Notice of Effective Date of Recognition: Recognition of Alpha Trading Systems Limited Partnership and Alpha Exchange Inc. as an Exchange

RECOGNITION OF
ALPHA TRADING SYSTEMS LIMITED PARTNERSHIP AND ALPHA
EXCHANGE INC.
AS AN EXCHANGE

NOTICE OF EFFECTIVE DATE OF RECOGNITION

On December 8, 2011, the Commission approved the recognition of each of Alpha Trading Systems Limited Partnership (Alpha LP) and Alpha Exchange Inc. (Alpha Exchange) as an exchange. The recognition order states that the recognition of Alpha LP and Alpha Exchange is effective as at the later of: (a) February 1, 2012; or (b) the date the operations of Alpha ATS Limited Partnership have been legally transferred to Alpha Exchange. The order was published on December 16, 2011 in the OSC Bulletin at (2001) 34 OSCB 12623.

Alpha Exchange has announced that the date of operations of Alpha ATS Limited Partnership will be legally transferred to Alpha Exchange on April 1, 2012, with the first day of trading on Alpha Exchange to take place on Monday, April 2, 2012. Commission staff confirm that April 1, 2012 will be the effective date of the recognition of each of Alpha LP and Alpha Exchange.

The recognition order sets out the terms and conditions of recognition and includes the review process to be followed for the rules, policies and other similar instruments of Alpha Exchange (Rules).

After the recognition order for Alpha LP and Alpha Exchange was granted, the name of a party to the recognition order, Alpha Services Inc., was changed to Alpha Market Services Inc. The Commission has approved a variation to the recognition order to reflect this name change. This order is found at Appendix A.

Pursuant to various terms and conditions of recognition, the Commission also approved on December 8, 2012 the Rules of Alpha Exchange, those being Alpha Exchange's Trading Policies, Member Agreement, Market Maker Agreements, the Alpha Main Listing Handbook and related Forms, and the Alpha Venture Plus Listing Handbook and related Forms.

There have been some non-material changes made to Alpha Exchange's Trading Policies, Member Agreement and Market Maker Agreements. The changes to the Trading Policies may be found at Appendix B and the changes to the Member Agreement may be found at Appendix C.

APPENDIX A

IN THE MATTER OF

THE SECURITIES ACT, R.S.O. 1990,

CHAPTER S.5, AS AMENDED (Act)

AND

IN THE MATTER OF

ALPHA TRADING SYTEMS LIMITED PARTNERSHIP,

ALPHA TRADING SYSTEMS INC.,

ALPHA SERVICES INC.

AND ALPHA EXCHANGE INC.

RECOGNITION ORDER

(Section 144 of the Act and section 6.1 of Rule 13-502 *Fees*)

WHEREAS the Ontario Securities Commission (the Commission) issued an order dated December 8, 2011 recognizing each of Alpha Exchange Inc. and Alpha Trading Systems Limited Partnership as an exchange pursuant to section 21 of the Act (the Recognition Order);

AND WHEREAS Alpha Services Inc. is a party to the Recognition Order is subject to the terms and conditions thereof;

AND WHEREAS, subsequent to the date of the Recognition Order, the articles of incorporation of Alpha Services Inc. were amended to change the name of Alpha Services Inc. to Alpha Market Services Inc.;

AND WHEREAS Alpha Exchange Inc., Alpha Trading Systems Limited Partnership, Alpha Trading Systems Inc. and Alpha Market Services Inc. (collectively, the Applicants) have applied for an order pursuant to section 144 of the Act to vary the Recognition Order to replace all references to Alpha Services Inc. therein with Alpha Market Services Inc. (the Variation Application);

AND WHEREAS the Applicants have further applied for an order pursuant to section 6.1 of Rule 13-502 *Fees* (the Fee Exemption Application) exempting the Applicants from the requirement to pay the prescribed activity fees of $3,000 for the Variation Application and $1,500 for the Fee Exemption Application;

AND UPON the Applicants have represented to the Commission and the Director that the change of name of Alpha Services Inc. to Alpha Market Services Inc. was made because Industry Canada did not accept the name Alpha Services Inc.;

AND UPON considering the Variation Application, the Fee Exemption Application and the recommendation of staff of the Commission;

AND UPON the Commission and the Director, respectively, being of the opinion that it would not be prejudicial to the public interest:

IT IS ORDERED in respect of the Variation Application pursuant to section 144 of the Act, that the Recognition Order be varied by replacing the name "Alpha Services Inc." wherever it occurs with "Alpha Market Services Inc."

DATED this ___27th___ day of March, 2012

"James Carnwath"   "Wesley Scott"

IT IS FURTHER ORDERED, in respect of the Fee Exemption Application pursuant to section 6.1 of Rule 13-502, that the Applicants are exempted from:

    (i)   paying an activity fee of $3,000 in connection with the Variation Application, and

    (ii)   paying an activity fee of $1,500 in connection with the Fee Exemption Application.

DATED this 26th day of March, 2012

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

APPENDIX B

ALPHA EXCHANGE INC.
TRADING POLICIES
(the "TRADING POLICIES")

1

November 13, 2011

CONTENTS

November 13, 2011

November 13, 2011

November 13, 2011

5

November 13, 2011

November 13, 2011

PART I. Definitions and Interpretations

1.1. Definitions

(1) 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.

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

Alpha	The recognized exchange which provides a marketplace for Alpha Listed Securities and Other Traded Securities on Alpha.
Alpha Approval	Any approval given by Alpha under the Alpha Requirements.
Alpha Best Bid and Offer (ABBO)	In respect of a particular security, the best bid, the highest price and its corresponding volume that a Member has published to buy, and the best offer, the lowest price and its corresponding volume that a Member has published to sell, in the Alpha CLOB.
Alpha Closing Price or (ACP)	The CCP for an Alpha Listed Security unless it exceeds parameters established by Alpha. The Alpha Closing Price for Other Traded Securities will be adjusted overnight to reflect the closing price on the principal market as established in UMIR.
Alpha Last Sale Price (ALSP)	The price at which the last trade of a Board Lot was executed on Alpha, other than a Special Terms trade.

Alpha Listed Security	Securities listed on Alpha Main or Alpha Venture Plus.
Alpha Requirements	Alpha Requirements include the following:

1. These Trading Policies;

2. The Alpha Main Listing Handbook and Alpha Venture Plus Listing Handbook (together, the "Listing Handbooks");

3. Obligations arising out of the Member Agreement, Lead Market Maker Agreement for Alpha Listed Securities, Market Maker Agreement for Alpha Listed Securities, Market Maker Agreement for Other Traded Securities or any Listing Forms;

4. Any forms issued pursuant to these Trading Policies or the Listing Handbooks and any obligations related to or created by such Forms;

5. UMIR; and

6. 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 Alpha Listed Securities and Other 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.
Assigned Security	The particular Alpha Listed Security or Other Traded Security for which a Member has been appointed either as the Lead Market Maker or Market Maker.
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 that has a bypass marker.

Bypass Order An order that has a bypass marker to indicate that it is:
> (a) part of a designated trade; or
> (b) to satisfy an obligation to fill an order imposed on a Member or DMA Eligible 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.

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.

Calculated Closing Price (CCP) A single price calculated for a security whereby the trading volume is maximized and the trading imbalance is minimized, and is within parameters defined by Alpha in the closing call.

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.

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.

DMA Eligible Client A DMA Eligible Client is a client of a Sponsoring Member to which it provides sponsored access to Alpha Systems and that is :

1. A client that falls within the definition of "acceptable counterparties" or "acceptable institutions" or "regulated entities" as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report.

2. A client that is registered as a portfolio manager under the Securities Act of one or more of the Provinces of Canada.

3. A client that is a foreign broker or dealer (or the equivalent registration) registered with the appropriate regulatory body in the broker's or dealer's home jurisdiction and that is an affiliate of a Member acting for its own account, the accounts of other Eligible Clients or the accounts of its clients.

4. A client that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with the customer and falls into one of the following categories:

   (a) An insurance company as defined in section 2(13) of the U.S. Securities Act of 1933,

   (b) An investment company registered under the U.S. Securities Act of 1933 or any business development company as defined in section 2(a)(48) of that Act,

(c) A small business investm[...]
the U.S. Small Busines[...]
section 301 (c) or (d) of [...]
In[...]stment Act of 1958,

[...]lan established and ma[...]
[...] political subdivisions[...]
[...]umentality of a U.S[...]
[...]divisions, for the bene[...]

(e) An employee benefit pla[...]
Title I of the U.S. Empl[...]
Securities Act of 1974,

(f) A trust fund whose trus[...]
company and whose par[...]
plans of the types identif[...]
except trust funds that [...]
individual retirement acc[...]
plans,

(g) A business development [...]
section 202(a)(22) of the [...]
Act of 1940,

(h) An organization describe[...]
the U.S. Internal Reve[...]
(other than a bank as def[...]
the U.S. Securities Act o[...]
loan association or other [...]
section 3(a)(5)(A) of the [...]
1933 or a foreign bank[...]
association or equivalent [...]
or Massachusetts or simil[...]

(i) An investment adviser re[...]
Investment Advisers Act.[...]

5. A client that is a dealer [...]
section 15 of the U.S. Se[...]
1934, acting for its own ac[...]
other Eligible Clients, tha[...]
and invests on a discretio[...]
million of securities of issu[...]
with the dealer, pro[...]
constituting the whole o[...]
allotment to or subscrip[...]
participant in a public offe[...]
to be owned by such deal[...]

6. A client that is an investm[...]
under the U.S. Investme[...]
for its own account or fo[...]
Eligible Clients, that is [...]
investment companies wh[...]
at least $100 million in se[...]
[...]than issuers that are affil[...]
company or are part of s[...]
companies and, for thes[...]
investment companies" n[...]
investment companies re[...]
Investment Company A[...]

IIROC	The Investment Industry Regulatory Organization of Canada.
IIROC Rules	UMIR and IIROC's dealer member rules.
Intentional Cross	A trade resulting from the entry by a Member or DMA Eligible Client of both the order to purchase and the order to sell a security, but does not include a trade in which the Member has entered one of the orders as a jitney order.
Internal Cross	An Intentional Cross between two accounts which are managed by a single firm acting as a portfolio manager with discretionary authority to manage the investment portfolio granted by each of the holders of the accounts and includes a trade in respect of which the Member or DMA Eligible Client is acting as a portfolio manager in authorizing the trade between the two accounts.
IntraSpread™ Facility	An optional facility which allows a Member to seek order matches with guaranteed price improvement for active orders, without pre-trade transparency.
Lead Market Maker	The Member appointed as a Lead Market Maker by Alpha for a particular Alpha Listed Security.
Lead Market Maker Approved Trader	The Approved Trader identified by the Lead Market Maker to fulfill a Lead Market Maker's responsibilities under these Trading Policies.
Market Maker	The Member or Members appointed as market maker for a particular Alpha Listed Security or Other Traded Security.
	Commentary: The terms "Market Maker for an Alpha Listed Security" and "Market Maker for an Other Traded Security" will be used if the provision is only applicable to one and not the other. Otherwise the provision will be applicable to both.
Market Maker	The Approved Trader given responsibility to fulfill a

Approved Trader	Market Maker's responsibilities under these Trading Policies.
Market Regulator	IIROC or such other person recognized by the Ontario Securities Commission as a Regulation Services Provider for the purposes of Ontario securities law and which has been retained by Alpha as an acceptable Regulation Services Provider.
Member	A member approved by Alpha to access the Alpha Systems, provided such access has not been terminated.
Member Agreement	The agreement entered into between Alpha and a Member which sets out the terms and conditions of the Member's access to the Alpha Systems.

Member Related Entity[1]

A Person that is

1. an affiliated entity of a Member, or

2. 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:

1. A Member Related Entity,

2. An employee, agent or contractor acting as an employee of a Member or a Member Related Entity,

3. Partners, directors and officers of a Member or Member Related Entity,

4. An Approved Trader; and

5. Any other Person designated by Alpha.

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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.

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.
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-throughs on that marketplace.

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

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.
Other Traded Security (OTS)	A security listed by an exchange other than Alpha and traded on Alpha.
	Commentary: A security that is listed both on Alpha and on another exchange in Canada will be considered to be an Alpha Listed Security for purposes of Alpha Requirements unless otherwise specified.
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.
Sponsoring Member	A Member that provides a DMA Eligible Client with access to the Alpha Systems.
Trading Contract	Any agreement or contract:
	1. To buy or sell any Alpha Listed Security or OTS through Alpha's facilities; or
	2. For delivery of, or payment for, any Alpha Listed Security or OTS (or security which was an Alpha Listed Security or OTS when the contract was made) arising from settlement through the Clearing Corporation.
Trading Policies	These Alpha Exchange trading policies, as they may be

amended or supplemented from time to time.

TTM Service   The service used by Alpha to route designated orders, in part or in whole, to Other Marketplaces with the objective of complying with the Order Protection Rule (NI 23-101) to not trade through displayed better priced orders on such marketplaces.

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.

(13) All provisions of these Trading Policies apply to the trading of both Alpha Listed Securities and Other Traded Securities unless otherwise specified.

PART II. Application of Policies and Authority of Alpha

2.1.   Application of policies

(1)   Members and Member Related Persons must comply with all applicable Alpha Requirements when trading on Alpha.

(2)   Alpha may take disciplinary action against any Member or Member Related Person who violates any Alpha Requirement.

2.2.   Exercise of powers

(1)   Unless otherwise expressly provided, whenever Alpha is given any power, right, exercise of discretion or entitlement to take action in respect of Alpha Requirements, the same may be exercised by the Board, any Committee of the Board, the appropriate officers of Alpha or any committee or person designated by the Board or the CEO of Alpha, including the Market Regulator.

(2)   Unless the subject matter or context otherwise requires, any action taken by a Person under subsection (1) is subject to the overall authority of the Board.

2.3.   General Exemptive Relief

(1)   Alpha may exempt any Member from the application of any Alpha Requirement, if in the opinion of Alpha, the provision of such exemption:

   a.   Would not be contrary to the provisions of the Securities Act (Ontario) and the rules and regulations thereunder or UMIR;

   b.   Would not be prejudicial to the public interest or to the maintenance of a fair and orderly market; and

   c.   Is warranted after due consideration of the circumstances.

2.4.   No waiver of rights

(1)   Failure by Alpha or the Market Regulator to exercise any of its rights, powers or remedies under Alpha Requirements or their delay to do so is not a waiver of those rights, powers or remedies.

(2)   The single or partial exercise of a right, power or remedy does not in any way limit the ability of Alpha or the Market Regulator to exercise that right, power or remedy.

(3)   Any waiver of a right, power or remedy must be in writing and may be general or particular in its application.

2.5.   Anti-avoidance

(1)   If, in the opinion of Alpha, a Member has organized its business and affairs for the purpose of avoiding the application of any Alpha Requirement, Alpha may apply such Alpha Requirement to the Member in the same manner as if such provision had directly applied to such Member.

PART III. Membership

DIVISION 1 — APPROVAL

3.1. Qualification for becoming a Member

(1)   An applicant must

    (a)   be a dealer member of IIROC (or any successor recognized as a self regulatory entity or comparable self-regulatory entity) in good standing;

    (b)   be a participant of the Clearing Corporation or have entered into an arrangement for the clearing and settlement of trade with a participant in the Clearing Corporation; and

    (c)   meet Alpha Requirements, including completion of a Member Agreement.

(2)   A Member is authorized to trade both Alpha Listed Securities and OTSs on Alpha.

(3)   Membership is not transferable or assignable.

