ~~(1) If the CCP for a security exceeds the price band parameters set by Alpha, an Extended Closing session for the security will follow.~~
- ~~(1) During the Extended Closing session, Market Orders, Limit Orders and MOC orders may be entered, modified and cancelled.~~
- ~~(2) During the Extended Closing session a new CCP will be calculated.~~
- ~~(3) At the end of the Extended Closing session, a Closing call will occur at a random time between 4:10:00 p.m. and 4:10:30 p.m.~~  
~~**Commentary:** If this new Calculated Closing Price does not exceed the price band parameters, it will become the ACP.~~
- ~~(4) Orders will be executed in the new Closing Call in the priority listed in section 5.23.~~
- ~~(5) If the new CCP exceeds the price band parameters, Alpha may set a Closing Price within the price band parameters.~~

**5.27 CLOSING PRICE ADJUSTMENT**

~~(1) The Alpha Closing Price for all OTSs will be adjusted overnight to reflect the closing on the listing marketplace, which will be the listing marketplace unless otherwise identified by Notice.~~

**Commentary:** If a security is listed on both Alpha and another Canadian exchange, the ACP will be based on the closing price of the initial listing marketplace.

**DIVISION 7.5 — EXTENDED TRADING SESSION:**

During the Extended Trading Session, odd lots, board lots and crosses can trade at the ALSP set during the CLOB session. Orders priced at or better than the Last Sale Price are carried forward from CLOB and where those order prices are better than the LSP those orders are eligible to trade in the Extended Trading Session at the LSP.

**DIVISION 6 — Order Protection Rule:**

The following features are supported by Alpha related to the Order Protection Rule (OPR):

(a) Directed Action Order (DAO)

The private DAO marker is an implicit or explicit order instruction as defined in NI 23-101. Orders are considered to be DAO by Alpha for all Alpha orders provided directly to the order entry gateway from a Member's system, or if the explicit DAO marker is provided. DAO orders trade or book without any attempt to protect better-priced orders on away markets. The responsibility to prevent trade-throughs for orders considered DAO is assumed by the Member.

~~(a)(b)~~ **Protect Cancel**

~~This order designation is specific to DAO orders sent to Alpha.~~ These orders will execute to the extent possible at the NBBO before cancelling any residual volume that would trade at a worse price than available on another marketplace, or unintentionally lock/cross the market.

~~(b)(c)~~ **Protect Reprice**

~~This order designation is specific to DAO orders sent to Alpha.~~ These orders will execute to the extent possible at the NBBO before adjusting the price of any residual volume that would trade at a worse price than available on another marketplace or unintentionally lock/cross the market. Orders will be re-priced to one tick from the opposite of the NBBO (NBO-1 for buy orders and NBB+1 for sell orders).

(d) OPR Route Out Service

Alpha will use the OPR Route Out Service provided by TSX Inc. may be used to comply with the Order Protection Rule. Members not prepared to accept the default designation of orders as DAO can have their orders intermediated by the OPR Route Out Service made available through the TSX Smart Order Router. The use of this service, which will route orders to other marketplaces with better priced orders, requires Members to send orders to the TSX SOR through a separate SOR connection.

Order routing is offered as part of the OPR Route Out Service. Members have a choice of two best price compliant routing algorithms to comply with the Order Protection Rule obligation.

**Slice and Spray**

A single spray of child orders is sent for a simultaneous depth-of-book sweep. Child orders are sized to match visible quotes, hence no interaction with hidden liquidity. Any residual, unfilled portion is posted on preferred marketplace.

**Iterative**

A sequence of child orders generated and iteratively routed to venue with best price for a top-of-book sweep while fully accessing hidden volume where present, until parent order is filled. Any residual, unfilled portion is posted on preferred marketplace.

**5.28 ELIGIBLE SECURITIES TRADE AT ACP**

~~(1) All Alpha Listed Securities and OTSs shall be eligible for trading during the Extended Trading session at the Alpha Closing Price for each security.~~

~~**Commentary:** See Section 5.12 for facilitation of Intentional Crosses at any price.~~



## PART VI. ~~Market Makers and Odd Lot Dealers~~

### DIVISION 1 — Odd Lot Dealers

#### 6.1 RESPONSIBILITIES OF ODD LOT DEALERS

Where the Exchange allocates listed securities to an Odd Lot Member, the Odd Lot Member shall be responsible for guaranteeing odd lot bids or offers, through orders generated automatically by the trading system

- (1) Inventory of securities traded in odd lots is considered the property and the responsibility of the Odd Lot Member.
- (2) The Odd Lot Member may assign one or more of its own Approved Trader employee(s) as its Odd Lot Trader(s). The Odd Lot Member may assign the performance of their responsibilities for trading in their Assigned Securities to DMA Eligible Clients or Approved Traders of DMA Eligible Clients. (The UMIR exemptions applicable to “marketplace trading obligations” only apply with respect to the Market Maker’s odd lot activities.)
- (3) Each Odd Lot Member may be assigned and maintain a number of securities in their odd lot inventory.
- (4) New Members will be invited to apply to participate in odd lot trading of said securities at the discretion of the Exchange.
- (5) If an Odd Lot Member is requested by the Exchange to withdraw from the pool of Odd Lot Members, the Exchange will provide the Odd Lot Member with no less than 6 months notice before the Exchange reassigns the odd lot inventory to another Odd Lot Member or to a new Member.
- (6) If an Odd Lot Member wishes to give up any part of its Odd Lot Inventory, it must give the Exchange not less than 60 days notice of its intention to withdraw its services.
- (7) The method of allocating and/or reallocating odd lot securities between Odd Lot Members will be determined by the Exchange.
- (8) A name change and/or symbol change of an issue will not be considered, for purposes of odd lot inventory allocation, as a new security.

