ALPHA EXCHANGE INC.
NOTICE OF PROPOSED RULE AMENDMENTS AND REQUEST FOR COMMENTS

Alpha Exchange Inc. ("TSX Alpha Exchange") is publishing this Notice of Proposed Rule Amendments in accordance with the "Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto". Market participants are invited to provide the Commission with comments on the proposed changes.

Comments should be in writing and delivered by December 8, 2014 to:

Colin Yao
Legal Counsel, Regulatory Affairs (Equity Trading)
TMX Group
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Fax: (416) 947-4461
Email: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
Email: marketregulation@osc.gov.on.ca

Comments will be made publicly available unless confidentiality is requested. Upon completion of the review by Commission staff, and in the absence of any regulatory concerns, notice will be published to confirm completion of Commission staff's review.

Background to Proposed Amendments

Amendments are being made to the TSX Alpha Exchange Trading Policies ("Proposed Amendments") to reflect changes being made to the trading model for TSX Alpha Exchange.

As Canadian capital markets become more fragmented and complex, retail and institutional investors and their agents continue to seek ways to improve quality of execution and reduce costs. Differences in regulatory requirements and market structure between the U.S. and Canada present options for Canadian dealers to receive execution for their retail and institutional clients' active orders on more favourable economic terms, by executing with U.S. wholesalers rather than on our domestic public markets. This movement of liquidity to the U.S. represents a serious risk to the quality of vibrancy of Canada's capital markets as a whole, and may have irreversible consequences.

The Proposed Amendments will facilitate the introduction of an innovative trading model on TSX Alpha Exchange intended to significantly improve the economics and quality of execution for active natural flow, while improving trading conditions for liquidity providers willing to commit to a minimum order size. The new TSX Alpha Exchange model will achieve these benefits by applying an order processing delay ("speed bump") for orders that have the potential to remove liquidity from the order book, enforcing a minimum size for certain liquidity providing orders, and providing rebates for active order flow via implementation of an inverted maker/taker fee model (the active side of the trade receives a rebate, and the passive side pays a fee).[1]

By improving the economics for Canadian retail and institutional active flow, this model will present an alternative to the trading services offered by U.S. wholesalers and, in doing so, an attractive solution for the execution of active natural flow in Canada.

In addition, we understand that Canadian market participants are increasingly overwhelmed by the number of marketplaces and facilities, contributing to industry burden in the form of excess costs, fragmentation and convoluted operations. To help to address these challenges, TSX Alpha Exchange seeks to reduce market complexity by simplifying and streamlining its offerings.

Details and rationale for the Proposed Amendments follow. A complete blackline of the Proposed Amendments is included in Appendix A. A blackline of the 'TMX Equity Markets Order Types and Functionality Guide' showing changes needed to implement the Proposed Amendments will be available on our website.

Details and Rationale

1.   Application of speed bump and requirement for minimum order size
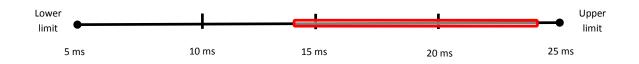
   (a) Speed Bump (Sections 5.9 and 5.9.1)

The speed bump will be imposed on orders that have the potential to trade with passive liquidity – specifically, all orders not designated as Post Only. CFOs and cancels of these orders will also be subject to the speed bump.
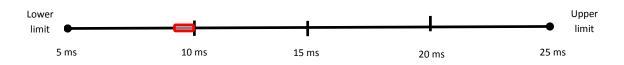
The speed bump will be applied equally (i.e., on a non-discriminatory basis) to these orders for all participants – natural investors and others. The length of the speed bump will be random within a set lower and upper limit. The lower limit will be no less than 5 milliseconds, and the upper limit will be no greater than 25 milliseconds. The fixed difference to be established between the lower and upper limits will be anywhere from 1 to 10 milliseconds. Examples of the implemented speed bump follow (speed bump in red):

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[1] Specific changes to TSX Alpha Exchange fees will be announced prior to the implementation of the Proposed Amendments.

Example #1 – Speed bump with delay randomized between set upper and lower limits of 14 and 24 milliseconds.