(4)   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 10.

(4)   Subject to the exercise of a right of appeal, a rejected applicant may not reapply for a period of six months following the date of refusal.

DIVISION 2 — CONTINUING REQUIREMENTS

3.3. Authorized Representative

(1)   Each Member must appoint a senior officer, director or partner as its representative who shall be named in the Member Agreement.

(2)   The representative shall:

(a)   have authority to speak for the Member in dealings with Alpha; and

(b)   serve as primary contact to Alpha on inquiries regarding the conduct and supervision of the Member's Approved Traders and DMA Eligible Clients.

(3)   A Member must give Alpha notice of a change of its representative at least 10 business days prior to the change unless circumstances make this impossible, in which case notice must be given as soon as possible.

3.4. Payment of fees, etc.

(1) Members must pay all fees and charges fixed by Alpha and the Market Regulator, which are due and payable as Alpha or the Market Regulator require from time to time.

(2) Alpha may at any time, and from time to time, on not less than 30 days' Notice to Members, increase any or all fees or charges. Alpha may decrease fees by providing Members with Notice of such a change within 30 days prior to the effective date of the change.

(3) Alpha may suspend without further notice a Member that has not paid any fees or charges within 30 days of becoming payable, and such suspension shall remain in place until all outstanding fees and charges have been paid by the Member. If the Member has not paid all outstanding fees and charges within 15 days of such suspension, Alpha may terminate such Member's membership.

3.5. Continuing SRO Membership

(1) A Member that ceases to comply with the requirements of Section 3.1(1) must notify Alpha immediately.

(2) A Member must inform Alpha immediately if it ceases to be a member of, or becomes aware that it is being investigated by, or is subject to an enforcement action (a hearing has been scheduled) by a recognized self-regulatory organization.

(3) If a Member ceases to be a member of IIROC (or any successor recognized as a self regulatory entity or comparable self-regulatory entity), it may be suspended pursuant to Section 3.10(1)(a) or terminated as a Member of Alpha pursuant to Section 3.13(1)(b), at the discretion of Alpha. In case of termination, the Member may reapply for membership with Alpha upon becoming reinstated as a member of IIROC, by following the procedures set forth in Section 3.2.

(4) Alpha may from time to time review the continued eligibility of a Member for membership.

3.6. Notifications

(1) A Member must give Alpha written notice of:

(a) a change of its name or the name under which it does business; or

(b)   a change in the address of its head office.

(2)   The Member must give such notice at least 10 business days prior to the change.

3.7.   Maintaining Records

(1)   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)   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

(i)   is the subject of disciplinary proceedings or is under investigation for a failure to comply with Alpha Requirements, or

(ii)   has any trades outstanding.

3.10. Suspension by Alpha without Prior Notice

(1)   A Member may be suspended immediately and without prior notice if any of the following events occur:

(a)   the Member ceases to comply with the requirements of Section 3.1(1);

(b)   the Member is for any reason unable to meet its obligations as they generally become due;

(c)   the Member has ceased paying its current obligations in the ordinary course of business as they become due;

(d)   the aggregate of the property of the Member is not, at a fair valuation, sufficient, or if disposed of in a fairly-conducted sale under legal process, would not be sufficient to enable payment of all of its obligations due or becoming due;

(e)   the Member defaults in, or fails to meet or admits its inability to meet its liabilities to the Canadian Investor Protection Fund or the Clearing Corporation or another Member;

(f)   Section 3.13(1) applies and Alpha has elected not to exercise its right to terminate the Member's membership pursuant to such section;

(g)   Section 3.4(3) applies; or

(h)   continued access by the Member raises inappropriate risk to the operations of Alpha, financial risk to other Members, and/or market quality issues.

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

(2) The Member may, at Alpha's discretion, be reinstated with or without any restrictions upon the Member demonstrating to Alpha's satisfaction that:

(a)   it now complies with all provisions of Section 3.1,

(b)   if the Member has been suspended due to the occurrence of one or more of the events listed in Section 3.10(1), such events have been remedied to Alpha's satisfaction; and

(c)   it otherwise meets the criteria for membership with Alpha.

3.11. Discretionary Suspension

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

> **Commentary:** Examples of situations where Alpha may exercise its discretion to suspend a Member's access to the System include:
>
> 1. runaway algorithmic trading by an employee or DMA Eligible Client;
> 2. continuous breaches of price band parameters unrelated to a market event; or
> 3. failure to provide information in response to a request due to concerns about order entry or other Alpha Requirements

(2)   The Member's access to the System may, at Alpha's discretion, be reinstated upon the Member demonstrating to Alpha's satisfaction that the reasons for the suspension have been remedied.

3.12. Termination by Alpha with Notice

(1)   Alpha may terminate a membership by giving not less than 5 days' prior written notice if Alpha has concluded after reasonable investigation that the Member has

(a)   failed to comply or is not in compliance with Alpha Requirements; or

(b)   engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha.

3.13. Termination by Alpha without Notice

(1)   Alpha may terminate a membership without notice if:

(a)   the Member has committed an act of bankruptcy as provided in the *Bankruptcy and Insolvency Act* (Canada); or

(b)   Section 3.4(3) or Section 3.5(3) applies.

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

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

3.14. Effect of Suspension or Termination

(1)   Upon suspension or termination, Alpha may at its discretion cancel all of the Member's or former Member's open orders or impose any other restrictions and/or conditions on the Member's rights until the Member has been reinstated in accordance with Section 3.14(3) or Section 3.14(4).

(2)   A Member that has been suspended or terminated or that has been deprived of some of the rights of membership under Alpha Requirements does not for that reason alone lose its rights in respect of any claims it may have against another Member unless such rights are expressly dealt with.

(3)   A Member that has been suspended may have its rights reinstated, at Alpha's discretion, upon providing evidence, satisfactory to Alpha in its sole discretion, that the reason for the suspension has been remedied.

(4)   A Member that has had its membership terminated may, no sooner than six months after the date of the termination of membership, reapply for membership with Alpha by following the procedures set out in Section 3.2.

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

PART IV. Access to Trading

DIVISION 1 — APPROVED TRADERS

4.1. Approved Traders

(1) A Member must provide Alpha with the names and identifiers of all Approved Traders.

(2) A Member must maintain a list of all Approved Traders and their identifiers for the preceding 7-year period.

(3) A Member must give Alpha written notice of additions or terminations of Approved Traders at least 10 business days prior to the change unless circumstances make such prior notice of a termination impossible, in which case notice must be given as soon as possible.

(4) The Member shall be responsible for all instructions entered, transmitted or received under an Approved Trader identifier, and for the trading and other consequences thereof.

4.2. Access

(1) A Member must not allow an employee to enter orders or crosses on Alpha if the person is not properly qualified in accordance with the requirements of a Market Regulator or securities regulatory authority.

(2) Alpha may suspend an Approved Trader's access to the Alpha Systems without notice if it concludes after reasonable investigation that the Approved Trader is misusing the Alpha Systems or is causing a disorderly market.

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

(3) Subject to Section 4.2(2), Alpha may suspend an Approved Trader's access to the Alpha Systems by giving not less than 5 days' prior written notice if Alpha has

concluded after reasonable investigation that the Approved Trader has failed to comply or is not in compliance with Alpha Requirements.

.

(4) A Member must terminate an Approved Trader's access to the Alpha Systems immediately upon receiving notice and must not reinstate access without Alpha's written approval. If the Member fails to comply with this provision, Alpha shall have the right to take such action as it considers necessary, in its sole discretion, to prevent access to the Alpha Systems by any person, including the termination of the Member's right to access the Alpha Systems in its entirety.

(5) Upon termination of an Approved Trader, Alpha may in its sole discretion cancel all open orders entered by that trader.

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

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

DIVISION 2 — DMA ELIGIBLE CLIENTS AND MEMBER-SPONSORED ACCESS

4.3. Sponsoring Member Supervisory Responsibilities

(1) If a Sponsoring Member provides access to the Alpha Systems to its DMA Eligible Clients, then prior to granting such access, the Sponsoring Member shall enter into a binding legal agreement with such DMA Eligible Client which contains, at a minimum, the terms set out in Schedule 3 to the Member Agreement and shall provide to Alpha any DMA Eligible Client documentation as requested by Alpha from time to time;

(2) A Sponsoring Member which enters into an agreement with a DMA Eligible Client to transmit orders received from the DMA Eligible Client in accordance with these Trading Policies shall exercise due diligence to ensure that each such DMA Eligible Client complies with all Alpha Requirements and shall put in place policies and procedures governing, and be responsible for, compliance with the

Alpha Requirements with respect to the entry and execution of orders transmitted by DMA Eligible Clients through the Member.

(3) The Sponsoring Member shall have the ability to receive an immediate report of the entry and execution of orders entered by the DMA Eligible Client. The Sponsoring Member shall have the capability of rejecting orders that do not fall within the designated parameters of authorized orders for a particular DMA Eligible Client.

(4) The Sponsoring Member shall have procedures in place to ensure that DMA Eligible Clients use system interconnects and can comply with the Alpha Requirements and other applicable regulatory requirements.

(5) The eligibility of DMA Eligible Clients using system interconnects shall be reviewed at least annually by the Sponsoring Member.

(6) In addition to all other account documentation, the Sponsoring Member shall ensure specifically that the Sponsoring Member or Alpha has the right, at any time and for any reason, including if compelled to do so by any regulatory authority or Alpha to discontinue receiving or processing orders which will be routed to the System from any DMA Eligible Client.

4.4. Termination of Sponsored Access

(1) Alpha may suspend a DMA Eligible Client's access to Alpha Systems without notice if it concludes after reasonable investigation that the DMA Eligible Client has:

(a) misused the Alpha Systems or has caused a disorderly market;

(b) failed to comply or is not in compliance with Alpha Requirements; or

(c) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha.

(2) A Sponsoring Member must terminate a DMA Eligible Client's access to the Alpha Systems immediately upon receiving notice from Alpha or the Market Regulator and must not reinstate access to Alpha Systems without Alpha's written approval.

PART V. Governance of Trading Sessions

DIVISION 1 — GENERAL

5.1. Market Integrity and General Compliance Requirement

Each Member and each Approved Trader on Alpha shall comply with all Alpha Requirements.

5.2. Times of Sessions

(1) On each business day Alpha will be open for trading sessions.

(2) Alpha will determine from time to time the opening and closing times for each session and will publish the time of the sessions by Notice to Members.

(3) The current trading sessions are:

(a) System open for queries

(b) Pre-opening until the opening call (Pre-Open)

(c) Opening Call

(d) Continuous trading from the opening call to the closing call (Continuous Trading)

(e) Closing Call

(f) Extended closing session from the closing call to the final closing call (Extended Closing)

(g) Final Closing Call

(h) Extended Trading session

5.3. Changes to Trading Sessions

(1) The CEO or in his or her absence any person designated by the CEO may at any time in the event of an emergency

(a) suspend all trading at any session or sessions or trading in any security during any session or sessions, or

(b)   close, reduce, extend or otherwise alter the time of any session or sessions.

5.4.   Trades or Queries Outside of Trading Session Hours

(1)   No Member or DMA Eligible Client may make a bid, offer or transaction on Alpha or issue a commitment to trade on Alpha outside trading session hours.

(2)   Members and DMA Eligible Clients have the ability to run queries on the Alpha Systems during and outside of trading session hours.

5.5.   Trading Halts

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

(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:
>
> (a) Halt trading of a security to permit the dissemination of material news; or
>
> (b) Halt trading of a security during a trading halt imposed by another marketplace to permit the dissemination of material news; or
>
> (c) 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
>
> (d) other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

(4)   Alpha can initiate two types of trading halts based on certain external events.

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

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

(5)   After a trading halt is lifted, the security enters a Pre-open phase allowing for order entry, amendment and cancellation, followed by an auction.

(6)   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.   Exceeding Price Band Parameters (Price Band Limits)

(1)   Alpha may determine price band parameters which set limits based on a variance from the ALSP or any other reference price.

(2)   Alpha may change the price band parameters to adjust to changes in the markets or to events on a particular day.

(3)   Alpha will publish, through a Member Notice and by posting on its website, the establishment of a price band parameter and any changes (other than those made for a temporary period to adjust to a particular event) before implementation.

(4)   During the Continuous Trading session, if a tradable order would trade through the price band parameter or limit for a security, the order will trade up to the price band parameter and any remaining balance will be cancelled.

(5)   Price band parameters do not affect execution of crosses and Special Terms trades.

5.7.   General Capacity Thresholds to Achieve Performance

(1)   Alpha may determine thresholds based on system capacity criteria.

(2)   If a Member or DMA Eligible Client, directly or indirectly, exceeds the threshold, Alpha may take action to mitigate the impact.

5.8.   Cancellation and Correction of Trades by Alpha

(1)   Subject to Section 5.9, 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.

5.9. Error Corrections Requested by Member

(1) A Member, and persons authorized by the Member to do so, may seek to have a trade cancelled or changed. Alpha has implemented processes for handling these requests, and has implemented price bands to minimize erroneous trades from occurring. Information regarding the price bands will be published so that Members can efficiently manage risks due to erroneous trades.

(2) Trade Cancellations or Amendments at the Opening:

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

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

   (c) *Impact of hitting the price bands.* Alpha has established price bands for the opening auction. If the COP is outside the price band, then the security will

go into delayed opening. Such price bands can be amended from time to time by publication of a notice describing the amended price bands.

(3)   Trade Cancellations or Amendments during Continuous Session:

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

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

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

(4)   Trade Cancellations or Amendments at the Closing Auction

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

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

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

(5) *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

5.10. Order Types

Dark	A fully hidden order used to manage passive interest within the IntraSpread™ Facility.
Fill or Kill (FOK)	An order that is to be filled immediately in full or in part, with the unfilled quantity cancelled.
Fill and Kill	An order that is to be filled immediately in full, or cancelled.

(FAK)	
Good for Day	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the end of the continuous trading session
Good for Extended Day	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the end of the extended trading session
Good till Cancel	Order that remains valid until it is fully filled or is cancelled by the Member or DMA Eligible Client.
Good till Date	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until a specified expiry date
Good till Time	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the specified expiry date and time
Inside Match (IM)	Order with a limit price within the NBBO specified by a percentage (between 10% and 90%, in increments of 10%) of the spread that trades with PII orders immediately on entry. Any unfilled balance of an IM order is cancelled. Trades may occur at smaller price increments than the minimum quotation increments contained in UMIR.
Limit on Open (LOO)	A Limit Order that is only available for execution at the opening call.
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 on Close (MOC)	A Market Order participating only in the closing and executing at the CCP. MOC orders do not participate in the continuous trading session. MOC orders can be entered, modified and cancelled any time between 7:00 a.m. and the closing call. Any unfilled part of the order is killed after the Closing Call. **Commentary**: MOC orders are currently being rejected.
Market on	A Market Order that is only available for execution at the

Open (MOO)	Opening Call. Any unfilled MOO orders will be killed when the Continuous Trading Session begins.
Market Order	An order to buy or sell a security at the best price available, up to a specified volume. An unfilled Market Order entered during the Pre-Open session, is booked as a Limit Order for trading in the Continuous Trading session at the COP.
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 Market Order or Limit Order if a specified price (the stop price) is reached, or passed.
Passive 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 or short sale price re-pegging). Passive Only is also available for TTM orders.
Price Improvement Iceberg (PII)	An SI with a non-disclosed, discretionary limit price expressed in a number of ticks beyond its limit price. The PII can match with IM orders at the price of the IM order, if the price of the IM order is equal to or better than the PII discretionary price.
Seek Dark Liquidity™ (SDL™)	A Fill or Kill order that trades only with eligible Dark order 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. Short Sell orders may only be executed at a price equal to, or above the NLSP.
Short Sell "exempt"	A Short Sell order that is exempt from the "last sale" pricing restrictions in UMIR. Members are responsible for identifying these orders.
Special Terms	Orders that are not for standard settlement or that have a minimum execution condition.
Standard	A Limit Order that specifies a total size and a disclosed size. Once the disclosed size is executed in full, the new quantity

Iceberg (SI)	of the disclosed size is released with time priority corresponding to the release time.