### DIVISION 1 — Market Makers for their Assigned Other Traded Securities

#### ~~RESPONSIBILITIES OF MARKET MAKERS FOR THEIR ASSIGNED OTHER TRADED SECURITIES~~

~~A Market Maker for Traded Securities must trade for its own account in a sufficient degree to ensure reasonable price continuity and liquidity for the securities assigned to it.~~

~~In particular, a Market Maker for an Traded Security must meet the criteria and any other requirements established in the applicable Market Maker Agreement in order to receive the applicable benefits set out in the Market Maker Agreement.~~

~~A Market Maker must act as the Odd Lot Dealer for their Assigned Securities.~~

~~**Commentary:** Not more than one Market Maker will be appointed as a Market Maker for a Traded Security.~~

~~A Market Maker must appoint, in writing, a trading officer, director or partner of the Member as its Market Maker Contact.~~

~~A Member wishing to be appointed as a Market Maker must be willing to be assigned at least 200 securities, unless Alpha consents to a lower number.~~

~~The Market Maker Contact:~~

~~— serves as the primary contact with Alpha, with authority to speak for the Member concerning its activities as a Market Maker; and~~

~~— manages the Member's market making responsibilities.~~

~~The Market Maker shall implement policies and procedures to monitor the conduct for compliance with these Trading Policies applicable to the Market Maker and changes to such policies.~~

~~Market Makers may assign the performance of their responsibilities for trading in their Assigned Securities to DMA Eligible Clients or Approved Traders of DMA Eligible Clients.~~

~~The UMIR exemptions applicable to "marketplace trading obligations" only apply with respect to the Market Maker's odd lot activities.~~

~~The Market Maker for who has odd lot responsibilities must accept and honour automatic execution of Odd Lot Orders.~~

## **DIVISION 2 — TRADING IN THE ODD LOT BOOK**

### **6.2 SESSIONS, DATES AND TIMES FOR ODD LOT ORDERS**

~~(1) Odd Lot Orders may be entered for trading during the Pre-Open Phase and Continuous Trading Session.~~

~~(2) Odd Lot Orders may be executed during the Continuous Trading Session.~~

### **6.3 CONTINUOUS TRADING SESSION.**

~~(1) Incoming Odd Lot Market Orders will auto-execute at the time of order entry, at the Alpha Best Bid and Offer price (sell orders at the best bid and buy orders at the best offer).~~

~~(2) Incoming Odd Lot Limit Orders~~

~~(a) with price equal to or better than the Alpha Best Bid and Offer will auto-execute at the time of order entry, at the Alpha Bid and Offer price, and~~

~~(b) all other Odd Lot Limit Orders will be booked in the OLOB.~~

~~(a) Odd Lot Limit Orders booked in the OLOB will be executed at their limit price .~~

~~(3) For Mixed Lot Orders,~~

~~(a) the round lot portion will trade in the CLOB using regular CLOB matching mechanism, and~~

(b) the Odd Lot portion will auto-execute when the last Board Lot of the round lot portion is executed, at the price of its limit.

#### **6.4 OPENING SESSION**

(1) Odd Lot Orders do not participate in the opening auction.

(2) If trades are executed in the Opening,

(A) Odd lots orders with a price equal to or better than the opposite side of the first continuous session quote will auto-execute at the price of that quote against the odd lot dealer.

## ~~PART VI. — Lead Market Makers, Market Makers and Odd Lot Dealers~~

### ~~DIVISION 1 — LEAD MARKET MAKERS AND MARKET MAKERS~~

#### ~~6.1 — APPOINTMENT OF LEAD MARKET MAKERS AND MARKET MAKERS~~

~~(1) — Alpha shall appoint a Member as Lead Market Maker for an Alpha Listed Security, and may appoint a Member or Members as a Market Maker for an Alpha Listed Security, each for the term specified in the Lead Market Maker or Market Maker Application Form and Agreement, as applicable.~~

~~**Commentary:** It is expected that initially, there will be only one Lead Market Maker for a security and, where appropriate, an additional Market Maker for such security. Not every Alpha Listed Security will be assigned a Market Maker.~~

~~(1) — Alpha may appoint a Member as a Market Maker for an OTS for the term specified in the Market Maker Agreement for OTS.~~

~~(1) — A Member wishing to be appointed as a Lead Market Maker for a particular Alpha Listed Security or Market Maker for a particular Alpha Listed Security or OTS must apply and agree to the terms of the applicable Lead Market Maker or Market Maker Application Form and Agreement.~~

~~(2) — Alpha may~~

~~(a) — approve an applicant;~~

~~(b) — defer approval pending receipt of further information concerning the applicant's qualifications to be appointed a Lead Market maker or Market Maker; or~~

~~(c) — refuse the application for such factors it considers relevant.~~

~~(3) — A Member whose application is refused may not make another application for a period of 90 days from the date of refusal.~~

~~(4) — A Member that is approved as a Lead Market Maker or Market Maker agrees to: (i) maintain its status as a Member of Alpha; and (ii) take all commercially reasonable steps to ensure that it complies with all requirements to act as a Lead Market Maker or Market Maker set out in the Alpha Requirements, as amended from time to time. Where the Lead Market Maker or Market Maker does not comply with such requirements it will immediately advise Alpha of such failure in writing. Such notification will include specific information as to the nature of such failure to comply.~~

~~(5) — A Member that is approved as a Lead Market Maker or Market Maker agrees that it has and will continue to have necessary resources, including trained personnel and technology, to allow it to carry out all of its obligations pursuant to the Lead Market Maker or Market Maker Agreement and these Trading Policies.~~

~~(6) — Alpha may revoke the Lead Market Maker or Market Maker's appointment as a Lead Market Maker or Market Maker for any or all securities or attach such additional terms or~~

~~conditions to the Lead Market Maker or Market Maker Agreement as Alpha deems to be necessary, where:~~

- ~~(a) the Lead Market Maker or Market Maker fails to comply with any term of the Lead Market Maker or Market Maker Agreement, these Trading Policies or if the Lead Market Maker or Market Maker fails to consistently perform at an adequate level to the satisfaction of Alpha (determined in Alpha's sole discretion);~~
- ~~(b) Alpha determines, in its sole discretion, that the Lead Market Maker or Market Maker or its officers, employees, directors or agents have violated any applicable Alpha Requirements;~~
- ~~(c) Alpha believes, in its sole discretion, that the Lead Market Maker or Market Maker cannot or may not in the future carry out its obligations as a Lead Market Maker or Market Maker under these Trading Policies or the Market Maker Agreement; or~~
- ~~(d) Alpha has determined, in its sole discretion, that the Lead Market Maker or Market Maker or its officers, employees, directors or agents have in any way acted in a manner that is detrimental to the interests of Alpha or the public.~~