_Example #_2 – Speed bump with delay randomized between set upper and lower limits of 9 and 10 milliseconds.

The speed bump delay parameters will be finalized and communicated to participants in advance of implementation. Advance notice will be provided if there are subsequent changes to the delay.

Post Only liquidity providing orders will not be subject to the speed bump, allowing liquidity providers to effectively manage risk. CFOs or cancels of Post Only orders will similarly not be subject to the speed bump.

The speed bump will discourage latency sensitive active strategies, regardless of the classification of the participant using the strategy, but will not deter active natural investor flow for which a delay in milliseconds is insignificant. This will facilitate for passive liquidity providers an increased likelihood for of interacting with active orders of natural investors, while protecting against opportunistic, latency sensitive active strategies.

Increased interaction with natural investors combined with the ability to bypass the speed bump when managing passive orders will encourage liquidity provision, better visible prices and an increase in displayed volume, resulting in better execution for natural order flow.

(b) _Minimum Volume Requirement (Sections 5.9 and 5.9.1)_

In return for bypassing the speed bump, all Post Only orders will be subject to a minimum volume requirement. Post Only orders that do not meet, or are amended to volumes below the minimum volume requirement, will be rejected.

The minimum volume requirement will ensure that liquidity providers post sufficient volume against which active orders can execute, contributing to higher average trade sizes, and improved fill quality and fill rates for natural active flow. This, in turn, will minimize the signaling of liquidity bound for other markets and reduce market impact.

The minimum volume requirement applicable for Post Only orders may differ by symbol, based on security type, value or liquidity profile. For example, for liquid securities that are low in value and typically trade in larger size, a higher minimum volume requirement may be appropriate. Examples of symbols for which the minimum volume requirement might be set lower include illiquid securities where encouraging liquidity provision would be beneficial, and new issuances where delaying the setting of the minimum volume requirement would allow for a proper assessment of the appropriate size. TSX Alpha Exchange will set the minimum volume requirement for any given symbol or category of symbols in its discretion at a level intended to balance the risk of deterring liquidity provision with the objective of facilitating better fill rates and greater certainty of execution for active orders subjected to the speed bump. The minimum volume requirement will be communicated for all symbols in advance of implementation, and will be disseminated in the TSX Alpha Exchange data feeds.

2. Other changes to simplify and streamline current Alpha offering

A number of other changes are being proposed to simplify and streamline TSX Alpha Exchange relative to the current Alpha offering, and to respond to client requests for improvements to certain features and functionalities. These changes will reduce overall complexity and minimize the potential for confusion that can arise from certain competing features and functional differences that currently exist between Alpha and the Toronto Stock Exchange ("TSX") and TSX Venture Exchange ("TSX Venture"). Supporting a more consistent experience for users is expected to have the added benefit of increasing user confidence when trading on our markets. These changes are outlined below in more detail.

(a) Decommissioning of IntraSpread facility

As the value of the IntraSpread offering significantly decreased post-implementation of the IIROC dark rules, and its market share is currently well below 1% of total traded volume, we are decommissioning the facility. Dark trading facilities will continue to be available on TSX and TSX Venture.

See sections 1.1 and 5.9 along with deleted section 5.18 of the amended Trading Policies for the relevant changes.

(b) Elimination of the opening auction for TSX and TSX Venture listed securities on Alpha

To facilitate the centralization of the opening auctions on TSX and TSX Venture for their listed securities, the Proposed Amendments will introduce a mechanism by which symbols can be excluded from participation in the TSX Alpha Exchange opening auction. The intention is that no symbols listed on TSX or TSX Venture will be eligible to participate in the TSX Alpha Exchange opening auction. The opening auction functionality will be retained in the event that it is determined that securities listed on other exchanges would benefit from eligibility in the opening auction.

See sections 5.2(3), 5.16 and 5.17 of the amended Trading Policies for the relevant changes.

(c) Execution of odd lots at the National Best Bid/Offer

To provide the opportunity for better quality execution of odd lots on TSX Alpha Exchange, the Proposed Amendments include modifying the odd lot auto-execution mechanism so that all odd lots are executed at the NBBO (these are currently executed on Alpha at the Alpha BBO). See the sections 6.3 and 6.4 of the amended Trading Polices for the relevant changes.