Commentary:

Price Related Orders

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

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

Example:

XYZ Security

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

A trader enters a Market Order to buy 3000 shares.

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

The book for XYZ would look as follows:

XYZ Security

Bid		Ask
2300 shares	10.02	
500 shares	10.00	
300 shares	9.99	
200 shares	9.98	

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

(c) IM Order: Upon receipt, it will trigger PII orders for an immediate match. Any unfilled part of the IM order is killed. If there are no matching PII orders, the entire IM order is killed.

Example:

XYZ Security

Bid	Ask
200 shares (1000 reserve) 3.00 (discretionary 3.20)	4.00 200 shares
500 shares 3.00	

NBBO is 3.00 – 4.00

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

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

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

The book for XYZ would look as follows:

XYZ Security

Bid	Ask
100 shares (1000 reserve) 3.00 (discretionary 3.20)	4.00 200 shares
500 shares 3.00	

Trade Session Related Orders

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

Volume- Related Orders

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

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

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.

On-Stop Orders

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

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

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

Commentary:

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

Example:

XYZ Security

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

ALSP is 10.03.

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

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

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

The book for XYZ would look as follows:

XYZ Security

Bid	Ask
200 shares 10.05	10.06 500 shares
500 shares 10.00	
200 shares 9.99	
300 shares 9.98	

Short Sale Orders

A Short Sell order is an order to sell a security that the seller does not own. To facilitate compliance with the short sale rule, the system generally pegs the price of short sell orders to the NLSP. However in the Pre-Open phase, short sale order prices are adjusted to the closing price of the principal market. Members are responsible for the identification of short sell orders.

A Short Sell "exempt" order is a Short Sell order that is exempt from the "last sale" pricing restrictions in UMIR. Members are responsible for identifying these orders.

Iceberg Orders

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

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

Special Terms Orders

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

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.

5.11. 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; and

 (g) Orders entered for execution of a Normal Course Issuer Bid (i.e. NCIB).

5.12. Crosses

(1) A Member or DMA Eligible Client may report crosses made outside the CLOB subject to any regulatory provisions applicable to the entry of crosses.

(2) Subject to any regulatory provisions, crosses other than Specialty Price crosses during the Continuous Trading session must be entered at a price that is at or within the ABBO.

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

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

> **Commentary:** Crosses entered during the Extended Trading session at the Closing Price can be entered by the Approved Trader through the Alpha Systems. For crosses at any other price during the Extended Trading Session, Alpha must be in receipt of a completed "Extended Trading Cross Request"

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

(5) 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 short sell and short exempt supported, is only allowed on round lots and mixed lots and does not update NLSP.

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

5.12.1. Alpha IntraSpread™ Facility

1. Scope

    (1) Alpha IntraSpread™ facility allows Members to seek order matches without pre-trade transparency, with guaranteed price improvement for active orders.
    (2) The IntraSpread™ facility is available to all Members and for all symbols traded on Alpha ATS.
    (3) Order types in the Alpha IntraSpread™ facility include Dark orders and Seek Dark Liquidity™ (SDL™) orders.

2. Dark Orders

    (1) The Dark order is a fully hidden order, used to manage passive interest with no pre-trade transparency. It offers price improvement to tradable incoming orders. Dark orders trade only with incoming SDL™ orders that are tradable at the calculated price of the Dark order and do not trade with other Dark orders.

Commentary: Dark orders have no pre-trade transparency as information on Dark orders is not disseminated on any public feeds.

(2) 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. The price offset is calculated as a percentage of the NBBO spread with one of two values: 10 % (capped to one standard price increment), or 50% (with no tick cap). The price of the Dark order can be optionally capped.

(3) If either side of the NBBO is not set, or the NBBO is locked or crossed, Dark orders will not trade.

(4) Dark orders must be for a board lot quantity and are day only orders.

(5) Dark orders cannot be Iceberg, On-Stop, Inside Match, FOK, FAK, MOO, LOO, MOC, Special Terms, Bypass, Passive Only, TTM or ROC.

(6) Dark orders can be amended for quantity, price offset and price cap, in addition to other standard amendable order attributes.

3. Seek Dark Liquidity™ (SDL™) Orders

(1) SDL ™ orders trade only with Dark orders from any Alpha Member and do not interact with other transparent orders in the Alpha CLOB.

(2) 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).

(3) SDL™ orders can be market or limit orders but are treated as FOK – they trade with eligible Dark orders to the extent possible, and any residual is cancelled.

(4) SDL™ orders must be for a board lot quantity.

(5) SDL™ orders cannot be Iceberg, On-Stop, Inside Match, FAK, MOO, LOO, MOC, Special Terms, Bypass, Passive Only, TTM or ROC.

4. Eligible Trading Sessions

(1) Dark orders are accepted in Pre-Open and Continuous Trading sessions (from 7:00am to 4:00pm).
(2) Dark orders trade in the Continuous Trading Session but do not participate in opening or closing auctions.
(3) SDL™ orders are accepted only during the Continuous Trading Session (from 9:30am to 4:00pm)

5. Post-trade Transparency

(1) 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.
(2) 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 - IntraSpread orders are matched according to the following allocation priority:

(1) Price priority: Dark orders with better price (higher price offset) have priority, then
(2) Broker preferencing: Dark orders from the same Member have priority, then
(3) Smart size priority: Dark orders with sufficient size to fully fill the incoming order have priority, then
(4) Round-robin priority: Dark orders take turns interacting with the incoming order. Each time a Dark order is inserted, it is placed at the bottom of the queue. Each time a Dark order trades or its

quantity is increased, the order is placed at the bottom of the queue.

Commentary: Unlike the CLOB, Broker Preferencing is observed for matching SDL orders and Dark orders regardless of whether the order is marked anonymous. In addition, SDL Orders designated as Jitney are subject to broker preferencing.

Example of IntraSpread™ Matching

NBBO is 25.02 – 25.05

Order #	RR Priority	Time of Entry	Order Type	Bid Broker	Bid Size	NBBO Offset	Calculated Price
				Alpha IntraSpread Book			
2	2	10:10am	Dark	A	200	50%	25.035
3	3	10:15am	Dark	A	800	50%	25.035
4	4	10:20am	Dark	B	600	50%	25.035
5	5	10:25am	Dark	A	1,000	50%	25.035
1	1	10:00am	Dark	A	500	10%	25.023

If dealer A enters SDL order #6 to sell 300 at 25.02, the following trade will occur:

- 300 @ 25.035 (order #6/order #3)

Priority:

- Orders #2, #3, #4, and #5 have priority over #1 based on price
- Orders #2,#3, and #5 have priority over #4 based on broker preferencing
- Orders #3 and #5 have priority over #2 based on smart size
- Order #3 has priority over #5 based on round robin

The state of the book is now as follows:

	RR	Time of	Order	Bid		NBBO	Calculated
Order #	Priority	Entry	Type	Broker	Bid Size	Offset	Price
2	2	10:10am	Dark	A	200	50%	25.035
4	4	10:20am	Dark	B	600	50%	25.035
5	5	10:25am	Dark	A	1,000	50%	25.035
3	6	10:15am	Dark	A	500	50%	25.035
1	1	10:00am	Dark	A	500	10%	25.023

Alpha IntraSpread Book

If dealer A then enters SDL order #7 to sell 300 at 25.02, the following trade will occur:

- 300 @ 25.035 (order #5/order #7)

Priority:

- Orders #2, #3, #4, and #5 have priority over #1 based on price
- Orders #2,3, and #5 have priority over #4 based on broker preferencing
- Orders #3 and #5 have priority over #2 based on smart size
- Order #5 has priority over #3 based on round robin

The state of the book is now as follows:

	RR	Time of	Order	Bid		NBBO	Calculated
Order #	Priority	Entry	Type	Broker	Bid Size	Offset	Price
2	2	10:10am	Dark	A	200	50%	25.035
4	4	10:20am	Dark	B	600	50%	25.035
3	6	10:15am	Dark	A	500	50%	25.035
5	7	10:25am	Dark	A	700	50%	25.035
1	1	10:00am	Dark	A	500	10%	25.023

Alpha IntraSpread Book

If dealer A then enters SDL order #8 to sell 900 at 25.02, the following trades will occur:

- 200 @ 25.035 (order #2/order #8)
- 500 @ 25.035 (order #3/order #8)
- 200 @ 25.035 (order #5/order #8)

Priority:

- Orders #2, #3, #4, and #5 have priority over #1 based on price
- Orders #2,#3, and #5 have priority over #4 based on broker preferencing
- No orders have priority based on smart size
- Order #2 has priority over #3, and #3 over #5 based on round robin

The state of the book is now as follows:

	RR	Time of	Order	Bid		NBBO	Calculated
Order #	Priority	Entry	Type	Broker	Bid Size	Offset	Price
4	4	10:20am	Dark	B	600	50%	25.035
5	8	10:25am	Dark	A	500	50%	25.035
1	1	10:00am	Dark	A	500	10%	25.023

If dealer C then enters SDL order #9 to sell 1,800 at 25.02, the following trades will occur:

- 600 @ 25.035 (order #4/order #9)
- 500 @ 25.035 (order #5/order #9)
- 500 @ 25.023 (order #1/order #9)

Priority:

- Orders #4 and #5 have priority over #1 based on price
- No orders have priority based on broker preferencing
- No orders have priority based on smart size
- Order #4 has priority over #5 based on round robin
    The book is now empty.

5.13. Specialty Price Crosses

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

Basis Cross	A cross of at least 80% of the component share weighting of the basket of securities or index participation unit that is the subject of the basis trade. A Member shall report details of the transaction to Alpha and the Market Regulator in the format and at the time required by Alpha and the Market Regulator and such information shall include complete details relating to the calculation of the price

	of the basis trade and all relevant supporting documentation
Volume-Weighted Average Price (VWAP) Cross	A VWAP trade price based on all trades during the Continuous Trading session. A VWAP trade price calculated on any other basis must be determined in such a manner that the time period for calculating the volume-weighted average price commences after the receipt of the order by the Member and the types of trades to be excluded from the calculation are determined prior to the commencement of the calculation. A Member shall report details of the transaction to Alpha and the Market Regulator in the format and at the time required by Alpha and the Market Regulator.

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

(3)   Specialty Price Crosses will not be reflected in the ALSP and will not be used in the calculation of the ACP.

(4)   Specialty Price Crosses must contain the order identifier required by the Market Regulator.

5.14. Bypass Order

(1)   A Bypass Order must be entered as a Limit Order during the Continuous Trading or Extended Trading sessions.

(2)   The Bypass marker is only allowed on Board Lot orders.

(3)   A Bypass Order only executes against disclosed volume.

> **Commentary:**
>
> All Bypass Orders are FOK/ FAK; as a result all CFO or Cancel instructions with the bypass marker are rejected. It can be used through the Trade Through Service and updates the national last sale price (NLSP) which is the most recent trade of at least a Board Lot on any marketplace, other than a Special Terms trade.
>
> Example 1:
>
> The book for XYZ would look as follows:

XYZ Security

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

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

The order is validated and accepted by the system

The order is checked against the order book

Three trades occur:

200 @2.50

500 @2.51

200 @2.53

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

ALSP updates to 2.53

Post-Trade:

XYZ Order Book

:Buy Volume	Bid	Offer	Sell Volume	Non-disclosed/Reserved Volume
500 shares	$2.00	$2.50	200 shares	600 shares
		$2.53	200 shares	800 shares

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

Example 2: - Bypass Short Sell order pegged to NLSP

National Last Sale Price is $1.90

XYZ Security

Non-disclosed/Reserve Volume	Buy Volume	Bid	Offer	Sell Volume
1000 shares	500 shares	$2.00	$2.50	500 shares
	400 shares	$1.80		

Dealer A sent short sell Bypass Order for 900 at 1.80.

Order is booked as Short Sell with limit price 1.90. (Pegged to National Last Sale Price)

Alpha executes trade as 500 at 2.00

Outstanding volume of 400 is killed.

Alpha Last Sale Price updates to 2.00

Post-Trade Order Book

XYZ Security

Non-disclosed/ reserve Volume	Buy Volume	Bid	Offer	Sell Volume
500 shares	500 shares	$2.00	$2.50	500 shares
	400 shares	$1.80		

Example 3: Bypass Short Sell Exempt Order

XYZ Security

Reserve Volume	Buy Volume	Bid	Offer	Sell Volume
1000 shares	500 shares	$2.20	$2.50	500 shares
	400 shares	$2.00		

Dealer A sent Short Sell Exempt Bypass Order for 600 at $2.00.

Order is booked as Short Sell Exempt at $2.00 (Order is NOT Pegged to National Last Sale Price)

Alpha executes 2 trades; 500 at $2.20, 100 at $2.00

Alpha Last Sale Price updates to $2.00

Post-Trade Order Book

XYZ Security

Non-disclosed/Reserve Volume	Buy Volume	Bid	Offer	Sell Volume
500 shares	500 shares	$2.20	$2.50	500 shares
	300 shares	$2.00		

5.15. Cancel on Disconnect

(1) Orders may be marked Cancel on Disconnect. The Alpha Systems will cancel all orders that are designated Cancel on Disconnect when the user is logged out from the trading system. When the session for the user in question is either disconnected or logged out, no matter whether it is planned or not, executed by the user or not, then any orders marked as cancel on disconnect managed through this session will be cancelled.

5.16. Self Trade Management

(1)   Alpha Self Trade Management is a designation that suppresses trades from the public feed where orders on both sides of the trade are from the same Member and contain the same "self trade key" set by the Member.

(2)   Self Trade Management applies only to unintentional trading (e.g. does not apply to intentional crosses).

(3)   The designation is only applicable in Continuous Trading.

(4)   Self trades 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.

5.17. Trades on a "When-Issued" Basis

(1)   Alpha may post any security to trade on a when issued basis if such security is approved for listing as an Alpha Listed Security prior to the closing of the offering related to such security.

(2)   Alpha may trade any OTS on a when issued basis if it is trading on a when issued basis on the marketplace where it has been conditionally listed.

(3)   Unless otherwise specified, trades on a when issued basis are subject to all applicable Alpha Requirements relating to trading in an Alpha Listed Security or OTS, notwithstanding that the security has not yet been issued.

(4)   All trades on a when issued basis shall be cancelled if the securities subject to such trades will not be listed.

5.18. Advantage Goes with Securities Sold

(1)   Except as provided in section 5.18(2), in all trades of Alpha Listed Securities or OTSs, all entitlements to receive dividends or any other distribution made or right given to holders of that security shall pass with the security and shall belong to the purchaser, unless otherwise provided by Alpha for Alpha Listed Securities or

the listing market of the OTS, as applicable, or the parties to the trade by mutual agreement.

(2)   In all sales of listed bonds and debentures, all accrued interest shall belong to the seller unless otherwise provided by Alpha for Alpha Listed Securities or the listing market of the bonds or debentures for OTSs, or parties to the trade by mutual agreement.