## ~~6.2 RESPONSIBILITIES OF LEAD MARKET MAKERS AND MARKET MAKERS FOR THEIR ASSIGNED ALPHA LISTED SECURITIES~~

- ~~(1) A Lead Market Maker or Market Maker for Assigned Alpha Listed Securities must trade for its own account in a sufficient degree to ensure reasonable price continuity and liquidity for the Alpha Listed Securities assigned to it.~~
- ~~(2) In particular, a Lead Market Maker or Market Maker for an Alpha Listed Security must meet the criteria and requirements established in the applicable Lead Market Maker or Market Maker Agreement, including:~~
  - ~~(a) posting bids and offers on a continuous basis during the continuous trading session at no more than the specified spread agreed upon with Alpha for required time periods;~~
  - ~~(b) maintaining a minimum quote size during the continuous trading session for required time periods;~~
  - ~~(c) with respect to the Lead Market Maker, achieving a minimum percentage of volume traded at the opening auction;~~
  - ~~(d) appointing a Lead Market Maker or Market Maker Approved Trader and back-up acceptable to Alpha;~~

~~**Commentary:** The benefits set out in the Lead Market Maker Agreement and Market Maker Agreement will only be applied to the transactions associated with one trader ID (either the Market Maker Approved Trader ID or the back-up trader ID).~~
  - ~~(e) assisting other Members in executing orders for their Assigned Securities;~~
  - ~~(f) notifying Alpha and the Market Regulator of any perceived violation of Alpha Requirements; and~~

~~(g) — providing Alpha with information concerning trading in their Assigned Securities.~~

**Commentary:** Alpha will establish and/or confirm minimum standard criteria on an annual basis. Alpha may also establish by agreement with the Lead Market Maker more stringent criteria than the minimum standards. The applicable criteria and benefits will be set out in the executed Lead Market Maker Agreement.

~~(3) — A Lead Market Maker must act as the Odd Lot Dealer for its Assigned Alpha Listed Securities.~~

~~(4) — Assignments may be made for debt securities listed on Alpha, but not for OTS.~~

~~(5) — A Member wishing to be appointed as a Market Maker for Alpha Listed Securities must be willing to be assigned at least 20 securities, unless Alpha consents to a lower number. A Market Maker for an Alpha Listed Security must act as the Odd Lot Dealer for their Assigned Securities if there is no Lead Market Maker.~~

**Commentary:** The factors that Alpha may consider in determining whether to approve a Market Maker be assigned less than 20 securities include the size of the dealer, interests of other Market Makers and whether the Lead Market Makers are meeting their criteria.

~~(6) — A Lead Market Maker or a Market Maker for an Alpha Listed Security must appoint, in writing, a trading officer, director or partner of the Member as its Market Maker Contact.~~

~~(7) — The Lead Market Maker or Market Maker Contact:~~

~~(a) — serves as the primary contact with Alpha, with authority to speak for the Member concerning its activities as a Market Maker; and~~

~~(b) — manages the Member's market making responsibilities.~~

~~(8) — The Lead Market Maker and Market Maker for Alpha Listed Securities shall implement policies and procedures to monitor the conduct for compliance with these Trading Policies applicable to the Lead Market Maker and changes to such policies.~~

~~(9) — Lead Market Makers and Market Makers for Alpha Listed Securities shall not assign the performance and benefits of their market making and odd lot responsibilities to DMA Eligible Clients or Approved Traders of DMA Eligible Clients.~~

~~(10) — The Lead Market Maker for Alpha Listed Securities who has odd lot responsibilities must accept and honour automatic execution of Odd Lot Orders.~~

**Commentary:** Only the Lead Market Maker will have the benefit of UMIR exemptions applicable in the context of "marketplace trading obligations" and be eligible for the market maker discount on regulatory fees.

### ~~6.3 — RESPONSIBILITIES OF MARKET MAKERS FOR THEIR ASSIGNED OTHER TRADED SECURITIES~~

~~(1) — A Market Maker for Other Traded Securities must trade for its own account in a sufficient degree to ensure reasonable price continuity and liquidity for the securities assigned to it.~~

~~(2) — In particular, a Market Maker for an Other Traded Security must meet the criteria and any other requirements established in the applicable Market Maker for Other Traded Securities~~

~~Agreement in order to receive the applicable benefits set out in the Market Maker for Other Traded Securities Agreement, including:~~

~~(a) trading passively a minimum percentage of trading volume established by Alpha for the continuous trading session;~~

~~(b) achieving a daily minimum percentage of volume traded at the opening auction and a maximum opening price deviation from the listing marketplace opening price;~~

~~(c) appointing a Market Maker Approved Trader and back up acceptable to Alpha;~~

~~**Commentary:** The benefits set out in the Lead Market Maker Agreement and Market Maker Agreement will only be applied to the transactions associated with one trader ID (either the Market Maker Approved Trader ID or the back-up trader ID).~~

~~(d) notifying Alpha and the Market Regulator of any perceived violation of Alpha Requirements;~~

~~(e) providing Alpha with information concerning trading in their Assigned Securities.~~

~~(3) A Market Maker for Other Traded Securities must act as the Odd Lot Dealer for their Assigned Securities.~~

~~**Commentary:** Not more than one Market Maker will be appointed as a Market Maker for OTS.~~

~~(4) A Market Maker must appoint, in writing, a trading officer, director or partner of the Member as its Market Maker Contact.~~

~~(5) A Member wishing to be appointed as a Market Maker for Other Traded Securities must be willing to be assigned at least 200 securities, unless Alpha consents to a lower number.~~

~~(6) The Market Maker for Other Traded Securities Contact:~~

~~(a) serves as the primary contact with Alpha, with authority to speak for the Member concerning its activities as a Market Maker; and~~

~~(b) manages the Member's market making responsibilities.~~

~~(7) The Market Maker for Other Traded Securities shall implement policies and procedures to monitor the conduct for compliance with these Trading Policies applicable to the Market Maker and changes to such policies.~~

~~(8) Market Makers for Other Traded Securities may assign the performance of their responsibilities for trading in their Assigned Other Traded Securities to DMA Eligible Clients or Approved Traders of DMA Eligible Clients.~~

~~**Commentary:** Market Makers on Other Traded Securities are not eligible for the market maker discount on regulatory fees relating to their trading in their Assigned OTS. In addition, the UMIR exemptions applicable to "marketplace trading obligations" only apply with respect to the OTS Market Maker's odd lot activities.~~

~~(9) The Market Maker for OTS who has odd lot responsibilities must accept and honour automatic execution of Odd Lot Orders.~~

#### 6.4—TERMINATION OF RESPONSIBILITIES DUE TO EVENTS

- ~~(1) A Lead Market Maker or Market Maker's obligations with respect to a right, warrant or similar security terminate 10 business days prior to the expiry date of the security.~~
- ~~(2) A Lead Market Maker or Market Maker's obligations with respect to a preferred share that has been called for redemption or retraction terminate 10 business days prior to the redemption or retraction date of the security.~~
- ~~(3) Alpha may suspend or terminate a Lead Market Maker or Market Maker's responsibilities where a corporate action or other unusual circumstance makes it impractical for the Lead Market Maker or Market Maker to carry out its responsibilities.~~

**Commentary:** Ordinary market volatility will not be considered to be an "unusual circumstance" for the purposes of this section.