In connection with the changes being made to facilitate opportunities for better quality execution for odd lots, restrictions on the entry of IOC orders and Specialty Price Crosses with mixed lot and odd lot volumes will be removed.

(d) Additional self trade prevention features

'Cancel Oldest' and 'Decrement and Cancel' self trade prevention mechanisms are being added to complement the 'Cancel Newest' and 'Self Trade Management' features currently available on current Alpha. The implementation of this full set of self trade prevention features on TSX and TSX Venture is scheduled for January 2015 and these features were subject to previously published requests for comments.[2]

See section 5.14 of the amended Trading Policies for the relevant changes.

(e) Intentional crosses will not be subject to interference

Intentional crosses entered on TSX Alpha Exchange will not be subject to interference. This functionality will complement the crossing functionality on TSX and TSX Venture where crosses are subject to interference. Similar functionality is available today on other Canadian marketplaces.

See Section 5.11 of the amended Trading Policies for the relevant changes.

(f) OPR Route Out Service to be discontinued

The 'OPR Route Out Service' will no longer be offered by TSX Alpha Exchange. The 'Protect Cancel' and 'Protect Reprice' features will continue to be available to meet OPR obligations. Routing services will continue to be available through TSX.

See Division 6 of Part V of the amended Trading Policies for the relevant changes.

(g) Discontinuation of support for special terms book

The special terms book will be removed as it is not used on the current Alpha, and would be of less use to members in the context of the other Proposed Amendments. This change will concentrate any special terms liquidity on TSX and TSX Venture.[3]

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[2] See TSX notice published for comment on August 28, 2014 at http://www.osc.gov.on.ca/en/Marketplaces_xxr-tsx_20140828_nca-enhanced-self-trade-mixed-odd-lot.htm.

[3] TSX Alpha Exchange will maintain auto-execution of odd lots, which are considered to be special terms orders under UMIR.

See sections 5.9, 5.9.7 (deleted), 5.11.1 and 5.18 of the amended Trading Policies for the relevant changes.

(h) Removal of extended trading session and extension of trading hours

The extended trading session is being removed. All trading at the closing price of the listing market after the close can be facilitated by TSX and TSX Venture extended trading sessions. In connection with this change, Special Trading Session Crosses will be eliminated because they are only accepted during the extended trading session.

TSX Alpha Exchange will also extend its trading hours and support continuous trading from 8am – 5pm ET.

See sections 5.2 and 5.11.1 of the Trading Policies for the relevant changes.

(i) Other non-public interest amendments

Certain non-public interest amendments are also being made to update the TSX Alpha Exchange Trading Policies in light of recent legislative changes and policy updates, to correct typographical errors, to provide greater clarity, or for branding purposes. These are reflected in the blackline of the Proposed Amendments at Appendix A.

Expected Date of Implementation

The Proposed Amendments are expected to become effective in June 2015.

Expected Impact

We do not believe the Proposed Amendments will have a negative impact on market structure, members, investors, issuers or capital markets. The Proposed Amendments relating to the speed bump and minimum volume requirement are expected to facilitate better execution quality for the marketable active order flow of natural investors while also allowing for improved trading economics for retail and institutional dealers, as well as liquidity providers. The remaining Proposed Amendments will simplify and streamline TSX Alpha Exchange, reducing the level of overall complexity in the market as a whole, and ensuring a more consistent experience for users when trading on TMX equities markets.

We expect that the introduction of the Proposed Amendments on TSX Alpha Exchange, including the proposed speed bump and the removal of certain features and functionalities (e.g., IntraSpread), will require minimal changes by members and service vendors.

Expected Impact of Amendments on the Exchange's Compliance with Ontario Securities Law

The Proposed Amendments will not impact TSX Alpha Exchange's compliance with Ontario securities law and in particular the requirements for fair access and maintenance of fair and orderly markets. The introduction of a speed bump does not limit access because it will be applied equally to all liquidity taking orders, irrespective of type or class of account or participant. The only exception to the application of the speed bump will be for liquidity providing orders that are Post Only, which is available for use by any party (subject to the minimum volume requirement). Passive liquidity providers that are not willing to commit

the specified minimum volume applicable to the use of Post Only orders will still be able to post passively on TSX Alpha Exchange, but their orders will be subject to the speed bump. The other changes comprising the Proposed Amendments that are being made to simplify and streamline functionality will also have no impact on TSX Alpha Exchange's compliance with Ontario securities law.