(3)   Claims for dividends, rights or any other benefits to be distributed to holders of record of listed securities on a certain date shall be made in accordance with the procedures established by the Clearing Corporation.

(4)   If subscription rights attaching to securities are not claimed by the persons entitled to those rights at least twenty-four hours before the expiration of the time within which trading in respect of such rights may take place on Alpha, a Member holding such rights may, in its discretion, sell or exercise all or any part of such rights, and shall account for such sale or exercise to the person or persons entitled to such rights, but in no case shall a Member be liable for any loss arising through failure to sell or exercise any unclaimed rights.

5.19. Foreign Currency Trading

(1)   A report of a cross trade agreed to in a foreign currency shall be converted to Canadian dollars using the mid-market spot rate or 7-day forward exchange rate in effect at the time of the trade, plus or minus 15 basis points.

(2)   If the converted price falls between two ticks, trades shall be done at each of the ticks immediately above and below the converted price for the number of shares, which yields the appropriate average price per share.

(3)   The Member making the cross shall keep a record of the exchange rate used.

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

5.20. Unattributed Orders

(1)   Members and DMA Eligible Clients may enter orders on an attributed or unattributed basis.

Commentary: When an order is entered in an Alpha order book, the identity of the Member will be disclosed to the trading community for attributed orders and will not be disclosed for unattributed (anonymous) orders.

(2) Orders with Special Settlement terms must be attributed.

5.21. Protect Cancel

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

5.22. Protect Reprice

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

DIVISION 3 — TRADING AT THE OPENING

5.23. Display of Orders

(1)   During the pre-opening session, Market Orders and better-priced Limit Orders will be displayed at the COP.

(2)   Between the hours of 7:00 a.m. and the Opening Call, CLOB orders will be displayed and the COP and the imbalance are disseminated. During this time the following orders can be entered, modified or cancelled:

> Market Order
> Limit Order
> Order with time conditions
> Market on Open Order
> Limit on Open Order
> Market on Close Order
> On-Stop Order

Short Sell Order
Standard and Price Improvement Iceberg Order
Odd Lot Order
Mixed Lot Order
Dark Order

5.24. Opening Call

(1)   The Opening Call for each security will occur at a random time between 9:30:00 a.m. and a time specified by Notice.

(2)   Each security will open at the COP.

> **Commentary:** The COP is calculated to maximize the traded volume. If there are two prices at which the same volume will trade, the COP is the price that will leave the smallest imbalance. If the imbalances are equal, the price will be the one closest to the previous day's closing price. For the purposes of determining the COP, Market Orders are assigned the worst price on the opposite side of the book, or if that price is not available, the best price of its own side.

(3)   Orders will be matched at the COP in the following priority:

(a)   Better-priced Limit and LOO orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then

(b)   Better-priced Limit and LOO orders trade with all other offsetting orders according to time priority; then

(c)   Market and MOO Orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then

(d)   Market and MOO Orders trade with all other offsetting orders, according to time priority; then

(e)   Limit and LOO Orders at the COP trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then

(f)   Remaining orders in the Opening Call trade with offsetting orders, according to time priority.

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

(4)   Market Orders that are not completely filled in the Opening Call will be booked in the CLOB as Limit Orders at the COP.

(5)   Limit Orders that are not completely filled in the Opening Call will be booked in the CLOB at the original limit price.

(6)   The unfilled balance of any LOO and MOO Order will be cancelled immediately after the opening call.

5.25. Delayed Openings

(1)   Alpha may delay the opening of a security for trading on Alpha if:

(a)   The COP differs from the previous day's ACP (adjusted to the Closing price of the listing marketplace) by an amount greater than the price band parameters set by Alpha and provided to Members by way of a Member Notice, or

(b)   Alpha determines that it is appropriate due to market conditions.

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

DIVISION 4 — CONTINUOUS TRADING SESSION

5.26. 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 5.21, 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.

5.27. Allocation of Trades

(1)   Internal Crosses, unattributed Intentional Crosses and Specialty Price crosses may be entered without interference from orders in the CLOB at that price.

(2)   Intentional attributed crosses will be subject to interference only from attributed orders in the CLOB from the same Member according to time priority.

(3)   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 — CLOSING CALL

5.28. Closing Call

(1)   The Closing Call for each security will occur at a random time between 4:00:00 p.m. and a time specified by Notice. The Indicative Closing Imbalance is calculated and disseminated publicly through the Alpha broadcast feed starting at 3:40 p.m. and then every second until the Closing Call.

(2)   Orders participating in the closing call will be matched at the CCP.

> **Commentary:** The CCP is the price at which the most securities will trade. If two prices have an equal volume, the CCP will be the price that minimizes the Closing Imbalance. If the imbalances are equal, the CCP is the price that minimizes the difference from a selected parameter.
>
> If the Calculated Closing Price for a security does not exceed the price band parameters, it is the Alpha Closing Price for the day.

(3)   Orders will be executed in the Closing Call in the following sequence:

(a)   Better-priced Limit Orders will trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then

(b)   Better-priced Limit Orders will trade with all other offsetting orders according to time priority; then

(c)   MOC orders will trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then

(d)   MOC orders will trade with all other offsetting orders, according to time priority; then

(e)   Limit Orders will trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then

(f)   Remaining orders in the closing call will trade according to time priority.

> **Commentary:** Currently, All MOC orders are rejected. Under these circumstances the ACP is the LSP.

(4)   The unfilled balance of any Limit Orders, other than Good For Day Orders, will remain in the CLOB.

(5)   Any unfilled balance of a MOC Order will be cancelled immediately following the Closing Call.

DIVISION 6 — EXTENDED CLOSING SESSION:

5.29. Additional Closing Call

(1)   If the CCP for a security exceeds the price band parameters set by Alpha, an Extended Closing session for the security will follow.

(2)   During the Extended Closing session, Market Orders, Limit Orders and MOC orders may be entered, modified and cancelled.

(3)   During the Extended Closing session a new CCP will be calculated.

(4)   At the end of the Extended Closing session, a Closing call will occur at a random time between 4:10:00 p.m. and 4:10:30 p.m.

> **Commentary**: If this new Calculated Closing Price does not exceed the price band parameters, it will become the ACP.

(5)   Orders will be executed in the new Closing Call in the priority listed in section 5.23.

(6)   If the new CCP exceeds the price band parameters, Alpha may set a Closing Price within the price band parameters.

5.30. Closing Price Adjustment

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

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

DIVISION 7 — EXTENDED TRADING SESSION:

5.31. Eligible Securities Trade at ACP

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

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

PART VI. Lead Market Makers, Market Makers and Odd Lot Dealers

DIVISION 1 — LEAD MARKET MAKERS AND MARKET MAKERS

6.1. Appointment of Lead Market Makers and Market Makers

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

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

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

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

(4) Alpha may
   (a) approve an applicant;
   (b) defer approval pending receipt of further information concerning the applicant's qualifications to be appointed a Lead Market maker or Market Maker; or
   (c) refuse the application for such factors it considers relevant.

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

(6) A Member that is approved as a Lead Market Maker or Market Maker agrees to: (i) maintain its status as a Member of Alpha; and (ii) take all commercially

reasonable steps to ensure that it complies with all requirements to act as a Lead Market Maker or Market Maker set out in the Alpha Requirements, as amended from time to time. Where the Lead Market Maker or Market Maker does not comply with such requirements it will immediately advise Alpha of such failure in writing. Such notification will include specific information as to the nature of such failure to comply.

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

(8)   Alpha may revoke the Lead Market Maker or Market Maker's appointment as a Lead Market Maker or Market Maker for any or all securities or attach such additional terms or conditions to the Lead Market Maker or Market Maker Agreement as Alpha deems to be necessary, where:

   (a)   the Lead Market Maker or Market Maker fails to comply with any term of the Lead Market Maker or Market Maker Agreement, these Trading Policies or if the Lead Market Maker or Market Maker fails to consistently perform at an adequate level to the satisfaction of Alpha (determined in Alpha's sole discretion);

   (b)   Alpha determines, in its sole discretion, that the Lead Market Maker or Market Maker or its officers, employees, directors or agents have violated any applicable Alpha Requirements;

   (c)   Alpha believes, in its sole discretion, that the Lead Market Maker or Market Maker cannot or may not in the future carry out its obligations as a Lead Market Maker or Market Maker under these Trading Policies or the Market Maker Agreement; or

   (d)   Alpha has determined, in its sole discretion, that the Lead Market Maker or Market Maker or its officers, employees, directors or agents have in any way acted in a manner that is detrimental to the interests of Alpha or the public.

6.2. Responsibilities of Lead Market Makers and Market Makers for their Assigned Alpha Listed Securities

(1) A Lead Market Maker or Market Maker for Assigned Alpha Listed Securities must trade for its own account in a sufficient degree to ensure reasonable price continuity and liquidity for the Alpha Listed Securities assigned to it.

(2) In particular, a Lead Market Maker or Market Maker for an Alpha Listed Security must meet the criteria and requirements established in the applicable Lead Market Maker or Market Maker Agreement, including:

(a) posting bids and offers on a continuous basis during the continuous trading session at no more than the specified spread agreed upon with Alpha for required time periods;

(b) maintaining a minimum quote size during the continuous trading session for required time periods;

(c) with respect to the Lead Market Maker, achieving a minimum percentage of volume traded at the opening auction;

(d) appointing a Lead Market Maker or Market Maker Approved Trader and back-up acceptable to Alpha;

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

(e) assisting other Members in executing orders for their Assigned Securities;

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

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

> **Commentary:** Alpha will establish and/or confirm minimum standard criteria on an annual basis. Alpha may also establish by agreement with the Lead Market Maker more stringent criteria than the minimum

standards. The applicable criteria and benefits will be set out in the executed Lead Market Maker Agreement.

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

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

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

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

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

(7) The Lead Market Maker or Market Maker Contact:
   (a) serves as the primary contact with Alpha, with authority to speak for the Member concerning its activities as a Market Maker; and
   (b) manages the Member's market making responsibilities.

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

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

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

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

6.3 Responsibilities of Market Makers for their Assigned Other Traded Securities

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

(2) In particular, a Market Maker for an Other Traded Security must meet the criteria and any other requirements established in the applicable Market Maker for Other Traded Securities Agreement in order to receive the applicable benefits set out in the Market Maker for Other Traded Securities Agreement, including:

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

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

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

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

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

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

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

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

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

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

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

(a)   serves as the primary contact with Alpha, with authority to speak for the Member concerning its activities as a Market Maker; and
(b)   manages the Member's market making responsibilities.

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

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

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

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

6.4   Termination of Responsibilities due to Events

(1)   A Lead Market Maker or Market Maker's obligations with respect to a right, warrant or similar security terminate 10 business days prior to the expiry date of the security.

(2)   A Lead Market Maker or Market Maker's obligations with respect to a preferred share that has been called for redemption or retraction terminate 10 business days prior to the redemption or retraction date of the security.

(3)   Alpha may suspend or terminate a Lead Market Maker or Market Maker's responsibilities where a corporate action or other unusual circumstance makes it impractical for the Lead Market Maker or Market Maker to carry out its responsibilities.

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

(4)   Alpha may suspend or terminate a Lead Market Maker or Market Maker's obligation to post an offer where

(i)   the Lead Market Maker or Market Maker is not long the security; and

(ii)   the Lead Market Maker or Market Maker cannot borrow securities to cover short sales at a reasonable cost.

6.5.   Notification

(1)   A Lead Market Maker or Market Maker must give Alpha at least 10 days' prior notice of any change in the Lead Market Maker or Market Maker Contact, the Lead Market Maker or Market Maker Approved Trader or backup, unless circumstances make such prior notice impossible, in which case notice must be given as soon as possible.

(2)   A Lead Market Maker or Market Maker must inform Alpha and the Market Regulator immediately if market conditions in any of its Assigned Securities have changed such that it is not possible for the Market Maker to carry out its responsibilities.

(3)   A Lead Market Maker or Market Maker must give Alpha at least 60 days' prior written notice that it intends to relinquish its responsibilities in an Assigned Security, unless Alpha has consented to a shorter notice period.

6.6. Transition

(1) Alpha will provide Notice to all Members at least 30 days prior to the end of a Lead Market Maker or Market Maker's term when a Lead Market Maker or Market Maker has given notice under Section 6.5.

(2) If the Lead Market Maker or Market Maker has not given notice of its intention to terminate its status as a Lead Market Maker (which shall have an initial 3 year term) or Market Maker (which shall have an initial 1 year term), the Assigned Securities will remain with the current Lead Market Maker or Market Maker for successive one year terms after the respective initial term.

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

DIVISION 2 — ASSIGNMENT OF SECURITIES AND OTHER MATTERS

6.7. Assignment of Securities

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

(2) Alpha may reassign a security if

   (a) the number of Market Makers increases;

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

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

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

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

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

DIVISION 3 — TRADING IN THE ODD LOT BOOK

6.8. Sessions, Dates and Times for Odd Lot Orders

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

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

6.9. Continuous Trading Session.

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

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

(2) Incoming Odd Lot Limit Orders

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

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

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

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

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

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

(4) For Mixed Lot Orders,

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

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

Commentary:

Example:

XYZ Security NBBO

Bid		Ask	
200 shares	10.00	10.05	100 shares

NLSP is 10.04

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

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

Example 3:
- Incoming order to buy 50 @ 10.03 will be registered in the OLOB – no auto-execution (section 6.9 (2)(b))

Example 4:

- A new order to buy 100 @ market is entered and 100 shares execute in the CLOB at 10.05. As a result there is now no current National Best Offer price.
- An order is entered to buy 50 @10.03 and is registered in the OLOB.
- A new sell order is entered for 500 shares at $10.03, 200 shares subsequently execute at $10.03. As a result the NBBO: $10.00 - $10.03 and NLSP: $10.03).

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

Example 5:
- An order is entered to buy 50 @10.03 and is registered in the OLOB.
- A new order to sell 200 @ 10.02 is registered in the Alpha CLOB.
- The odd lot order will auto-execute at $10.02, since there was an update to the Alpha CLOB (section 6.9(3)(b))

Example 6:
- An order is entered to buy 250 @ 10.05.
- 1 trade will execute: 100 shares at 10.05. 100 shares are registered in the CLOB and available for trading and 50 shares hidden. ABBO is now 10.05-10.06
- An order to sell 100 @ market is entered and 100 shares execute at 10.05.
- The 50 hidden shares will now execute at 10.05, since 10.05 is the price at which the last board lot of the original mixed lot order was executed (section d.)

Example 7:

- An order is entered to buy 50 @10.04 and is registered in the OLOB.
- The NLSP is updated to $10.04
- No Trade is executed (Section 6.9(3)(c)). Limit Price is outside the National Best Offer.

6.10. Opening Session

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

(2) If trades are executed in the Opening,

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

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

(3) If no trades are executed in the Opening

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

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

6.11. Closing Session

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

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

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

6.12. Mixed Lot Short Sale Orders

(1)   Mixed lot Short Sale orders will be pegged to the NLSP up to the order's limit price and then executed according to 6.9, 6.10 and 6.11.

6.13. Orders Booked in OLOB

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

Odd-Lot Dealer will receive an auto-execution message for each Odd-Lot trade that it participated in.