- ~~(4) Alpha may suspend or terminate a Lead Market Maker or Market Maker's obligation to post an offer where~~
  - ~~(a) the Lead Market Maker or Market Maker is not long the security; and~~
  - ~~(b) the Lead Market Maker or Market Maker cannot borrow securities to cover short sales at a reasonable cost.~~

#### 6.5—NOTIFICATION

- ~~(1) A Lead Market Maker or Market Maker must give Alpha at least 10 days' prior notice of any change in the Lead Market Maker or Market Maker Contact, the Lead Market Maker or Market Maker Approved Trader or backup, unless circumstances make such prior notice impossible, in which case notice must be given as soon as possible.~~
- ~~(2) A Lead Market Maker or Market Maker must inform Alpha and the Market Regulator immediately if market conditions in any of its Assigned Securities have changed such that it is not possible for the Market Maker to carry out its responsibilities.~~
- ~~(3) A Lead Market Maker or Market Maker must give Alpha at least 60 days' prior written notice that it intends to relinquish its responsibilities in an Assigned Security, unless Alpha has consented to a shorter notice period.~~

#### 6.6—TRANSITION

- ~~(1) Alpha will provide Notice to all Members at least 30 days prior to the end of a Lead Market Maker or Market Maker's term when a Lead Market Maker or Market Maker has given notice under Section 6.5.~~
- ~~(2) If the Lead Market Maker or Market Maker has not given notice of its intention to terminate its status as a Lead Market Maker (which shall have an initial 3 year term) or Market Maker (which shall have an initial 1 year term), the Assigned Securities will remain with the current Lead Market Maker or Market Maker for successive one year terms after the respective initial term.~~



~~(3) — The transfer of an assignment occurs on the date of the assignment to a new Lead Market Maker or Market Maker. Unless otherwise provided by Alpha and as set out in a Notice, the transfer of the assignment will occur 5 business days after Notice of the new appointment.~~

## ~~DIVISION 2 — ASSIGNMENT OF SECURITIES AND OTHER MATTERS~~

### ~~6.7 — ASSIGNMENT OF SECURITIES~~

~~(1) — Alpha will assign securities to Lead Market Makers and Market Makers at least five business days prior to the effective date of the assignment.~~

~~(2) — Alpha may reassign a security if~~

~~(a) — the number of Market Makers increases;~~

~~(b) — the Market Maker for that security requests a reassignment due to specific circumstances;~~

~~(c) — the Market Maker for that security has chosen not to renew its appointment; or~~

~~(d) — Alpha withdraws its approval of the Lead Market Maker or Market Maker for that security.~~

~~(3) — Any reassignment will be made on a random basis in accordance with Alpha procedures.~~

~~(4) — If a reassignment request has been made pursuant to Rule 6.4 and the security cannot be reassigned, the Market Maker will continue to have responsibility for the rest of its one year term, subject to Rule 6(4).~~

## ~~DIVISION 3 — TRADING IN THE ODD LOT BOOK~~

### ~~6.8 — SESSIONS, DATES AND TIMES FOR ODD LOT ORDERS~~

~~(1) — Odd Lot Orders may be entered for trading during the Pre-Open Phase, Continuous Trading Session, and Extended Trading Session.~~

~~(1) — Odd Lot Orders may be executed during the Continuous Trading Session and the Extended Trading Session.~~

### ~~6.9 — CONTINUOUS TRADING SESSION.~~

~~(1) — Incoming Odd Lot Market Orders will auto-execute at the time of order entry, at the National Best Bid and Offer price (sell orders at the best bid and buy orders at the best offer).~~

~~(a) — If the relevant price is not available in the National Best Bid and Offer, the Odd Lot Market Order will be booked in the Odd Lot Order Book (OLOB) at the National Last Sale Price.~~

~~(2) — Incoming Odd Lot Limit Orders~~

~~(b) — with price equal to or better than the National Best Bid and Offer will auto-execute at the time of order entry, at the National Best Bid and Offer price, and~~

~~(c) — all other Odd Lot Limit Orders will be booked in the OLOB.~~

~~(3) — Odd Lot Limit Orders booked in the OLOB will be executed at the NBBO. Odd Lot limit sell orders will be executed at the National Best Bid price if the limit price is equal to or better~~

~~than the National Best Bid and Odd Lot limit buy orders will be executed at the National Best offer price if the limit price is equal to or better than the National Best Offer.~~

~~(a) at each National Last Sale Price setting trade Odd Lot limit orders booked in the OLOB will be validated against the NBBO.~~

~~(b) when there is an update (i.e. new order or order amend) in the Alpha CLOB Odd Lot limit orders booked in the OLOB will be validated against the NBBO.~~

~~(c) when the Odd Lot limit price is worse than the National Best Bid for sell orders and worse than the National Best Offer for buy orders, than the Odd Lot order will remain in the Odd Lot order book.~~

~~(4) For Mixed Lot Orders,~~

~~(a) the round lot portion will trade in the CLOB using regular CLOB matching mechanism, and~~

~~(b) the Odd Lot portion will auto-execute when the last Board Lot of the round lot portion is executed, at the price of the last Board Lot.~~

**Commentary:**

Examples:

XYZ Security NBBO

Bid	Ask
<del>200 shares 10.00</del>	<del>10.05 100 shares</del>

~~NLSP is 10.04~~

Example 1:

~~Incoming order to buy 50 @ market will auto-execute at 10.05 (section 6.9(1)(a))~~

Example 2:

~~Incoming order to buy 50 @ 10.06 will auto-execute at 10.05 (section 6.9(2)(a))~~

Example 3:

~~Incoming order to buy 50 @ 10.03 will be registered in the OLOB – no auto-execution (section 6.9(2)(b))~~