Estimated Time Required by Members and Service Vendors to Modify Their Own Systems after Implementation of the Proposed Amendments

We expect that the introduction of the Proposed Amendments on TSX Alpha Exchange will require minimal changes by members and service vendors.

Some modifications may be needed as a result of changes being made to harmonize functionality. However, efforts in these cases should not be material because the affected features and functionalities will operate in the same way as currently on other TMX equities markets.

Establishing a new connection to the TSX Alpha Exchange trading environment will be required as a result of the concurrent planned upgrade to TMX Quantum XA. As part of our efforts to simplify our market offerings, we intend for a dealer to be able to access trading on TSX Alpha Exchange through a single connection.

We therefore believe that approximately three months between the date of the publication of any notice of approval by the Commission and implementation of the Proposed Amendments will be sufficient. This timeframe complies with the guidance set out in OSC Staff Notice 21-706 Marketplaces' Initial Operations in relation to 'material systems changes', and is consistent with the standard recently applied for the launch of new markets (e.g., CX2 and Lynx ATS).

Do the Proposed Amendments Currently Exist in Other Markets or Jurisdictions

Examples of the application of a processing delay to orders before being executed or booked on a market exist in the foreign exchange market. For example, ParFX and EBS Market have utilized processing delays as part of their foreign exchange market offerings.

IEX, an equities marketplaces operating as an ATS in the US, also employs a delay on received orders, although it is implemented differently.

Finally, Aequitas Neo Exchange also proposes to implement a speed bump on its "Neo Book" trading facility, but it will be applied to a specified class of participant (termed "Latency Sensitive Trader") whereas the speed bump proposed for TSX Alpha Exchange will be applied on a more equitable basis.

Trading Policy Manual

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
V.1.3	Changes to reflect migration to TSX Quantum platform.	February 25, 2013
V.1.4	Changes to designation of eligible clients category.	September 30, 2013
V.1.5	Changes to Electronic Access Client Section	March 1, 2014
V.1.6	Various Changes. - An order processing delay will be imposed on orders that have the potential to take passive liquidity and a minimum volume requirement will be introduced for orders that have an explicit Post Only instruction. - Eligibility of the opening auction on a symbol level will be introduced. - Odd-lots will auto-execute against the TMX Alpha Odd lot dealer at the National Best Bid/Offer. - Additional features to prevent wash trading will be introduced (Cancel Oldest and Decrement and Cancel self trading features). - The IntraSpread facility will be decommissioned. - Intentional crosses will not be subject to CLOB interference. - The extended trading session will be discontinued and special trading terms will not be supported. - The OPR Route Out Service will be removed.	[TBD], 2015

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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 Traded Securities unless otherwise specified:

Alpha	~~The recognized exchange which provides a~~TSX Alpha Exchange marketplace ~~for Traded Securities.~~
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 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 Requirements	Alpha Requirements include the following: (1) These Trading Policies; (2) Obligations arising out of the Member Agreement; or (3) Any forms issued pursuant to these Trading Policies and any obligations related to or created by such Forms; (4) UMIR; and (5) Ontario securities law, and any decision thereunder as it may be amended, supplemented and in effect from time to time.
Alpha Systems	The electronic systems operated by Alpha for providing all facilities and services related to the trading of Traded Securities on Alpha.
Approved Trader	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.