Accepted Odd Lot Orders	Non-Accepted Odd Lot Orders

Market Orders	Standard Iceberg Orders
Limit Orders	
FOK Orders	Price Improvement Iceberg Order
FAK Orders	
On-Stop Orders	Inside Match Order
Short Sales (pass-through marker only, no price adjustment)	Specialty Price Cross
	MOO
Special Terms Orders	LOO
	MOC
Cross (Regular)	
GTx Orders	

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

6.14. Assessment of Performance

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

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

    (a) continue the appointment of the Member as a Lead Market Makers or Market Maker in any or all of its Assigned Securities;

    (b) continue the appointment of the Member as a Lead Market Makers or Market Maker in any or all of its Assigned Securities and impose additional terms and condition; or

    (c) withdraw approval of the Member as a Lead Market Makers or Market Maker in any or all of its Assigned Securities.

(3) Alpha may withdraw approval of or impose additional terms and conditions on a Lead Market Maker or Market Maker, its Lead Market Maker or Market Maker

Contact, any Lead Market Maker or Market Maker Approved Traders or backups, if Alpha determines that any of these parties has contravened or is contravening any Alpha Requirement or Market Regulator rule.

DIVISION 5 — UNFAIR TRADING

6.15. Unfair Trading in Odd Lots

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

> **Commentary:**
>
> The following types of activity may be reviewed as an indication of unfair trading:
>
> Unbundling Round Lots for the purpose of entering Odd Lot orders.
>
> Entering of both buy and sell Odd Lot Limit orders in the same security before one of the orders is executed, for the purpose of capturing the spread in the stock.
>
> Other types of trading activity that is not consistent with traditional Odd Lot investment activity.
>
> Effecting pre-arranged wash sales in Odd Lots, which are trades in which an offer to buy is coupled with an offer to sell back at the same or advanced price (or vice versa).
>
> Entering orders into the CLOB for the purpose of affecting the execution price of the Odd Lot trades.

(2)   If Alpha deems a Member is engaging in Odd Lot trading activity that is unfair, Alpha may restrict the Member or suspend the Approved Trader from Odd Lot activity.

PART VII. Clearing and Settlement

7.1. Clearing and Settlement

(1)   All trades on the Alpha Systems will be reported, confirmed and settled through the Clearing Corporation pursuant to the Clearing Corporation's rules and procedures, unless otherwise authorized or directed by Alpha.

(2)   A Member must clear and settle all of their Alpha trades by:

    (a)   self-clearing as a participant of the Clearing Corporation; or

    (b)   maintaining a clearing and settlement arrangement with a carrying broker, custodian or other institution that is a participant of the Clearing Corporation.

(3)   Except in circumstances where the transaction is settled outside Canada or where the Member and the settlement agent are not participants in the same securities depository, the client or settlement agent shall use the facilities or services of a securities depository for the affirmation and settlement of all depository eligible transactions, including both book entry settlements and certificate based settlements.

(4)   A Member shall provide a client, by electronic, facsimile or physical means, a confirmation as soon as possible on the next business day following execution, with respect to the execution of any order, in whole or in part, for the purchase or delivery of securities where payment for or delivery of the securities is to be made to or by a settlement agent of the client, and shall indicate that the trade occurred on Alpha.

(5)   Members shall obtain agreement from their clients that the client will provide instructions with respect to the receipt or delivery of the securities to the settlement agent promptly upon receipt by the client of the confirmation referred to in Section 7.1(4) and that the client will ensure that its settlement agent affirms the transaction in accordance with National Instrument 24-101.

7.2. Settlement of Alpha Trades

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

7.3   Settlement of Alpha Trades of Alpha Listed Securities

(1)   Unless otherwise provided by Alpha or the parties to the trade by mutual agreement, trades of Alpha Listed Securities on Alpha must settle on the third settlement day following the trade.

(2)   Notwithstanding Section 8.3(1), unless otherwise provided by Alpha or the parties to the trade by mutual agreement:

    (a)   trades on a when issued basis made on Alpha Listed Securities:

        (i)   prior to the second trading day before the anticipated date of issue of the security must settle on the anticipated date of issue of such security, and

        (ii)   on or after the second trading day before the anticipated date of issue of the security must settle on the third settlement day after the trade date,

    provided if the security has not been issued on the date for settlement such trades shall settle on the date that the security is actually issued and provided that if the security will not be issued all trades made on a when issued basis will be cancelled;

    (b)   trades for rights, warrants and instalment receipts made on Alpha Listed Securities:

        (i)   on the third trading day before the expiry or payment date must settle on the settlement day before the expiry or payment date;

        (ii)   on the second and first trading day before the expiry or payment date, must be made as cash trades for next day settlement, and

        (iii)   on expiry or payment date must be made as cash trades for immediate settlement and trading will cease at 12:00 noon (unless the expiry or payment time is set prior to the close of business, in which case trading will cease at the close of business on the trading day preceding the expiry or payment), and

    (iv)   selling Members must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;

(c)   cash trades on Alpha Listed Securities for next day delivery must be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over-the-counter, by noon of the first settlement day following the trade; and

(d)   cash trades on Alpha Listed Securities for same day settlement must be settled by over-the-counter delivery no later than 2:00 p.m. on the trade day.

(3)   Notwithstanding Section 7.3(1), a trade on Alpha may specify delayed delivery, which gives the seller the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery will be at the option of the seller within thirty days from the date of the trade.

7.4.   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.

7.5.   Failed Trades in Rights, Warrants and Instalment Receipts

(1)   Should fail positions in rights, warrants or instalment receipts exist on the expiry or payment date, purchasing Members have the option of demanding delivery of the securities into which the rights, warrants or instalment receipts are exercisable, any additional subscription privilege, and any subscription fee payable to a Member, that may be available, such demand shall be made before 4:00 p.m. on the expiry date.

(2) Where a demand has been made in accordance with Section 8.6(1), payment by purchasing Members for:

    (a)   the rights, warrants or instalment receipts shall be in accordance with normal settlement procedures, but delivery of the rights, warrants or instalment receipts, as the case may be, is not required; and

    (b)   the securities into which the rights, warrants or instalment receipts are exercisable and payment for any additional subscription privilege shall be made upon delivery of the securities.

(3) Where a demand has not been made in accordance with Section 8.6(1), 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.

7.6. 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.

7.7. Delivering Member Responsible for Good Delivery Form

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

7.9   Delisted Securities

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

Part VIII. Order Protection

8.1 Implementation of the Order Protection Rule (OPR)

Alpha will use the Alpha Order Router's Trade Through Management Service to comply with the Order Protection Rule.

8.2 The Trade Through Management (TTM) Service

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

8.3 Directed Action Order (DAO)

An order sent to Alpha that is not designated as TTM will be treated as a DAO.

8.4 Participation and Connectivity in Other Marketplaces

(1) **Access to Marketplaces**

   (a) In addition to being a Member of Alpha, the Member have either access or arrangements with other protected marketplaces .

   (b) If the Member has direct access to the Other Marketplace, orders routed away to Other Marketplaces will include the Member's firm ID and trader ID. If the Member does not have direct access to the Other Marketplace, it must have an acceptable arrangement with another Member or participant of the Other Marketplace through which they can place orders. *Automated Jitney Service*: The Alpha TTM jitney service will be available to TTM members who do not have direct relationship with all marketplaces. Member must sign agreement with a dealer who must be an Alpha Member that has access to all Canadian visible protected marketplaces.

   (c) If the Member/trader ID in Alpha is different from the Other Marketplace, the Member/trader ID on the Other Marketplace must be provided to Alpha. It is assumed that the Member will provide Alpha with any updates to keep this

information correct and up-to-date. Similarly, if the Member is using a Sponsored DMA or other acceptable arrangement, then up-to-date details of the arrangement and IDs of both parties shall be made available to Alpha upon request.

(2) **Order Routing When a Service is Not Available**

When the TTM Service has been shut down for any reason during continuous trading, the incoming TTM orders will be rejected back to the Client as Alpha will not be able to route to Other Marketplaces. A notice will be sent to all Members, regulation service providers, Other Marketplaces and any information processor indicating that Alpha will not be routing to Other Marketplaces.

(3) **Trading Halts**

Alpha may disallow the use of its routing services for the routing of an order if a trading halt has been initiated by a regulator ("Regulatory Halt") or a Marketplace ("Non-Regulatory Halt").

In circumstances in which Alpha deems it necessary or in other unusual conditions or circumstances impacting the Alpha Order Router Services, Alpha may suspend all routing.

When the routing is not suspended, the TTM Service will facilitate order entry during Regulatory Halts and Non-Regulatory Halts on Alpha and/or one or more Other Marketplaces, and will continue to route orders in accordance with its standard functionality outlined in this document; however the following matters should be considered:

(a) The routed order will be processed in accordance with the rules or policies of the Other Marketplace to which it has been routed. This may result in:

 (i) The generation of a "rejection" notice where trading is halted on the Other Marketplace to which the order is routed where such Marketplace will not accept orders;

 (ii) The generation of a "time out" event where the order is routed to an Other Marketplace which accepts and queues orders received and does not acknowledge the order within the "time out" duration. Such queued orders cannot be cancelled or amended utilizing the Order Router.

(b)   The entry of cancellations is permitted during both Regulatory Halts and Non-Regulatory Halts and will be routed to the Marketplace where the order is booked, for action in accordance with that Marketplace's standard operational processes.

(4)   Exclusion of a Marketplace and Self Help

(a)   Automatic Exclusion of a Marketplace

Alpha will cease routing to an Other Marketplace where (i) the Other Marketplace's continuous trading session is not operating (ii) and/or no data on orders in its CLOB are available.

(b)   Manual Exclusion of a Marketplace and Self Help

A specific Other Marketplace may be excluded based on the following criteria:

(i)   The Other Marketplace is not disseminating order information, is not distributing data in relation to its CLOB in a timely manner or Alpha considers, in its discretion, that such data is not reliable. This covers the case when a system failure or degradation of service occurs at an Other Marketplace during continuous trading at that Other Marketplace.

(ii)   The connectivity to the Other Marketplace is lost.

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

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

(c)   Impact of Exclusions

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

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

8.5   TTM Service

(1)   Member's Choice

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

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

(2)   TTM Routing Strategy

The TTM Service simultaneously routes portions of the order to all Other Marketplaces with better priced orders (up to 10 price levels), up to the original order's limit price. Any residual is sent to Alpha.

The TTM Service will:

    (a)   Receive the depth of book (to 10 price levels) made available by each marketplace, then

    (b)   Create a Consolidated Market Feed of the aggregate bid or ask order volume for each price level, then

(c) Identify the marketplace which has the best priced order(s) for a particular security and will route the order based on the following criteria: (1) price and (2) volume of shares available. If the same price is available on Alpha and another marketplace, priority is given to Alpha, then

(d) Send orders to Other Marketplaces as Fill or Kill (FOK) Bypass Limit orders and will be treated as DAO:

(i) If the order is tradable upon receipt by the Other Marketplace, it is immediately executed and any unfilled portion will be killed at the Other Marketplace and sent to Alpha. If there is no unfilled portion of the order resting on Alpha, the TTM will re initiate the routing strategy (i.e. the TTM will commence routing as of step (a) above).

(ii) If the order is not tradable upon receipt by the Other Marketplace, the whole order will be killed at the Other Marketplace and sent to Alpha. If there is no unfilled portion of the order resting on Alpha, the TTM will re initiate the routing strategy (i.e. the TTM will commence routing as of step (a) above).

8.6   Executions

(1) If an order is routed to an Other Marketplace, Alpha may receive an execution response from the Other Marketplace. In the case of an execution (full or partial), an execution message will be sent back by Alpha to the originator of the order.

(2) An incoming order may result in two different types of executions; those at Alpha and those at Other Marketplaces:

(a) The executions at Alpha will be sent to the appropriate clearing agency from Alpha and they will reflect the clearing identifier of the Member for the applicable order.

(b) The executions at the Other Marketplaces will be sent to the clearing agency from the Other Marketplace on which the execution occurred and they will reflect the clearing identifier of the originator of the order or its designated clearing agent.

(3) In both cases, it is assumed that the Member originating the order is able to clear its trades (either directly or through an agent) and the reconciliation is done directly between the Member and the appropriate clearing agency.

PART IX. Application of UMIR

9.1   Application

(1)   The provisions of UMIR as amended from time to time apply to trading on the Alpha Systems and form part of Alpha Requirements.

(2)   Any investigations and enforcement actions concerning a violation of a provision of UMIR will be conducted by the Market Regulator following the procedures set out in UMIR.

PART X. Appeals

10.1 Appeals of Decision

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

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

(2) A Member or other person who has appealed a decision pursuant to Subsection (1) may appeal the decision of the Alpha Board by following the arbitration procedures set out in the Member Agreement and/or by appeal to the securities regulatory authority.

(3) A Member or any other person adversely affected by a Decision of the Market Regulator may appeal such Decision pursuant to the provisions of UMIR.

PART XI. Administration

11.1 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.

11.2 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.

11.3 Waiver of Notice

(1) Any Person referred to in Section 11.1 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.

11.4 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.

11.5 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.

11.6 Contact Information

For information on Member and Market Services please contact:

Manager, Alpha Client Services and Business Operations

Alpha Exchange Inc.

70 York Street, Suite 1501

Toronto ON, M5J IS9

clientservices@alpha-group.ca

APPENDIX C

MEMBER AGREEMENT

This Agreement is made as of the __ day of _____, 20____ by and between:

Alpha Exchange Inc.
70 York Street, Suite 1501
Toronto, Ontario M5J 1S9
(Called the "**Exchange**")

– AND –

Full Corporate Name

Head Office Address

(Called the "**Member**")

Table of Contents

MEMBER INFORMATION FORM

MEMBER DETAILS

Full Corporate Name	

Principal Business	Sponsored DMA Clients ☐ YES ☐ NO

Head Office Address:	Business Continuity Address

Telephone	Fax	Website

Broker Number	CUID(clearing broker)	Sub ID

Will Member apply to be a Market Maker? ☐ YES ☐ NO If Yes, then please complete "Market Maker Assignments" on page 11.	Algorithmic Trading ☐ YES ☐ NO	Program Trading ☐ YES ☐ NO

Independent Software Vendor (if more than 1, please provide list)

Data Vendor (if more than 1, please provide list)	Connectivity Provider(s)

ALPHA MEMBER REPRESENTATIVE (appointed Senior Officer, Director or Partner)	HEAD OF TRADING (if more than one please attach list)
Name and Title	Name and Title

E-mail	Phone	E-mail	Phone

CHIEF COMPLIANCE OFFICER	TECHNICAL CONTACT
Name and Title	Name and Title

E-mail	Phone	E-mail	Phone
Back Up Contact	Phone	Back Up Contact	Phone

BACK OFFICE CONTACT	BILLING CONTACT
Name and Title	Name and Title

E-mail	Phone	E-mail	Phone
Back Up Contact	Phone	Back Up Contact	Phone

INCIDENT NOTIFICATION CONTACTS

Name and Title		Name and Title	
E-mail	Phone	E-mail	Phone
Back Up Contact	Phone	Back Up Contact	Phone

SUBSCRIBER NOTICE SUBCRIPTIONS

Notification	Notification No.	Opt-in
Alpha Newsletter	**STK1**	
Alpha Press Releases	**STK2**	
Alpha Opening Data	**STK3**	
Alpha Daily Statistics	**STK4**	
Alpha Weekly Statistics	**STK5**	
Alpha Market Operations	**SUB1**	
Corporate Actions	**SUB2**	
Alpha Corporate Actions and Bulletins	**SUB#**	
Alpha Product Updates	**SUB3**	

AUTHORIZED MEMBER TRADER IDS
(please list as indicated or provide a list)
NOTE: If the address of any of these Authorized Persons is different from the Head Office address provided, please include the addresses as an attachment. Also if you are connecting through more than one ISV, please provide the Trader IDs for each ISV separately.

Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name

Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax

AUTHORIZED MEMBER DMA TRADER IDS
(please list as indicated or provide a list)

NOTE: If the address of any of these Authorized Persons is different from the Head Office address provided, please include the addresses as an attachment. Also if you are connecting through more than one ISV, please provide the Trader IDs for each ISV separately.

Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax

ALPHA INTRASPREAD™ CONFIRMATION OF RETAIL TRADER IDS

Alpha IntraSpread™ facility allows Members to seek order matches without pre-trade transparency, with guaranteed price improvement for active orders. The IntraSpread™ facility is available to all Members and for all symbols traded on Alpha. Order types in the Alpha IntraSpread™ facility include Dark orders used to manage passive interest, and Seek Dark Liquidity™ (SDL™) orders used to seek matches with Dark orders.

In accordance with the Alpha Trading Policies, SDL™ orders can only be entered on behalf of Retail Customers (as defined in IIROC's Dealer Member Rules) and Members must have appropriate policies and procedures in place to identify which accounts qualify.

A set-up prerequisite for accessing Alpha IntraSpread™ requires Members to identify which Trader IDs will be used for sending SDL™ orders for Retail only accounts. If you intend to access the Alpha IntraSpread™ service, you must provide the information set out below for each qualified Trader ID including any future additions and return this form to the Alpha Head of Legal at legal@alpha-group.ca prior to access being enabled. Information regarding any deletions must also be sent to the Alpha Head of Legal.

Name of Member:

Dealer Number:

The Member confirms that the following Trader IDs are used for Retail order flow and requests Alpha to enable these Trader IDs for entry of SDL™ orders to Alpha IntraSpread™:

AUTHORIZED MEMBER IDS			
(please list as indicated or provide a list)			
NOTE: If the address of any of these Authorized Persons is different from the Head Office address provided, please include the addresses as an attachment. Also if you are connecting through more than one ISV, please provide the Trader ID's for each ISV separately.			
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name

Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax

MEMBER AUTHORIZATION AND DECLARATION
The Member hereby certifies that the information that is provided for the purpose of accessing the Alpha IntraSpread™ facility is true and correct. The undersigned is a signing officer with authority to sign this form.

Member	
Name of Signing Officer	Title
Signature	Date

ORDER PROTECTION

The Member confirms by filling out this Form and choosing Option 1 or Option 2 that either: (1) it has access to each of the "protected Marketplaces", as defined in NI 23-101, and the information set out below is correct; or alternatively (2) it shall send all of its orders as DAO orders to the Exchange.

1. [   ] Marketplace Access Confirmation

MARKETPLACE ACCESS CONFIRMATION
(please confirm your access to the Marketplaces listed below - please note that to use Trade Through Service functionality, a Client must be connected to all listed Marketplaces)

TSX ☐ Direct access as a PO.	CHI-X ☐ Direct access as a Subscriber.
Firm ID _____	Firm ID _____
☐ Access through another Dealer	☐ Access through another Dealer
Accessing Dealer's Name:	Accessing Dealer's Name:
_____	_____

	TSXV	OMEGA

Accessing Dealer's ID:

_____

[Type of Arrangement]:

_____

TSXV ☐ Direct access as a PO.

Firm ID _____

☐ Access through another Dealer

Accessing Dealer's Name:

_____

Accessing Dealer's ID:

_____

[Type of Arrangement]:

_____

Accessing Dealer's ID:

_____

[Type of Arrangement]:

_____

OMEGA ☐ Direct access as a Subscriber.

Firm ID _____

☐ Access through another Dealer

Accessing Dealer's Name:

_____

Accessing Dealer's ID:

_____

[Type of Arrangement]:

_____

PURE TRADING X ☐ Direct access as a Subscriber.

Firm ID _____

☐ Access through another Dealer

Accessing Dealer's Name:

_____

Accessing Dealer's ID:

_____

[Type of Arrangement]:

_____

TMX Select ☐ Direct access as a PO.

Firm ID _____

☐ Access through another Dealer

Accessing Dealer's Name:

_____

Accessing Dealer's ID:

_____

[Type of Arrangement]:

_____

AUTHORIZED IDs					
(please provide IDs used in each marketplace in the following format)					
ISV/Direct	Trader	TSX/ TSXV/TMX Select ID	OMEGA ID	CHI-X ID	Pure ID
	Name:				
	Phone:				
	E-mail:				
	Name:				
	Phone:				
	E-mail:				
	Name:				
	Phone:				
	E-mail:				
	Name:				
	Phone:				
	E-mail:				
	Name:				
	Phone:				
	E-mail:				

2. [   ]   DAO only

The Member confirms that it will send all orders as DAO orders only and does not want Exchange to route to any other marketplaces for purposes of the Order Protection Rule.

MARKET MAKER ASSIGNMENTS

INDICATE WHICH OPTION YOU ARE INTERESTED IN:
☐ Assignments as Lead Market Maker for Alpha Listed Securities
☐ Assignments as Market Maker for Alpha Listed Securities
☐ Assignments as Market Maker for Other Traded Securities

FEE PAYMENT OPTIONS

OPTIONS for PAYMENT of TRADING FEES	
(please select one method)	
Payment through CDS direct payment (CDS member)	☐ (please complete Schedule 2 Part A)
Payment through CDS Carrying Broker (CDS member)	☐ (please complete Schedule 2 Part B)
Payment directly to Exchange	☐

NOTE: All billing will be sent to the Billing Contact information provided on the Member Information Form.

ADDITIONAL SERVICES

Please indicate below which additional services the Member would be interested in receiving information on:

ADDITIONAL SERVICES				
Purchasing of Market Data	☐	Yes	☐	No
Order Router	☐	Yes	☐	No
Managed Network Services	☐	Yes	☐	No

Exchange will provide additional information and applicable documentation on the services that have been indicated above to the Member Representative.

MEMBER AGREEMENT TERMS

1. EXCHANGE MEMBER ACCESS

(a) <u>Trading System Access.</u> We, Alpha Exchange Inc. ("Exchange" or "we, "us" and like terms), operate an electronic marketplace and facilitate trading in specified financial instruments. We agree to provide you (the "Member", or "you" and like terms) with access to the Exchange trading system ("System") for the purpose of facilitating trades in specified financial instruments, in accordance with the terms of this Agreement (including all Exchange documents: Member Information Form, Schedules 1, 2 and 3 incorporated by reference herein, the "Agreement"). For greater certainty, this Agreement does not grant the Member a license or comparable right to utilize the System software. Access to the System is subject to compliance with the Trading Policies (as defined in Section 5(a)) and the Exchange's rights pursuant to those Trading Policies.

(b) <u>Application for Access</u>. The Member has supplied Exchange with all the information requested in the 'Member Information Form' and such information is complete and accurate. The Member agrees to provide such further documents and information as may be requested by Exchange from time to time concerning the Member and its use

of the System in connection with its regulatory status or obligations as reasonably deemed necessary by

Exchange. All information provided by the Member shall be considered to be Confidential Information pursuant to Section 8 of this Agreement.

(c) <u>System Availability</u>. Exchange may, in its sole and absolute discretion, suspend or terminate the operation of the System in the event of (i) any failures, malfunctions, faults or errors within the System, (ii) any external events or circumstances affecting the use of the System which are material to the System's integrity, capacity or security or (iii) a request or requirement by any government, regulatory authority or applicable securities regulatory authority with authority over Exchange or trading related activity conducted on the System ("Regulatory Authority"). Exchange shall give advance notice to the Member of any such suspension or termination where reasonably practicable, and in each case, shall provide prompt notice to the Member after such termination or suspension is imposed.

(d) <u>Maintenance of System Connectivity</u>. If the Member uses a

proprietary connection or is connected to Alpha through a third party vendor, the Member, not Alpha is responsible for providing and maintaining all necessary electronic communications with Alpha and connectivity to the System, including wiring, computer hardware, software, communication line access, and networking devices external to the System. Regardless of whether the Member uses a proprietary execution management system or that of a third-party vendor, the Member is solely responsible for all orders submitted to Exchange by the Member or under any authorized trader number assigned to the Member or any of the Member's officers, employees or agents, and agrees to accept and honor all orders submitted by such means, whether or not the orders are in error.

2. MEMBER REPRESENTATIONS

(a) Investment Industry Regulatory Organization of Canada (IIROC) Dealer Membership. The Member represents that it: (i) is a dealer member in good standing of IIROC or any successor recognized as a self regulatory entity or comparable self-regulatory entity, (ii) has the authority, pursuant to all applicable Alpha Requirements (as defined in the Trading Policies), to engage in the activities contemplated herein, and (iii) will promptly notify Exchange in writing if it ceases to be so qualified.

(b) Regulated by IIROC. The Member will be regulated by IIROC or any

successor entity recognized as a regulation service provider.

(c) Alpha Requirements. All rights granted to and all obligations assumed by the Member pursuant to this Agreement, whether on its own behalf or on behalf of its clients to which it provides sponsored access ("DMA Eligible Clients"), are subject to all Alpha Requirements and nothing in this Agreement shall diminish or reduce in any way the obligations of the Member that are established by the Alpha Requirements. The Member and its DMA Eligible Clients' use of the System may be monitored by any securities or other regulatory authority having jurisdiction over the Exchange and any such authority may enforce the Member's compliance with Alpha Requirements.

(d) Appropriate Resources and Settlement Capacity. The Member has appropriate resources, policies and procedures in place to ensure compliance with all applicable Alpha Requirements and the requirements of any clearing agency utilized by the Exchange when undertaking any activity on the System in furtherance of a trade and has the capacity to settle all trades executed on or through the use of the System.

(e) National Instrument 24-101. The Member confirms that it has established, maintains and enforces policies and procedures designed to achieve trade matching in accordance with National Instrument

24-101-Trade Matching and Settlement.

(f) <u>Capacity</u>. The Member has the power and capacity to enter into this Agreement and perform its obligations under this Agreement. The execution and delivery of this Agreement and the performance of the obligations hereunder have been duly authorized by all necessary corporate or other legal action on the part of the Member.

(g) <u>Valid Agreement</u>. This Agreement constitutes a valid and binding obligation of the Member, enforceable against it in accordance with its terms, subject however to limitations with respect to enforcement imposed by laws in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

3. EXCHANGE REPRESENTATIONS AND DISCLOSURE

(a) <u>Regulation of Exchange</u>. Exchange is a marketplace that will be regulated in accordance with all applicable regulatory requirements.

(b) <u>Capacity</u>. Exchange has the power and capacity to enter into this Agreement and perform its obligations under this Agreement. The execution and delivery of this Agreement and the performance of the obligations hereunder have been duly authorized by all necessary legal action on the part of Exchange.

(c) <u>Valid Agreement</u>. This Agreement constitutes a valid and binding obligation of Exchange, enforceable against it in accordance with its terms, subject however to limitations with respect to enforcement imposed by laws in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

(d) <u>Related Registrants</u>. Individuals who are members of the Board of Directors of the Exchange may be employees, officers, partners, or directors of other registered entities. Exchange has developed policies and procedures to address potential conflicts of interest arising as a result of any conflicts of interest or potential conflicts of interest that may arise as a result of such relationships.

4. FEES AND ACCESS

(a) <u>Fees and Access</u>. Exchange shall provide the Member with access to the System and shall facilitate trades in specified financial instruments against payment by the Member of the fees and charges as set out by Exchange in Schedule 1, as amended from time to time. Exchange may at any time, and from time to time, on not less than 30 days' written notice (subject to any required regulatory approvals), increase any or all such fees or charges. All fees are net of all taxes and duties. A Member may choose to change its selected services with

30 days written notice. For greater certainty, Exchange will be entitled to decrease fees and charges by providing the Member with written notification of such a change within 30 days prior to the effective date of the change.

(b) Suspension and Termination of Access for Failure to Pay Fees. All fees and charges shall become due and payable to Exchange at such time or times and in such a manner as Exchange shall require in writing. If the Member has not paid any fees or charges within 30 days of becoming due and payable, Exchange may, without notice and without incurring liability to the Member, suspend the Member's access to the System until all outstanding fees have been paid by the Member. Exchange may, without incurring liability to the Member, terminate the Member's membership if the Member has failed to pay all outstanding fees within 15 days of the suspension.

(c) Third-party Payments. In all cases, the Member shall pay all fees and charges to Exchange in full, without any right of set-off or deduction. The Member shall pay when due all amounts payable to third parties arising from the Member's use of the System, if any, including fees or charges payable to any government, regulatory authority or self regulatory organization in connection with use of the System.

(d) Collection of Fees. The Member will be entitled to elect a method of payment of fees pursuant to the Fee Payment Options section of the Member Application document attached hereto as Schedule 2. Where the Member does not complete Schedule 2, Exchange shall collect such fees from the Member directly.

(e) Sponsored Access of DMA Eligible Clients. If the Member provides access to the System to its DMA Eligible Clients in accordance with Exchange's policies relating to such access, then prior to granting such Sponsored Access, the Member shall execute with each DMA Eligible Client a binding legal agreement containing, among other things, the terms specified in Schedule 3 to this Agreement and provide Exchange with any other required DMA Eligible Client documentation as requested by Exchange from time to time. Member shall comply with the provisions of the Trading Policies regarding DMA Eligible Clients.

5. **COMPLIANCE WITH EXCHANGE TRADING POLICIES**

(a) Trading Policies. Exchange has adopted specific rules and policies defining how the Exchange marketplace operates to facilitate trades in specified financial instruments, as made available by Exchange and as amended from time to time ("Trading Policies"), which Trading Policies are incorporated by reference into and form a part of this Agreement as if such Trading Policies were set out in their entirety herein. The Member shall comply with such Trading Policies as they may be amended

from time to time. By signing this Agreement, the Member acknowledges that it has reviewed all such Trading Policies and warrants that it shall take all reasonable efforts to ensure that it has procedures to monitor subsequent changes to such Trading Policies. Failure by the Exchange to exercise any of its rights, powers or remedies under the Trading Policies or its delay to do so will not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power, or remedy will not prevent its subsequent exercise or the exercise of any other right, power or remedy. Exchange will not be deemed to have waived the exercise of any right, power or remedy unless such waiver is made in writing and delivered to the person to whom such waiver applies, if such waiver applies generally. Any waiver may be general or particular in its application, as determined by Exchange.

(b) Responsibility for Transactions. Exchange shall not be, directly or indirectly, a party to any transaction posted to, or consummated on, the System, and Exchange shall not be responsible for or otherwise guarantee, any transaction effected by the Member through the System with any other party. The Member is solely responsible for confirming the accuracy, completeness and integrity of information used by it and any resulting transaction. The Member shall proceed solely against the counterparty to collect or recover

any amounts owing to it or enforce any of its rights in connection with or as a result of transactions entered into with such third party through the System. All Exchange trades are executed directly between Members. Exchange does not act as counterparty to any Exchange trades and does not guarantee settlement.

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

6. **COMPLIANCE WITH ALPHA REQUIREMENTS AND AUTHORIZED ACCESS**

(a) Member Obligations. Notwithstanding any other provision of this Agreement, as between Exchange and the Member, it is the sole responsibility of the Member to ensure compliance with all Alpha Requirements pertaining to trading related activity of the Member, its officers, employees, directors and agents and all clients or other persons for whom the Member provides access to the System. The liability of the Member under this Agreement shall not, in any circumstance, be limited or mitigated by any failure of Exchange to provide training, training material or updates, or notice of change to the applicable Alpha Requirements

relating to the entry and trading of orders. As set out in Part IX of the Trading Policies, any investigations and enforcement actions concerning a violation of a provision of UMIR will be conducted by IIROC following the procedures set out in UMIR.