Example 4:

~~A new order to buy 100 @ market is entered and 100 shares execute in the CLOB at 10.05. As a result there is now no current National Best Offer price.~~

~~An order is entered to buy 50 @ 10.03 and is registered in the OLOB.~~

~~A new sell order is entered for 500 shares at \$10.03, 200 shares subsequently execute at \$10.03. As a result the NBBO: \$10.00 – \$10.03 and NLSP: \$10.03.~~

~~The odd lot order will auto execute at 10.03, which is at the National Best Offer (section 6.9 (3)(a)).~~

Example 5:

~~An order is entered to buy 50 @ 10.03 and is registered in the OLOB.~~

~~A new order to sell 200 @ 10.02 is registered in the Alpha CLOB.~~

~~The odd lot order will auto execute at \$10.02, since there was an update to the Alpha CLOB (section 6.9(3)(b))~~

Example 6:

~~An order is entered to buy 250 @ 10.05.~~

~~1 trade will execute: 100 shares at 10.05. 100 shares are registered in the CLOB and available for trading and 50 shares hidden. ABBO is now 10.05-10.06~~

~~An order to sell 100 @ market is entered and 100 shares execute at 10.05.~~

~~The 50 hidden shares will now execute at 10.05, since 10.05 is the price at which the last board lot of the original mixed lot order was executed (section d.)~~

Example 7:

~~An order is entered to buy 50 @ 10.04 and is registered in the OLOB.~~

~~The NLSP is updated to \$10.04~~

~~No Trade is executed (Section 6.9(3)(c)). Limit Price is outside the National Best Offer.~~

## 6.10 OPENING SESSION

~~(1) — Odd Lot Orders do not participate in the opening auction.~~

~~(1) — If trades are executed in the Opening,~~

~~(A) — Odd Lot Market Orders entered in the pre-open will auto execute at the COP, immediately following the Opening.~~

~~(B) — Odd Lot Limit Orders with price equal to or better than the will auto execute at the COP, in accordance with rule 6.9(3), immediately following the Opening.~~

~~(2) — If no trades are executed in the Opening~~

~~(a) — Odd lot market orders entered in the Pre-Open will be booked as the odd lot limit orders at the price equal to the adjusted closing price that is used in the pre-open.~~

~~(3) — If the last board lot size of a mixed lot order is executed in the Opening, the odd lot part of the mixed lot order will be executed at the COP.~~

### ~~6.11 CLOSING SESSION~~

~~(1) — Odd Lot orders do not participate in the Closing auction.~~

~~(2) — If trades are executed in the Closing, odd lot limit orders with price equal to or better than the Alpha Closing Price will auto-execute at the closing price, immediately following the Closing.~~

~~(3) — If the last board lot size of a mixed lot order is executed in the Closing, the odd lot part of the mixed lot order will be executed at the Alpha Closing Price.~~

### ~~6.12 ORDERS BOOKED IN OLOB~~

~~(1) — Orders booked in the OLOB are not disseminated on the public data feed.~~

~~(2) — Odd Lot Dealer will receive an auto-execution message for each Odd Lot trade that it participated in.~~

#### ~~Accepted Odd Lot Orders~~

~~Market Orders~~

~~Limit Orders~~

~~FOK Orders~~

~~FAK Orders~~

~~On-Stop Orders~~

~~Short Sale~~

~~Special Terms Orders~~

~~Cross (Regular)~~

~~GTx Orders~~

#### ~~Non-Accepted Odd Lot Orders~~

~~Standard Iceberg Orders~~

~~Price Improvement Iceberg Order~~

~~Inside Match Order~~

~~Specialty Price Cross~~

~~MOO~~

~~LOO~~

~~MOC~~

## ~~DIVISION 4 — ASSESSMENT OF PERFORMANCE OF LEAD MARKET MAKERS AND MARKET MAKERS~~

### ~~6.13 ASSESSMENT OF PERFORMANCE~~

~~(1) — As set out in the applicable Lead Market Maker or Market Maker Agreement, from time to time and at least quarterly, Alpha will assess the performance of Lead Market Makers or Market Makers.~~

~~(2) — On completion of the quarterly assessment of performance, Alpha may, for such factors as it sees fit~~

- ~~(a) continue the appointment of the Member as a Lead Market Makers or Market Maker in any or all of its Assigned Securities;~~
- ~~(b) continue the appointment of the Member as a Lead Market Makers or Market Maker in any or all of its Assigned Securities and impose additional terms and condition; or~~
- ~~(c) withdraw approval of the Member as a Lead Market Makers or Market Maker in any or all of its Assigned Securities.~~
- ~~(3) Alpha may withdraw approval of or impose additional terms and conditions on a Lead Market Maker or Market Maker, its Lead Market Maker or Market Maker Contact, any Lead Market Maker or Market Maker Approved Traders or backups, if Alpha determines that any of these parties has contravened or is contravening any Alpha Requirement or Market Regulator rule.~~

## **~~DIVISION 5 — UNFAIR TRADING~~**

### **~~6.14 UNFAIR TRADING IN ODD LOTS~~**

- ~~(1) Lead Market Makers or Market Makers and Members are responsible to ensure that Odd Lot activity is in compliance with all requirements.~~

~~**Commentary:** The following types of activity may be reviewed as an indication of unfair trading:~~

- ~~1. Unbundling Round Lots for the purpose of entering Odd Lot orders.~~
- ~~2. Entering of both buy and sell Odd Lot Limit orders in the same security before one of the orders is executed, for the purpose of capturing the spread in the stock.~~
- ~~3. Other types of trading activity that is not consistent with traditional Odd Lot investment activity.~~
- ~~4. Effecting pre-arranged wash sales in Odd Lots, which are trades in which an offer to buy is coupled with an offer to sell back at the same or advanced price (or vice-versa).~~
- ~~5. Entering orders into the CLOB for the purpose of affecting the execution price of the Odd Lot trades.~~
- ~~(2) If Alpha deems a Member is engaging in Odd Lot trading activity that is unfair, Alpha may restrict the Member or suspend the Approved Trader from Odd Lot activity.~~