Board	The Board of Directors of Alpha and any committee of the Board of Directors to which powers have been delegated.
Board Lot	A standard trading unit.
Bypass Cross	A ~~cross~~Cross that has a bypass marker.
Bypass Order	An order that has a bypass marker to indicate that it is~~:~~ ~~(1) part of a designated trade; or~~ ~~(2)~~ intended to ~~satisfy an obligation to fill an order imposed on a Member or Electronic Access Client by any provision of UMIR or a Policy;~~ ~~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.~~be a bypass order as defined in UMIR.
Calculated Opening Price (COP)	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.
Central Limit Order Book (CLOB)	The electronic book containing all Board Lot orders entered for execution in a continuous manner with price and priority rankings.
Clearing Corporation	CDS Clearing and Depository Services Inc. and any successor corporation or entity recognized as a clearing agency.
~~Contra Order Matching Preference (COMP)~~	~~Dark order designation identifying which orders in the IntraSpread™ facility the Dark order will trade against.~~
~~Dark Order~~Cross	A ~~fully hidden~~trade resulting from the entry by a Member or Electronic Access Client of both the order ~~used to manage passive interest within the IntraSpread™ Facility. It includes the Touch Dark order and Midpoint Dark~~to purchase and the order to sell a security~~.~~
Directed Action Order (DAO)	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.

Decision	Any decision, direction, order, ruling, guideline or other determination of Alpha, or of the Market Regulator made in the administration of these Trading Policies.
Electronic Access Client	An Electronic Access Client is a client of a Sponsoring Member to which it provides electronic access to the Alpha Systems in the following manner: (a) "direct electronic access"; (b) a "routing arrangement"; or (c) an "order execution service"; in each case as that term is defined in UMIR.
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 Electronic Access 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~~A 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 Electronic Access 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.~~
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[1]	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[2]	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 Related Entity,
	An Approved Trader; and
	Any other Person designated by Alpha.
Minimum Acceptable Quantity (MAQ)	Optional minimum acceptable execution quantity condition attached to a Dark order.
Mixed Lot	An order containing at least one Board Lot and an Odd Lot.
National Best Bid and Offer (NBBO)	The best bid and best offer of at least a Board Lot on all visible marketplaces, but does not include special terms orders.

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

[2] Note that this definition is being used for the purpose of these Trading Policies and may differ from definitions used by other parties

~~National Cross~~	~~A cross entered during the continuous trading session which at the time of entry was at or within the NBBO.~~
National Last Sale Price (NLSP)	The most recent trade of at least a Board Lot on any marketplace, other than a special terms trade.
Notice	A communication or document given, delivered, sent or served by Alpha.
Odd Lot	Any amount less than a Board Lot.
Odd Lot Dealer	A Member appointed by Alpha as an Odd Lot dealer for a particular security to perform the functions described in Part VI.
Odd Lot Order Book (OLOB)	The electronic book containing all Odd Lot orders.
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~~ <u>The requirements set out in Part 6 of NI 23-101, pertaining to trade</u> throughs ~~on that marketplace~~<u>of protected orders</u>.
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	Includes without limitation an individual, corporation, incorporated syndicated or other incorporated organization, sole proprietorship, partnership or trust.

~~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 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.~~
Sponsoring Member	A Member that provides a Electronic Access Client with access to the Alpha Systems.
Traded Security	A security eligible to be traded on Alpha
Trading Contract	Any agreement or contract: (1) To buy or sell any 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	The Universal Market Integrity Rules adopted by IIROC as amended, supplemented and in effect from time to time.

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.

(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.

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 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)   Membership is not transferable or assignable.
(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 9.

(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 Electronic Access 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

(1)   (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

(1)   (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 Electronic Access Client;
> 2. ~~continuous breaches of price band parameters unrelated to a market event; or~~
> 2. ~~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~~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 — MEMBERS PROVIDING THIRD PARTY ELECTRONIC ACCESS

4.3   THIRD PARTY ELECTRONIC ACCESS TO MARKETPLACES

A Sponsoring Member may provide a third party with electronic access to the Alpha System in the following manner:

(a)   "direct electronic access";
(b)   a "routing arrangement"; or
(c)   an "order execution service";

in each case as that term is defined in UMIR.