(b) <u>Authorized Use</u>. The Member shall implement security systems and policies to prevent unauthorized use or misuse of the System and data available by use of the System by persons accessing the System. The Member shall take reasonable steps to ensure each authorized employee is fully aware of the Member's obligations under this Agreement and ensure that all employees comply with such obligations and all Alpha Requirements. The Member shall be responsible for all instructions entered, transmitted or received under an authorized trader identification, and for the trading and other consequences thereof. A Member must not allow an unauthorized person to have access to the System. Exchange may suspend access by a Member or its authorized employees, or any other party to which the Member provides access to the System, without notice if it concludes after reasonable investigation that the Member or employee or such other party to which the Member provides access to the System is misusing the System or is causing a disorderly market. Exchange may suspend an authorized employee's access or approval, or the access or approval of any other party to which to Member provides access to the

System, by giving not less than 5 days' prior written notice if Alpha has concluded after reasonable investigation that the employee or such other person has failed to comply or is not in compliance with Alpha Requirements; or has engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Exchange (for example, where such conduct, business or affairs would cause technical problems for the Alpha Systems, or a market integrity issue). A Member must terminate an authorized employee's or such other person's access to the System immediately upon receiving notice and must not reinstate access without Exchange's written approval. If the Member fails to comply with this provision, Exchange shall have the right to take such action as it considers necessary, in its sole discretion, to prevent access to the System by any person, including the termination of the Member's right to access the System in its entirety. Upon termination of an authorized employee of a Member, Exchange may in its sole discretion cancel all open orders entered by that trader.

(c) <u>Technical Failure or Security Breach</u>. The Member shall cease use of the System as soon as practicable after it is notified by Exchange, or it otherwise becomes aware of or suspects, a technical failure or security breach of the System and immediately notify Exchange of such failure or breach

of security in accordance with the notice provisions set out in the Trading Policies or other Exchange documentation.

(d) <u>Monitoring and Surveillance</u>. The Member acknowledges that it is not the intention of the parties, as a result of the execution of this Agreement, to delegate to Exchange any responsibilities for compliance with any Alpha Requirements, including but not limited to applicable privacy legislation and applicable anti-money laundering legislation. For greater certainty, Exchange will have no verification requirements pursuant to applicable anti-money laundering legislation.

(e) <u>Information Privacy</u>. By executing this Agreement, the Member confirms that it has obtained the necessary consent to disclose the information provided to Alpha in the Member Application. The Exchange will maintain and use such information in accordance with its Privacy Policy which will be posted on the Exchange website or otherwise communicated to the Member, as amended from time to time.

7. USE OF TRADING DATA

(a) <u>Access to Data</u>. Pre-trade order data and post-trade transaction data pertaining to the Member's trading related activity on Exchange ("Private Data") may be obtained through Exchange either directly or through the services of information vendors, including any information processor, with connectivity to the Exchange. The Member agrees that receipt of pre- trade order data and post-trade transaction data pertaining to all other trading related activity on Exchange ("Public Data" and, together with Private Data, "Exchange Trading Data") shall be governed by, and the receipt and use thereof shall be subject to the terms and conditions of, other agreements between the Member and Exchange, including without limitation a data use agreement and/or a data distribution agreement.

(b) <u>Use of Exchange Trading Data</u>. The Member shall be permitted to use the Public Data for internal trading activity purposes only. The Member shall not retransmit, disseminate, sell, lease, license, distribute, publish, broadcast, circulate or commercially exploit Public Data or assign their rights in relation to such Public Data without Exchange's express prior written consent, and the Member shall comply with any limitations imposed on the use of Public Data (whether such limitations are imposed directly by Alpha or communicated by a third party information processor or information vendor). For greater certainty the Member shall be entitled to provide Public Data to its clients to confirm execution of trades, facilitate clearing and settlement, and comply with applicable Alpha Requirements. All Public Data is protected by copyright and we reserve all intellectual property rights therein.

(c) <u>No Warranties</u>. Neither the Exchange nor any partner,

associate, related party or affiliate makes any warranty, representation or guarantee as to the sequence, accuracy, completeness or timeliness of Exchange Trading Data. Without limiting the foregoing, all express or implied, direct or indirect, representations, warranties and conditions in respect of Exchange Trading Data arising or implied by statute, common law, custom, usage of trade, course of performance, course of dealing or otherwise, including but not limited to any representations or warranties or conditions of merchantable quality and/or fitness for a particular purpose, are expressly excluded.

(d) Rights to Resell. Exchange and its affiliates may, in Exchange's sole discretion, resell, distribute, market or license any or all Exchange Trading Data to any other person, or otherwise use any or all such data as Exchange or its affiliates see fit and is entitled to keep all compensation provided, however, that neither Exchange nor its affiliates shall identify the Member in connection with any Exchange Trading Data, except:

(i) if the Member uses Exchange functionality that provides order and/or trade attribution;

(ii) for reporting to CDS or any clearing and settlement agent for clearing and settlement purposes;

(iii) as required pursuant to applicable Alpha Requirements;

(iv) for dispute resolution purposes with the Member;

(v) to legal or accounting advisers on a confidential basis; or

(vi) as otherwise expressly set forth in this Agreement.

(e) The provisions of this Part 7 shall survive the termination of this Agreement.

8. **PERSONAL AND CONFIDENTIAL INFORMATION**

(a) Personal information regarding the Member's directors, officers and employees. Exchange will not release personal information relating to the Member's directors, officers, employees, contractors or clients unless:

(i) the individual in question has consented in writing to the release of the information;

(ii) the release of the information is required by an Alpha Requirement or pursuant to a regulatory purpose; or

(iii) the information has been publicly disclosed by another person or company and the disclosure was lawful.

The Member represents that they have obtained or shall obtain, as applicable, all necessary consents to allow the Member to disclose the information relating to its directors, officers, employees, contractors and clients referenced above as required under this Agreement.

(b) <u>Definition of Confidential Information</u>. "Confidential Information" shall mean information about the disclosing party's (or any of its clients') business activities that is proprietary and confidential, which will include all business, financial and technical and other information including:

(i) information expressly marked or disclosed or implicitly disclosed as confidential or proprietary, including, without limitation, all forms and types of financial, business, scientific, technical, economic, competitively sensitive or engineering information including, but not limited to, patterns, plans, compilations, program devices, discoveries, ideas, concept, know-how, techniques, formulas, blueprints, designs, prototypes, methods, processes, procedures, codes, unpatented inventions, marketing plans, financial plans, business plans, or names of customers or suppliers, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing;

(ii) all proprietary software programs, and proprietary computer software designs and architecture, in whatever form, regardless of whether marked or designated as confidential or proprietary;

(iii) information commonly recognized as proprietary trade secrets; and

(iv) all copies of any of the foregoing or any analyses, studies or reports that contain, are based on, or reflect any of the foregoing.

Confidential Information shall not include any information that the receiving party can show:

(i) was in receiving party's possession free of any obligation of confidence prior to receipt from the disclosing party;

(ii) is independently developed by the receiving party without access to or unauthorized use or disclosure of Confidential Information;

(iii) is in the public domain or becomes available to the public through no breach of this Agreement by the receiving party;

(iv) was communicated by the disclosing party to a third party free of obligation of confidence; or

(v) is received by the receiving party independently from a third party free to disclose such information to the receiving party.

(c) <u>Treatment of Confidential Information</u>. The receiving party shall treat the Confidential Information with at least the same degree of care that it uses to protect

its own confidential and proprietary information of a similar nature, but no less than a reasonable degree of care under the circumstances and shall not disclose, duplicate, copy, transmit or otherwise disseminate in any manner whatsoever, Confidential Information provided to the receiving party by reason of the relationship established by this Agreement, or learned by the receiving party by reason of this Agreement, except to the receiving party's regular employees, including the employees of the receiving party's corporate parent (if any) and those of its direct subsidiaries and of the subsidiaries of its corporate parent, and, subject to the provisions below, to the agents, partners, limited partners, contractors, advisers, and Consultants of the receiving party.

(d) <u>Need to Know</u>. All such persons receiving Confidential Information shall:

(i) have a need to know such Confidential Information for performance of duties or obligations related to the purpose of this Agreement;

(ii) have been informed of the confidential nature of the Confidential Information; and

(iii) be bound, by terms of their employment, to maintain the confidentiality of confidential information in their possession.

(e) <u>Notice of Request by a Third Party</u>. In the event that the receiving party is requested or required (by the order of a court of competent jurisdiction or other governmental or regulatory body exercising legitimate authority, civil investigative demand or similar process) to disclose any Confidential Information of the disclosing party, the receiving party will, to the extent permitted by law, provide the disclosing party with prompt notice of such request or requirement so that the disclosing party may seek an appropriate protective order or waive compliance by the receiving party with the provisions of this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, the receiving party is nonetheless, in the opinion of the receiving party's counsel, legally required to disclose such Confidential Information forwarded by the disclosing party or else stand liable for contempt or suffer other censure or penalty, the receiving party may disclose such information without liability hereunder, provided, however, that the receiving party shall disclose only that portion of such Confidential Information which it is legally required to disclose.

(f) The provisions of this Part 8 shall survive the termination of this Agreement.

9. **SETTLEMENT OF DISPUTES AND ARBITRATION**

(a) <u>Disputes Between the Member and Exchange</u>. In the event of any dispute arising between the Member and Exchange which has not been resolved, the Member may appeal to the Board of Directors of the

Exchange (the "Board") in accordance with the procedures set forth in the Trading Policies. If the Member wishes to appeal any decision of the Board, the Member may appeal the decision by following the arbitration procedures set out below and/or by appeal to the securities regulatory authority. If the Member chooses arbitration, the issue shall be submitted to the decision of a single arbitrator, who shall be qualified and independent of the parties to the dispute, selected as hereinafter provided, and the decision of such an arbitrator shall be final and binding on all parties. In addition, the electronic records of the Exchange will govern in the event that facts relating to any of the Member's orders or transactions executed through the Exchange are disputed, unless there is clear proof of an error in such electronic records of orders or transactions. The nomination of the arbitrator shall be as follows:

(i) The independent arbitrator shall be agreed upon by the Member and Exchange, or if they cannot agree on an arbitrator, either party may apply to the Ontario courts to have an independent arbitrator appointed (the "Arbitrator"). The Arbitrator shall act as the sole arbitrator in respect of all matters, including procedural matters including scheduling, production of documents and giving directions.

(ii) Within ten days following the appointment of the Arbitrator, the Member shall deliver to

Exchange and the Arbitrator a statement of dispute concisely setting for the facts and law upon which it relies. Ten days following delivery of this statement of dispute, Exchange shall deliver to the Member and the Arbitrator a statement of response responding to the statement of dispute and concisely setting for the facts and law upon which it relies. Where the Arbitrator has not been appointed during such time periods, the statement of dispute and response to the statement of dispute shall be delivered to the Arbitrator promptly following the date of the Arbitrator's appointment.

(b) Notice. The Arbitrator shall forthwith give written notice to the parties of the time and place of its first sitting, which shall be held promptly and if at all possible within ten Business Days after the appointment of the Arbitrator, and shall require them to be present and to produce any records, books, documents or paper respecting the matter at issue, and at such time and place, or at any other time and place to which they shall give written notice to the Member and Exchange, the Arbitrator shall hear each of the parties, shall make such inquiries and receive such evidence as they may deem necessary, and shall decide the subject matter in dispute and fix the costs of arbitration and shall make its award and forward the same in writing to all parties concerned. The Arbitrator shall be

instructed that time is of the essence and requested to make its judgment as soon as possible and if at all within ten Business Days of the completion of the hearing.

(c) The Arbitration Act. The *Arbitration Act, 1991* (Ontario) shall apply to the arbitration. The arbitration shall take place in Toronto, Ontario (telephone or teleconference facilities will be made available for Members that cannot attend a hearing in Toronto, Ontario), shall be governed in all respects by the substantive law of Ontario (and the federal laws of Canada applicable therein), and shall be kept confidential (both to as its existence and all proceedings and documents related thereto) except as required by applicable law (including disclosure and reporting obligations attendant on public companies) or self-regulatory organization requirements or for enforcement purposes.

(d) Disputes Between Members. Any dispute arising between Members relating to trading related activity conducted utilizing the System where the Exchange is also a party to the dispute will be carried out in the same manner as a contractual dispute pursuant to Section 9(a). Any dispute arising between Members where the Exchange is not a party to the dispute may be carried out in any way as agreed to as between the Members; however, even where the Exchange is not a party to any dispute, it shall be entitled, but not required, to be present and state its position. The Exchange shall provide such electronic records as the parties to the dispute may request relating to the dispute, however where such information is Confidential Information the provisions of Part 8 shall take precedence.

(e) Interest on Awards. The award shall bear interest from the date of award at 12% per annum payable and calculated monthly, and shall bear pre-award interest as determined by the arbitrators.

(f) Award Enforceable. The award may be enforced in court.

(g) Award Final. The award of such arbitration shall be final and not subject to review or appeal, and shall be binding upon all parties concerned. Section 9 of the Agreement shall survive any termination of the Agreement.

(h) Exclusive Remedy. Part 9 shall be the exclusive remedy under the Agreement, but without prejudice to any other rights or remedies expressly provided for in the Agreement.

10. GENERAL PROVISIONS

(a) Notices. All notices hereunder shall be given in writing and shall be deemed to have been duly given upon receipt, by delivery in person, by confirmed facsimile, by registered or certified mail, by overnight delivery (postage prepaid) to the respective party, or by electronic mail sent to the Member at its address, electronic mail address or facsimile number indicated on the

Member Information Form hereof, and to Exchange at:

Alpha Exchange Inc.
70 York Street, Suite 1501
Toronto, Ontario, M5J 1S9
Attention: Head of Legal
Fax: 416-642-2120
E-mail: legal@alpha-group.ca

or, in each case, to such other address or facsimile number subsequently provided in writing by such party to the other. Any such notice shall be effective upon the receipt thereof by the party to whom sent.

(b) Termination. Subject to other specific provisions herein, either party shall be entitled to terminate this Agreement by providing the other party with not less than twenty (20) business days notice, in writing.

(c) Effective Date. This Agreement will take effect as of the later of the date it has been executed by both the Member and Exchange or the effective date of the recognition order of the Exchange issued by the Ontario Securities Commission. This Agreement will remain in force until terminated in accordance with the terms hereof. If either party terminates this Agreement, immediately following the effective date of such termination the Member shall permit Exchange to immediately remove the Member's access to the System and shall return or destroy all materials provided by Exchange pursuant to this Agreement relating to the System except where the retention

of such materials is required by statute or pursuant to Alpha Requirement. Termination of this Agreement shall not affect any liability, including trading fees, that has accrued as of the date of termination.

(d) Laws Governing. This Agreement shall be governed by the laws of the Province of Ontario and both parties unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

(e) Amendments. Exchange may make amendments to this Agreement and the Trading Policies, subject to the rule approval process of the securities regulatory authorities, by providing thirty (30) days' written notice to Members.

(f) Assignment of Rights. Neither party may transfer or assign its rights and obligations under this Agreement without the prior written consent of the other party. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Notwithstanding the above, Exchange shall be entitled to assign its rights and obligations hereunder to any party (i) controlling Exchange; (ii) controlled by Exchange; or (iii) that shares a common controlling entity as Exchange, by providing the Member with notification of such assignment.

(g) Execution in Counterparts. This Agreement may be executed in counterparts. Each executed counterpart may be delivered to the

other party by facsimile and/or electronic file, and copies bearing the signature of a party will constitute a valid and binding execution and delivery of this Agreement.