## PART VII. Clearing and Settlement

### 7.1 CLEARING AND SETTLEMENT

- (1) All trades on the Alpha Systems will be reported, confirmed and settled through the Clearing Corporation pursuant to the Clearing Corporation's rules and procedures, unless otherwise authorized or directed by Alpha.
- (2) A Member must clear and settle all of their Alpha trades by: self-clearing as a participant of the Clearing Corporation; or maintaining a clearing and settlement arrangement with a carrying broker, custodian or other institution that is a participant of the Clearing Corporation.
- (3) Except in circumstances where the transaction is settled outside Canada or where the Member and the settlement agent are not participants in the same securities depository, the client or settlement agent shall use the facilities or services of a securities depository for the affirmation and settlement of all depository eligible transactions, including both book entry settlements and certificate based settlements.
- (4) A Member shall provide a client, by electronic, facsimile or physical means, a confirmation as soon as possible on the next business day following execution, with respect to the execution of any order, in whole or in part, for the purchase or delivery of securities where payment for or delivery of the securities is to be made to or by a settlement agent of the client, and shall indicate that the trade occurred on Alpha.
- (5) Members shall obtain agreement from their clients that the client will provide instructions with respect to the receipt or delivery of the securities to the settlement agent promptly upon receipt by the client of the confirmation referred to in Section 7.1(4) and that the client will ensure that its settlement agent affirms the transaction in accordance with National Instrument 24-101.

### 7.2 SETTLEMENT OF ALPHA TRADES

- (1) Unless otherwise provided by the parties to the trade by mutual agreement, trades of [OTSS securities](#) on Alpha must settle on the date fixed for settlement by the exchange on which the security is listed.

### ~~7.3 SETTLEMENT OF ALPHA TRADES OF ALPHA LISTED SECURITIES~~

- ~~(1) Unless otherwise provided by Alpha or the parties to the trade by mutual agreement, trades of Alpha Listed Securities on Alpha must settle on the third settlement day following the trade.~~
- ~~(2) Notwithstanding Section 7.3(1), unless otherwise provided by Alpha or the parties to the trade by mutual agreement:~~
  - ~~(a) trades on a when issued basis made on Alpha Listed Securities:~~

- ~~(i) — prior to the second trading day before the anticipated date of issue of the security must settle on the anticipated date of issue of such security, and~~
- ~~(ii) — on or after the second trading day before the anticipated date of issue of the security must settle on the third settlement day after the trade date, provided if the security has not been issued on the date for settlement such trades shall settle on the date that the security is actually issued and provided that if the security will not be issued all trades made on a when issued basis will be cancelled;~~
- ~~(b) — trades for rights, warrants and instalment receipts made on Alpha Listed Securities:
 
  - ~~(i) — on the third trading day before the expiry or payment date must settle on the settlement day before the expiry or payment date;~~
  - ~~(ii) — on the second and first trading day before the expiry or payment date, must be made as cash trades for next day settlement, and~~
  - ~~(iii) — on expiry or payment date must be made as cash trades for immediate settlement and trading will cease at 12:00 noon (unless the expiry or payment time is set prior to the close of business, in which case trading will cease at the close of business on the trading day preceding the expiry or payment), and~~
  - ~~(iv) — selling Members must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;~~~~
- ~~(c) — cash trades on Alpha Listed Securities for next day delivery must be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over the counter, by noon of the first settlement day following the trade; and~~
- ~~(d) — cash trades on Alpha Listed Securities for same day settlement must be settled by over the counter delivery no later than 2:00 p.m. on the trade day.~~
- ~~(3) — Notwithstanding Section 7.3(1), a trade on Alpha may specify delayed delivery, which gives the seller the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery will be at the option of the seller within thirty days from the date of the trade.~~

### **7.47.3 WHEN SECURITY DISQUALIFIED, SUSPENDED OR NO FAIR MARKET**

- (1) Alpha may postpone the time for delivery on Alpha trades if:
  - (a) the security is delisted;
  - (b) trading is suspended in the security; or
  - (c) Alpha is of the opinion that there is not a fair market in the security.
- (2) If Alpha is of the opinion that a fair market in the security is not likely to exist, Alpha may provide that trades on Alpha be settled by payment of a fair settlement price and if the parties to an Trading Contract cannot agree on the amount, Alpha may at its discretion fix the fair settlement price after providing each party with an opportunity to be heard.

**7.57.4 FAILED TRADES IN RIGHTS, WARRANTS AND INSTALMENT RECEIPTS**

- (1) Should fail positions in rights, warrants or instalment receipts exist on the expiry or payment date, purchasing Members have the option of demanding delivery of the securities into which the rights, warrants or instalment receipts are exercisable, any additional subscription privilege, and any subscription fee payable to a Member, that may be available, such demand shall be made before 4:00 p.m. on the expiry date.
- (2) Where a demand has been made in accordance with Section 7.3(2), payment by purchasing Members for:
  - (a) the rights, warrants or instalment receipts shall be in accordance with normal settlement procedures, but delivery of the rights, warrants or instalment receipts, as the case may be, is not required; and
  - (b) the securities into which the rights, warrants or instalment receipts are exercisable and payment for any additional subscription privilege shall be made upon delivery of the securities.
- (3) Where a demand has not been made in accordance with Section 7.3(2), settlement shall be in accordance with normal settlement procedures, but delivery of the rights, warrants or instalment receipts, as the case may be, is not required.

**7.67.5 DEFAULTERS**

- (1) If a Member against which an Alpha trade is closed out under the Clearing Corporation's rules and procedures fails to make payment of the money difference between the contract price and the buy-in price within the time specified, the Member concerned shall become a defaulter, and Notice of such default shall be provided by Alpha to each Member.
- (2) A Member failing to make delivery to the Clearing Corporation of securities and/or a certified cheque within the time limited by the rules governing the Clearing Corporation may be adjudged a defaulter.

**7.77.6 DELIVERING MEMBER RESPONSIBLE FOR GOOD DELIVERY FORM**

- (1) The delivering Member is responsible for the genuineness and complete regularity of the Alpha-Listed-Traded Security, and a certificate that is not in proper negotiable form shall be replaced forthwith by one which is valid and in prior negotiable form, or by a certified cheque in lieu thereof, if a replacement certificate is not available.
- (2) A Member that has received delivery of a certificate that is not acceptable as good transfer by the transfer agent shall return it to the delivering Member, which shall make delivery of a certificate that is good delivery or of a certified cheque in lieu thereof.



**7.87.7 DELISTED SECURITIES**

- (1) Any open orders on ~~an Alpha Listed Security or an OTS~~ security that will no longer be listed on its applicable exchange will be cancelled after the end of the Extended Trading Session on the day preceding the delisting.