4.4   CONDITIONS FOR CONNECTIONS

(1)   A Sponsoring Member may permit orders received electronically from a third party to which it has granted electronic access in accordance with Section 4.3 to be transmitted to the Alpha System provided that the Sponsoring Member:

(a)   has obtained prior written approval of Alpha that the system of the Sponsoring Member is permitted to transmit orders to the Exchange;

(b)   has ensured its system is subject to an executed standard agreement with Alpha governing the connection between the system of the Member and the Alpha System;

(c)   complies with Canadian regulatory requirements governing the provision of third party electronic access to marketplaces;

(d)   ensures that its system supports compliance with Alpha Requirements dealing with the entry and trading of orders by all third parties who have been provided with electronic access to Alpha;

(e) ensures security of access to its system such that only persons authorized by the Sponsoring Member are provided access to Alpha; and

(f) designates a specific person as being responsible for the system of the Sponsoring Member used to transmit orders;

(2) The system of the Sponsoring Member includes any system through which an order designated with the Sponsoring Member identifier is transmitted to the Exchange, including without limitation, the technology systems of the Sponsoring Member, the approved technology system of a service provider retained by the Sponsoring Member, or an approved system that the Sponsoring Member permits the third party access client to transmit orders through to the Exchange.

4.5 RESPONSIBILITY OF SPONSORING MEMBER

A Sponsoring Member which provides a third party with electronic access to Alpha in accordance with Section 4.3 shall:

(a) be responsible for compliance with Alpha Requirements with respect to the entry and execution of orders transmitted by each Electronic Access Client;

(b) provide Alpha with prior written notification of the individual appointed to be responsible for such compliance;

(c) immediately disclose to Alpha the unique client identifier associated with each third party electronic access client that is used for the purpose of providing third party electronic access to Alpha;

(d) inform Alpha immediately if it knows or has reason to believe that it or its third party electronic access client has or may have breached a material provision of:
   (i) the Alpha Requirements; or
   (ii) the agreement contemplated by Section 4.4(1)(b); and

(e) immediately notify Alpha if the Sponsoring Member terminates a third party electronic access client's access to Alpha.

4.6 TERMINATION OF THIRD PARTY ELECTRONIC ACCESS

(1) Alpha may suspend a third party's electronic access to the Alpha System without notice if it concludes that the third party:

(a) misused the Alpha System or has interfered with fair and orderly markets;

(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 third party's access to Alpha's System immediately upon receiving notice from Alpha or the Market Regulator of such required termination and must not reinstate that third party's access to Alpha's System without Alpha's written approval.

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 <u>(subject to symbol eligibility)</u>
   (d)   Continuous trading session
   ~~(e)   Extended Trading session~~

5.3   CHANGES TO TRADING SESSIONS

(1)   The CEO of TMX Group Limited or 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 Electronic Access 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 Electronic Access 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.

(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)   Once the security is halted the security enters a Pre-open phase. If the security as determined by the exchange is eligible for the Opening auction, ~~allowing for~~ order entry, amendment and cancellation of orders is permitted but no matching is permitted. When the halt is lifted an opening auction is initiated. If the security is not eligible for the Opening auction cancellation of orders is permitted, order entry, amendment or matching is not permitted.

(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 determine 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.

5.7   CANCELLATION AND CORRECTION OF TRADES BY ALPHA

(1)   Subject to Section 5.8, 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.

5.8   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.

(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.

(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.

(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

5.9   ORDER TYPES

~~**Dark**~~	~~A fully hidden order used to manage passive interest within the IntraSpread™ Facility.~~

Immediate or Cancel (IOC)	An order that is to be filled immediately in full or in part, with the unfilled quantity cancelled.
Fill or Kill (FOK)	An order that is to be filled immediately in full, or cancelled.
~~Good for~~ Day	Order that is valid until it is fully filled or cancelled by the Member or Electronic Access Client or until the end of the continuous trading session
~~Day~~	~~Order that is valid until it is fully filled or cancelled by the Member or Electronic Access Client or until the end of the extended trading session~~
Good till Cancel	Order that remains valid until it is fully filled or is cancelled by the Member or Electronic Access Client.
Good till Date	Order that is valid until it is fully filled or cancelled by the Member or Electronic Access Client or until a specified expiry date
Limit Order	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
Market Order	An order to buy or sell a security at the best price available, up to a specified volume.
Mixed Lot	An order for at least one Board Lot and an Odd Lot.
Odd Lot	An order for less than a Board Lot.
On-Stop	An order that becomes a Limit Order if a specified price (the stop price) is reached, or passed.
~~Passive~~Post Only (PO)	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). <u>PO orders are subject to a minimum volume requirement to be accepted by Alpha.</u>

~~Seek Dark Liquidity™ (SDL™)~~	~~An Immediate or Cancel order that trades with eligible IntraSpread Dark orders and CLOB orders to the extent possible and any residual is cancelled.~~
Short Sell	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.
~~Special Terms~~	~~Orders that are not for standard settlement or that have a minimum execution condition.~~
Iceberg	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.

5.9.1   ORDER PROCESSING DELAY

New orders, order amendments and order cancels entered without an explicit Post Only instruction will incur a delay prior to Alpha processing the order. The delay will be determined by Alpha and communicated to clients through Notices to Members.

5.9.2   ~~5.9.1~~ 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.

(b)   **Limit Order**: Executed at the price equal to or better than the specified limit price.

5.9.3   ~~5.9.2~~ VOLUME- RELATED ORDERS

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

5.9.4 5.9.3 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).

5.9.5 5.9.4 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.

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

5.9.6 5.9.5 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.

5.9.7 5.9.6 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.

5.9.7   SPECIAL TERMS ORDERS

5.9.8   BYPASS ORDER

    (a)   A Bypass Order must be entered as a Limit Order during the Continuous Trading session.
    (b)   The Bypass marker is only allowed on Board Lot orders.
    (c)   A Bypass Order only executes against disclosed volume.

Special Settlement Terms: Orders with settlement terms that differ from the standard settlement terms.**Commentary:** All Bypass Orders are IOC; as a result all CFO or Cancel instructions with the bypass marker are rejected.

5.9.9 ~~5.9.8~~ 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.

5.10 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;
    (f)   Equity Specialist.

5.11 CROSSES

(1)   A Member or Electronic Access Client may report ~~crosses~~Crosses made outside the CLOB subject to any regulatory provisions applicable to the entry of ~~crosses~~Crosses.

(2)   Subject to any ~~regulatory provisions, crosses other than Specialty Price crosses during the Continuous Trading session~~exemptions in Sections 5.11.1 and 5.11.2, Crosses update NLSP and must be entered at a price that is at or within the ABBO.

(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.~~

(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.~~

5.11.1 ~~5.12~~ SPECIALTY PRICE CROSSES

    (a)   ~~(1)~~ **Basis Cross**
        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. Basis Cross may be entered outside of ABBO and does not set NLSP.

(b) ~~(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. VWAP Cross may be entered outside of ABBO and does not set NLSP.

(c) ~~(3)~~ **Contingent Cross**

A trade resulting from a paired order placed by a 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. Contingent Cross does set the NLSP and must be at or within the ABBO

~~(4) Special Trading Session (STS Cross)~~

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

5.11.2 ~~5.13~~ BYPASS ~~ORDER~~CROSSES

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

> ~~**Commentary**: All Bypass Orders are IOC; as a result all CFO or Cancel instructions with the bypass marker are rejected.~~ Crosses marked as Bypass Crosses can be entered outside of ABBO and do not set NLSP. Bypass Crosses must be for a round lot quantity.

5.12 ~~5.14~~ CANCEL ON DISCONNECT

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 sate is inhibited).

5.13 ~~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~~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.

> **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.

5.14 ~~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. Three self trade prevention features are available on Alpha.

(1)   Cancel Newest Self-Trade Prevention

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.

(2)   Cancel Oldest Self-Trade Prevention

The Cancel Oldest self-trade prevention instruction will prevent an incoming order from executing against a passive order from the same broker with a self-trade prevention instruction and matching self-trade keys. The passive order will be cancelled and the active order will trade up or down to its limit, booking any remaining volume if securities.

(3)   Decrement Largest and Cancel Smallest Self-Trade Prevention

The Decrement Largest and Cancel Smallest self-trade prevention instruction will prevent an incoming order from executing against a passive order from the same broker with a self-trade prevention instruction and matching self-trade keys. If both orders are equivalent size, both orders will be cancelled. If orders are not equivalent in size, the smaller order will be cancelled and the larger order will be decremented by the size of the smaller order. If the larger order was passive, the remaining volume will continue to rest in the book; if the larger

order was active, the balance of the order will trade up or down to its limit, booking any remaining volume if eligible.