## ~~PART VIII. — Order Protection~~

### ~~8.1 — IMPLEMENTATION OF THE ORDER PROTECTION RULE (OPR)~~

- ~~(1) — Alpha will use the Alpha Order Router's Trade Through Management Service to comply with the Order Protection Rule.~~

### ~~8.2 — THE TRADE THROUGH MANAGEMENT (TTM) SERVICE~~

- ~~(1) — The TTM Service routes designated orders, in part or in whole, to all Other Marketplaces to meet Alpha marketplace obligations under the Order Protection Rule (NI 23-101) to not trade through visible, immediately accessible better priced limit orders on any Canadian marketplace.~~

### ~~8.3 — DIRECTED ACTION ORDER (DAO)~~

- ~~(1) — An order sent to Alpha that is not designated as TTM will be treated as a DAO.~~

### ~~8.4 — PARTICIPATION AND CONNECTIVITY IN OTHER MARKETPLACES~~

- ~~(1) — Access to Marketplaces~~
- ~~(a) — In addition to being a Member of Alpha, the Member have either access or arrangements with other protected marketplaces.~~
  - ~~(b) — If the Member has direct access to the Other Marketplace, orders routed away to Other Marketplaces will include the Member's firm ID and trader ID. If the Member does not have direct access to the Other Marketplace, it must have an acceptable arrangement with another Member or participant of the Other Marketplace through which they can place orders. Automated Jitney Service: The Alpha TTM jitney service will be available to TTM members who do not have direct relationship with all marketplaces. Member must sign agreement with a dealer who must be an Alpha Member that has access to all Canadian visible protected marketplaces.~~
  - ~~(c) — If the Member/trader ID in Alpha is different from the Other Marketplace, the Member/trader ID on the Other Marketplace must be provided to Alpha. It is assumed that the Member will provide Alpha with any updates to keep this information correct and up to date. Similarly, if the Member is using a Sponsored DMA or other acceptable arrangement, then up to date details of the arrangement and IDs of both parties shall be made available to Alpha upon request.~~
- ~~(2) — Order Routing When a Service is Not Available.~~
- ~~(a) — When the TTM Service has been shut down for any reason during continuous trading, the incoming TTM orders will be rejected back to the Client as Alpha will not be able to route to Other Marketplaces. A notice will be sent to all Members, regulation service providers, Other Marketplaces and any information processor indicating that Alpha will not be routing to Other Marketplaces.~~

~~(3) — Trading Halts.~~

- ~~(a) — Alpha may disallow the use of its routing services for the routing of an order if a trading halt has been initiated by a regulator (“Regulatory Halt”) or a Marketplace (“Non-Regulatory Halt”).~~
- ~~(b) — In circumstances in which Alpha deems it necessary or in other unusual conditions or circumstances impacting the Alpha Order Router Services, Alpha may suspend all routing.~~
- ~~(c) — When the routing is not suspended, the TTM Service will facilitate order entry during Regulatory Halts and Non-Regulatory Halts on Alpha and/or one or more Other Marketplaces, and will continue to route orders in accordance with its standard functionality outlined in this document; however the following matters should be considered:
 
  - ~~(i) — The routed order will be processed in accordance with the rules or policies of the Other Marketplace to which it has been routed. This may result in:
 
    - ~~1. — The generation of a “rejection” notice where trading is halted on the Other Marketplace to which the order is routed where such Marketplace will not accept orders;~~
    - ~~2. — The generation of a “time out” event where the order is routed to an Other Marketplace which accepts and queues orders received and does not acknowledge the order within the “time out” duration. Such queued orders cannot be cancelled or amended utilizing the Order Router.~~~~
  - ~~(ii) — The entry of cancellations is permitted during both Regulatory Halts and Non-Regulatory Halts and will be routed to the Marketplace where the order is booked, for action in accordance with that Marketplace’s standard operational processes.~~~~

~~(4) — Exclusion of a Marketplace and Self Help~~

- ~~(a) — Automatic Exclusion of a Marketplace  
Alpha will cease routing to an Other Marketplace where (i) the Other Marketplace’s continuous trading session is not operating (ii) and/or no data on orders in its CLOB are available.~~
- ~~(b) — Manual Exclusion of a Marketplace and Self Help  
A specific Other Marketplace may be excluded based on the following criteria:
 
  - ~~(i) — The Other Marketplace is not disseminating order information, is not distributing data in relation to its CLOB in a timely manner or Alpha considers, in its discretion, that such data is not reliable. This covers the case when a system failure or degradation of service occurs at an Other Marketplace during continuous trading at that Other Marketplace.~~
  - ~~(ii) — The connectivity to the Other Marketplace is lost.~~~~

~~(iii) — An Other Marketplace is not responding to orders sent by the Order Router (system failures, slowdowns, etc.). This may include circumstances where the response time to orders routed by Alpha from the Other Marketplaces is too long for it to be practically considered reliable.~~

~~Alpha may declare self help in the above instances. Alpha will notify the affected Other Marketplace, Members, any information processors and regulators (i.e. Market Regulator and the OSC) that it has done so and has excluded such Other Marketplace from the TTM Service. After the issue is resolved, Alpha will send out another notification stating self help has been revoked.~~

~~(c) — Impact of Exclusions~~

~~(i) — Once an Other Marketplace is excluded manually or automatically from the Order Router Services, no further orders will be routed to that Marketplace. Any remaining “in-flight” orders (where an order sent by the Order Router has not received an acknowledgment from the Other Marketplace) will be processed in the same manner as they would have been if the exclusion had not occurred.~~

~~(ii) — Once the event precipitating the Other Marketplace exclusion has ended, Alpha may commence routing to the previously excluded Other Marketplace at its discretion.~~

## **8.5 — TTM SERVICE**

~~(1) — Member’s Choice~~

~~(a) — A Member relying on Alpha to comply with the OPR will designate each order as a TTM order. Any order that is designated as a TTM order will be eligible for trade-through protection through the TTM Service. For TTM orders, Alpha will be responsible for complying with the requirements applicable to marketplaces under NI 23-101.~~

~~(b) — Any order that is not designated as a TTM order will be treated by Alpha as a Directed Action order (DAO) to immediately execute or book on Alpha without checking for better priced orders on Other Marketplaces. For DAO orders, any requirements regarding order protection under NI 23-101 will be the responsibility of the Member.~~