5.15 5.17 UNATTRIBUTED ORDERS

(1)   Members and Electronic Access 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.

5.18 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, IOC, FOK, Special Terms, Bypass, or Passive Only

(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 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, FOK, 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 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.

(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. . Resting CLOB orders are matched with incoming SDL™ orders according to CLOB allocation priority.~~

DIVISION 3 — Pre-Open Session and Opening Auction

5.16 SYMBOLS ELIGIBLE FOR THE OPENING AUCTION

Symbols eligible for the opening auction will be determined by the exchange and communicated to Members of Alpha. 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.

5.17   SYMBOLS INELIGIBLE FOR THE OPENING AUCTION

During the pre-open session cancellation of orders is permitted, order entry, amendment or matching is not permitted. At the end of the pre-open session the stock group will transition into the continuous trading session.

DIVISION 4 — CONTINUOUS TRADING SESSION

5.18   ~~5.19~~ 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~~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.~~

5.19   ~~5.20~~ ALLOCATION OF TRADES

(1)   ~~(6) Internal Crosses, unattributed Intentional Crosses and Specialty Price crosses~~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.~~

(2)   ~~(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 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.

(b) Protect Cancel

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.

(c) Protect Reprice

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~~
~~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 TMX 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 are able to utilize the following routing algorithms to comply with the Order Protection Rule obligation.

By Price Spray

By Price Spray iterates sequentially by price level. For each price level, child orders are sprayed simultaneously to marketplace(s) with orders at that price level. Any residual, unfilled portion is posted on preferred marketplace.

PART VI.   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 Electronic Access Clients or Approved Traders of Electronic Access 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 2 — TRADING IN THE ODD LOT BOOK

6.2   SESSIONS, DATES AND TIMES FOR ODD LOT ORDERS

(1)   Odd Lot Orders for opening auction eligible symbols may be entered for trading, modified or cancelled during the Pre-Open Phase and Continuous Trading Session.

(2)   Odd Lot Orders for opening auction ineligible symbols may cancelled but may not be entered or modified during the Pre-Open Session.

(3)   (2) Odd Lot Orders may be entered and 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 AlphaNational 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 AlphaNational Best Bid and Offerin the case of a sell order, or National Best Offer in the case of a buy order, will auto-execute at the time of order entry, at the AlphaNational Best Bid andor Offer price, respectively, and
  (b)   all other Odd Lot Limit Orders will be booked in the OLOB.
  (c)   (a) Odd Lot Limit Orders booked in the OLOB will be :
    (i)   executed at their limit price against contra Odd Lot Orders, or
    (ii)   auto-executed in a similar manner as described in Subsection 6.3(2)(a) once the limit price has met or exceeded the opposite-side of the National Best Bid and Offer.

(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 limitbe handled in the same manner as described for Odd Lot Market Orders and Odd Lot Limit Orders in Subsections 6.3(1) and (2), respectively.

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 National Best Bid and Offer quote determined at the start of the continuous session quote will auto-execute at the price of that quote against the odd lot dealer.

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.

(1)   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.

(2)   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.

(3)   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.

(4)   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 securities on Alpha must settle on the date fixed for settlement by the exchange on which the security is listed.

7.3   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.

7.4 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 Section7.3(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 Section7.3(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.

7.5 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.

7.6 DELIVERING MEMBER RESPONSIBLE FOR GOOD DELIVERY FORM

(1) The delivering Member is responsible for the genuineness and complete regularity of the 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.

7.7   DELISTED SECURITIES

(1)   Any open orders on a security that will no longer be listed on its applicable exchange will be cancelled after the end of the ~~Extended~~<u>Continuous</u> Trading Session on the day preceding the delisting.

PART VIII.   Application of UMIR

8.1   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 IX.   Appeals

9.1   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 X.   Administration

10.1 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.

10.2 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.

10.3 WAIVER OF NOTICE

(1)   Any Person referred to in Section 10.1 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.

10.4 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.

10.5 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.