~~(2) — TTM Routing Strategy~~

~~(a) — The TTM Service simultaneously routes portions of the order to all Other Marketplaces with better priced orders, up to the original order’s limit price. Any residual is sent to Alpha.~~

~~**Commentary:** The TTM Service receives information on the depth of book up to 5 price levels.~~

~~(b) — The TTM Service will:~~

~~(i) — Receive the depth of book) made available by each marketplace, then~~

- ~~(ii) Create a Consolidated Market Feed of the aggregate bid or ask order volume for each price level, then~~
- ~~(iii) Identify the marketplace which has the best priced order(s) for a particular security and will route the order based on the following criteria: (1) price and (2) volume of shares available. If the same price is available on Alpha and another marketplace, priority is given to Alpha, then~~
- ~~(iv) Send orders to Other Marketplaces as Fill or Kill (FOK) Bypass Limit orders and will be treated as DAO:
 
  - ~~1. If the order is tradable upon receipt by the Other Marketplace, it is immediately executed and any unfilled portion will be killed at the Other Marketplace and sent to Alpha. If there is no unfilled portion of the order resting on Alpha, the TTM will re-initiate the routing strategy (i.e. the TTM will commence routing as of step (a) above).~~
  - ~~2. If the order is not tradable upon receipt by the Other Marketplace, the whole order will be killed at the Other Marketplace and sent to Alpha. If there is no unfilled portion of the order resting on Alpha, the TTM will re-initiate the routing strategy (i.e. the TTM will commence routing as of step (a) above).~~~~

## **8.6 EXECUTIONS**

- ~~(1) If an order is routed to an Other Marketplace, Alpha may receive an execution response from the Other Marketplace. In the case of an execution (full or partial), an execution message will be sent back by Alpha to the originator of the order.~~
- ~~(2) An incoming order may result in two different types of executions; those at Alpha and those at Other Marketplaces:
 
  - ~~(a) The executions at Alpha will be sent to the appropriate clearing agency from Alpha and they will reflect the clearing identifier of the Member for the applicable order.~~
  - ~~(b) The executions at the Other Marketplaces will be sent to the clearing agency from the Other Marketplace on which the execution occurred and they will reflect the clearing identifier of the originator of the order or its designated clearing agent.~~~~
- ~~(3) In both cases, it is assumed that the Member originating the order is able to clear its trades (either directly or through an agent) and the reconciliation is done directly between the Member and the appropriate clearing agency.~~

## ~~PART IX.~~ PART VIII. Application of UMIR

### 9.18.1 APPLICATION

- (1) The provisions of UMIR as amended from time to time apply to trading on the Alpha Systems and form part of Alpha Requirements.
- (2) Any investigations and enforcement actions concerning a violation of a provision of UMIR will be conducted by the Market Regulator following the procedures set out in UMIR.

## ~~PART X.~~ PART IX. Appeals

### ~~10.19.1~~ APPEALS OF DECISION

- (1) A Member or any other person adversely affected by a Decision, other than a Decision of the Market Regulator, may appeal such Decision to Alpha's Board of Directors (or a designated committee thereof).

**Commentary:** Appeals shall be conducted according to the procedures established by the Alpha Board.

- (2) A Member or other person who has appealed a decision pursuant to Subsection (1) may appeal the decision of the Alpha Board by following the arbitration procedures set out in the Member Agreement and/or by appeal to the securities regulatory authority.
- (3) A Member or any other person adversely affected by a Decision of the Market Regulator may appeal such Decision pursuant to the provisions of UMIR.

~~PART XI.~~ PART X.



## ~~PART XII.~~ PART XI. Administration

### ~~12.411.1~~ 12.211.1 METHOD OF NOTIFICATIONS

- (1) Unless otherwise specifically provided in any Alpha Requirement, Notice shall be sufficiently given and be reasonably expected to come to the attention of such person if:
  - (a) delivered to the person to whom it is to be given;
  - (b) delivered to the last address of such Person as recorded by Alpha or any recognized self-regulatory organization; or
  - (c) mailed or sent electronically, including e-mail, to such person.
- (2) Alpha may change the address of any person on the records of Alpha in accordance with any information believed by Alpha to be reliable.
- (3) A Notice delivered in accordance with this policy shall be deemed to have been given when it is sent.
- (4) Alpha will provide Notice of updates to this Trading Policies within 30 days prior to the change and provide the link to the updated or newly added section.

### ~~12.211.2~~ 12.211.2 COMPUTATION OF TIME

- (1) In computing the time when a Notice must be given for the doing of anything or taking any proceeding under any provision of an Alpha Requirement, the date of giving of the Notice or of such event shall be excluded and the date of the meeting, hearing, doing of the act or taking of the proceedings shall be included.
- (2) Where the time limited for a proceeding or the doing of anything under any provision of an Alpha policy or requirement expires, the time so limited extends to and the thing may be done on the next day following.

### ~~12.311.3~~ 12.311.3 WAIVER OF NOTICE

- (1) Any Person referred to in Section ~~104.1~~ 101.1 may waive any Notice required to be given to such person and such waiver, whether given before or after the meeting, hearing or other event of which Notice is required to be given, shall cure any default in giving such Notice.

### ~~12.411.4~~ 12.411.4 OMISSION OR ERRORS IN GIVING NOTICE

- (1) The accidental omission to give any Notice to any person or the non-receipt of any Notice by any person or any error in any Notice not affecting the substance thereof shall not invalidate any action or proceeding founded thereon or taken at any hearing held pursuant thereto.

### ~~12.511.5~~ 12.511.5 WITHDRAWAL OF APPROVAL AND CHANGES IN ALPHA REQUIREMENTS

- (1) Any Alpha Approval and any Alpha Requirement may at any time be changed, suspended, withdrawn or revoked by Alpha, with 30 days' Notice unless otherwise provided in these

Trading Policies, agreements or as required by circumstance subject to the rule approval process of the securities regulatory authorities.

- (2) Each Member and each Approved Trader will comply with such change, suspension, withdrawal or revocation and any Decisions made by Alpha.

## ~~12.6 CONTACT INFORMATION~~

~~For information on Member and Market Services please contact:~~

~~Manager, Alpha Client Services and Business Operations~~

~~Alpha Exchange Inc.~~

~~70 York Street, Suite 1501~~

~~Toronto ON, M5J 1S9~~

~~tradingservices@alpha-group.ca~~