(h) <u>Whole or Partial Invalidity</u>. The whole or partial invalidity of any provision of this Agreement shall not affect the validity of any other provision of this Agreement If any provisions or conditions of this Agreement shall be held to be unenforceable by a court, or regulatory or Self-Regulatory Organization, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein. To the extent permitted by law, the parties waive any provision of law that renders any provision of this Agreement invalid or unenforceable in any respect.

(i) <u>Natural Disasters</u>. Notwithstanding any other term or condition of this Agreement, neither Exchange nor the Member shall be obligated to perform or observe its obligations undertaken in the Agreement (except for obligations to make payments hereunder and regulatory obligations) if prevented or hindered from doing so by any circumstance found to be beyond its control, including industrial disputes of any nature, acts of nature, acts of a public enemy, acts of government,

failure of telecommunications, software or hardware, sabotage, terrorism, lightning or electromagnetic disturbances, earthquake, flood, fire or other casualty and the other party will likewise be excused from performance of its obligations (other than timely payment of fees) to the extent such party's obligations relate to the performance so interfered with; provided that the party so affected uses its reasonable efforts to avoid or remove such causes of non-performance and shall resume performance hereunder with dispatch whenever such causes are removed.

(j) <u>Language</u>. The parties confirm their express wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en la langue anglaise seulement.

(k) <u>Effect of Termination</u>. Termination of the Agreement shall not terminate or negate any obligations of the Member to complete or implement any transaction entered into prior to such termination or arising from or accruing from authorized activities of Member up to the effective time of termination.

25

(l) <u>System Provided "As Is"</u>. THE SYSTEM IS PROVIDED "AS IS". NONE OF EXCHANGE, ITS RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION OR AS TO RESULTS TO BE ATTAINED BY MEMBER OR ANYONE ELSE FROM THE USE OF THE SYSTEM. EXCEPT AS OTHERWISE STATED IN THIS AGREEMENT, EXCHANGE, ITS RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER DISCLAIM ALL WARRANTIES, CONDITIONS, GUARANTIES OR REPRESENTATIONS, WHETHER EXPRESS OR IMPLIED, IN LAW OR IN FACT, ORAL OR IN WRITING, OR THAT ARISE FROM STATUTE OR FROM A COURSE OF DEALING, USAGE OR TRADE INCLUDING WITHOUT LIMITATION ANY WARRANTIES, CONDITIONS, GUARANTIES OR REPRESENTATIONS OF FITNESS FOR PURPOSE, MERCHANTABILITY OR MERCHANTABLE OR SATISFACTORY QUALITY, OR NON-INFRINGEMENT. NONE OF EXCHANGE, ITS RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER SHALL HAVE ANY RESPONSIBILITY TO MAINTAIN THE SYSTEM OR TO SUPPLY ANY CORRECTIONS, UPDATES OR RELEASES IN CONNECTION THEREWITH. NONE OF EXCHANGE, RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER IS SOLICITING ANY ACTIVITY BASED UPON THE USE OF THE SYSTEM. NONE OF EXCHANGE, RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER WILL BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, HOWEVER CAUSED, INCLUDING ANY TRADING LOSSES OR FAILURE TO SUCCESSFULLY IMPLEMENT ANY INVESTMENT STRATEGY REGARDLESS OF WHETHER EXCHANGE, ANY OF ITS RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER HAS BEEN ADVISED OR IS OTHERWISE AWARE OF THE POSSIBILITY OF SUCH LOSSES. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(m) <u>Liability</u>.

(i) Except for Exchange's indemnity obligations hereunder or breaches of its obligations pursuant to Section 8(a) of this Agreement, Exchange's entire aggregate liability arising from or related to this Agreement shall not exceed the fees charged by

Exchange to the Member in the six (6) months preceding the date that the first cause of action arose, even if such cause of action is continuing.

(ii) In no event shall any of Exchange's related parties, affiliates, partners or any third party providers of any of Exchange's or such other entities officers, directors, employees or agents have any liability to the Member under or related to this Agreement.

(iii) This Section shall not exclude or restrict Exchange's liability for death or personal injury arising from either the negligence of Exchange or its officers, employees, agents, or partners, including where they are acting in the ordinary course of their duties. Such liability shall in no event exceed the sum of one million dollars ($1,000,000).

(iv) Money damages may both be incalculable and an insufficient remedy for any breach of the Agreement by a party or its employees, agents or representatives and any such breach would cause the other party irreparable harm. In the event of any such breach or threatened breach of the Agreement, the other party shall be entitled to seek equitable relief, including by way of injunction and specific performance.

(v) Neither Exchange nor the Member shall be liable under any circumstances for any indirect, incidental, reliance, special, punitive or consequential damages including, but not limited to lost profits and/or lost opportunities, even if the applicable party has been advised of the possibility of such damages.

(n) Disclaimers. All disclaimers and limitations herein shall apply regardless of the nature of any cause of action or demand (including, but not limited to breach of contract, breach of warranty, negligence, strict liability, tort or any other cause of action) and shall survive a fundamental breach or breaches and/or failure of the essential purpose of this Agreement or any remedy contained herein.

(o) Ownership. The components of the System include but are not limited to: operating systems software, database software, applications software, hardware and firmware. Exchange retains ownership of the System and all rights, title and interest therein including all patents, copyrights, trade secrets and other intellectual property rights in and to the System. This Agreement does not grant or give the Member any right, title or interest of any type in the System or in any patents, copyrights, trade secrets or other intellectual property rights associated with the System. For greater certainty, this Agreement does not convey to the Member, or any other person, a license or right,

either express or implied to use any software incorporated into the System. Except as specifically set out herein, the Member shall not use any of the trademarks or trade names of or used by Exchange in connection with the System or any other intellectual property associated with the System without the prior written consent of Exchange.

(p) <u>Indemnifications</u>.

(i) Exchange agrees to indemnify and hold harmless, either on its own behalf, or on behalf of a third party provider, subject to the limitations herein set forth, any losses, damages or expenses incurred by the Member arising from any claim, suit or proceeding commenced by a third party alleging that there has been an infringement of any such third party's intellectual property rights resulting from the execution of this Agreement or use of the System ("Infringement Claim"). The Member agrees that Exchange shall be relieved of the foregoing obligations unless the Member notifies Exchange promptly in writing of such claim, suit or proceeding and gives Exchange authority to defend and settle such proceeding as contemplated herein, and, at Exchange and/or third party's expense, as applicable, gives Exchange and/or third party provider proper and full information and assistance to settle and/or defend any such claim, suit or proceeding but

such relief will only apply to the extent that such delay or failure to provide such notification compromises Exchange's ability to defend such claim, suit or proceeding or cause Exchange to incur additional costs. Neither Exchange nor third party providers shall be liable for any costs or expenses incurred without their prior written authorization. Claims resulting from the modification of the System by the Member or any third party or the use or combination of the System with any hardware, software, data or products of any other person (including any entity) other than Exchange are not Infringement Claims and therefore are excluded from this indemnity. In the event of any Infringement Claim, Exchange may at its sole option and discretion (i) obtain a license to enable Exchange to continue to use the System as contemplated hereunder, (ii) replace or modify the subject matter of the Infringement Claim to make it non-infringing, or (iii) immediately terminate this Agreement by notice to the Member. Exchange's obligation to indemnify the Member under this Section shall be limited, in the aggregate, to the total amount actually paid by the Member to Alpha under this Agreement.

(ii) The Member will indemnify, defend, and hold Exchange, its related parties, subsidiaries,

affiliates, partners, officers, directors and employees harmless of and from any demands, losses, claims, judgment, liabilities, actions, proceedings, penalties, damages, costs or suits (other than for Infringement Claims) that arise out of or relate to the use, or inability to use, or defects or deficiencies with the System including any claims related to the Member's or DMA Eligible Client's use or misuse, or inability to use, the System or defects or deficiencies arising from or related to such use or inability to use the System. The Member shall pay on demand all amounts due under this section. Exchange agrees that the Member shall be relieved of the foregoing obligations unless the Member notifies Exchange promptly in writing of such claim, suit or proceeding and gives Exchange authority to defend and settle such proceeding as contemplated herein, and, at Exchange and/or third party's expense, as applicable, gives Exchange and/or third party provider proper and full information and assistance to settle and/or defend any such claim, suit or proceeding but such relief will only apply to the extent that such delay or failure to provide such notification compromises Exchange's ability to defend such claim, suit or proceeding or cause Exchange to incur additional costs.

(iii) The indemnities set out in this Section 10(p) shall survive the termination of this Agreement.

(q) <u>Further Documents</u>. Each of Exchange and the Member shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of the Agreement.

(r) <u>Currency</u>. Unless otherwise expressly specified, all amounts referred to herein shall be denominated in Canadian dollars.

(s) <u>Time of the Essence</u>. Time shall be the essence of the Agreement.

(t) <u>Complete Agreement</u>. This Agreement, and the schedules as amended from time to time in accordance with the Agreement and any other agreements executed by the parties for additional services, contains the entire Agreement between the parties with respect to trading on the System. This Agreement may be modified only by a writing signed by all parties to this Agreement and any such modification shall not be deemed to be a cancellation of this Agreement.

MEMBER AUTHORIZATION AND DECLARATION	
The Member hereby certifies that the information is provided by the Member for the purpose of accessing the Exchange is correct. The undersigned is a signing officer with authority to bind the Member to the terms of the Agreement.	
Member	
Name of Signing Officer	Title
Signature	Date

ALPHA EXCHANGE INC.	
Name of Signing Officer	Title
Signature	Date

SCHEDULE 1
ALPHA EXCHANGE TRADING FEES - EFFECTIVE FEBRUARY 1, 2012

Access Fees

Trading Service	Fee
Initial Application	$3,000 (Plus applicable GST/HST)
Month Access	$1,250 (Plus applicable GST/HST)

Transactional Fees

Equity Trades	Alpha Listed Securities Fee/Share	Other Traded Securities Fee/Share
Auction (Open, Close or Halt)		
All Securities		
Trade Price/Share < $1	$0.0003	$0.0003
Trade Price/Share >=$1 &<$5	$0.0003	$0.0003
Trade Price/Share >= $5	$0.0005	$0.0005
Continuous Trading		
Exchange Traded Funds		
Active		
Trade Price/Share < $1	$0.0003	$0.0003
Trade Price/Share >=$1	$0.0025	$0.0025
Passive		
Trade Price/Share < $1	-$0.0002	-$0.0002
Trade Price/Share >=$1	-$0.0021	-$0.0021
Odd Lot Trades		
Trade Price/Share < $1	$0.0003	$0.0003
Trade Price/Share >=$1	$0.0025	$0.0025
SPIs - Other		
Active		
Trade Price/Share <$1	TBD	n/a
Trade Price/Share >=$1 &<$5	TBD	n/a
Trade Price/Share >=$5	TBD	n/a
Passive	TBD	n/a
Trade Price/Share <$1	TBD	n/a
Trade Price/Share >=$1 &<$5	TBD	n/a
Trade Price/Share >=$5	TBD	n/a
All Other Securities		
Active		
Trade Price/Share < $1	$0.0003	$0.0003
Trade Price/Share >=$1 &<$5	$0.0025	$0.0025
Trade Price/Share >= $5	$0.0028	$0.0028
Passive		
Trade Price/Share < $1	-$0.0002	-$0.0002
Trade Price/Share >=$1 &<$5	-$0.0021	-$0.0021
Trade Price/Share >= $5	-$0.0025	-$0.0025
Odd Lot Trades		
Trade Price/Share < $1	$0.0003	$0.0003
Trade Price/Share >=$1 &<$5	$0.0025	$0.0025
Trade Price/Share >= $5	$0.0028	$0.0028
Unintentional Crosses		
Trade Price/Share <$1	$0.0001 (net)	$0.0001 (net)
Trade Price/Share >=$1 &<$5	$0.0004 (net)	$0.0004 (net)
Trade Price/Share >=$5	$0.0003 (net)	$0.0003 (net)
Intentional Crosses – Printing Facility	$0.0000	$0.0000

Intraspread™		
Active		
Trade Price/Share <$1	$0.0001	$0.0001
Trade Price/Share >=$1 &<$5	$0.0004	$0.0004
Trade Price/Share >=$5	$0.0004	$0.0004
Passive		
Trade Price/Share <$1	$0.0000	$0.0000
Trade Price/Share >=$1 &<$5	$0.0000	$0.0000
Trade Price/Share >=$5	$0.0000	$0.0000

Notes / Debentures Trades	Fee/$1,000 par value	Fee/$1,000 par value
Auction (Open, Close or Halt)		
Trade Price/Share – All Securities	$0.0200	$0.0200
Continuous Trading		
Active – All Securities	$0.0900	$0.0900
Passive – All Securities	-$0.0800	-$0.0800
Odd Lot Trades	$0.0900	n/a
Unintentional Crosses	$0.0100 (net)	$0.0100 (net)
Intentional Crosses – Printing Facility	$0.0000	$0.0000
IntraSpread™		
Active	$0.0100	$0.0100
Passive	$0.0000	$0.0000

Notes

1) Alpha Listed Securities are securities listed on Alpha Main and Alpha Venture Plus.
2) Other Traded Securities are securities listed on the TSX and the TSX Venture.
3) SPIs – Other are Special Purpose Issuers other than Exchange Traded Funds and Investment Funds.
4) All fees quoted are in Canadian dollars.
5) Transactional Fees are GST/HST exempt.
6) Fees relating to "Odd Lot Trades" do not pertain to trades executed by the Lead Market Makers for Alpha Listed Securities and Market Makers for Other Traded Securities relating to their obligations as an "Odd Lot Dealer". Such fees are set out in the Lead Market Maker Agreement and the Market Maker Agreements respectively.
7) Continuous unintentional crosses will be charged on a net basis. For invoicing purposes, unless using the Alpha Billing Facility, the active side and the passive side of the trade will be charged the amount equal to the corresponding Continuous Trading Active and Passive fees. Members using the Alpha Billing Facility can select different fees for the active side and passive side of the trade while respecting the net fee.
8) "Iceberg Orders" will be treated as passive orders and will be credited the corresponding Passive rebate for executed transactions.

SCHEDULE 2 - CDS FEE COLLECTION AUTHORIZATION AND INFORMATION FORM

In order for fees to be collected by Exchange through CDS Clearing and Depository Services Inc., a Member must: (a) be a CDS participant with a valid CUID; or (b) have established a introducing carrying broker relationship with a CDS participant with a valid CUID.

Part A:

Exchange shall provide CDS with instructions to detailing the total amount to be collected from _____ (the "Member") for each monthly collection cycle. Instructions will be provided to CDS on or before the fourth business day of each month. Fees shall be remitted to Exchange from CDS on behalf of the Member on the 10th business day of every month.

MEMBER AUTHORIZATION TO COLLECT FEES THROUGH CDS	
The Member hereby certifies that the information is provided by the Member for the purpose of fee collection through CDS is correct. The undersigned is a signing officer with authority to bind the Member to the terms of the Agreement.	
Member and CUID	
Name of Signing Officer	Title
Signature	Date

Part B:

Exchange shall provide CDS with instructions to detailing the total amount to be collected from _____ (the Member's carrying broker) for each monthly collection cycle. Instructions will be provided to CDS on or before the fourth business day of each month. Fees shall be remitted to Exchange from CDS on behalf of _____ (the Member) on the 10th business day of every month.

MEMBER AUTHORIZATION TO COLLECT FEES THROUGH CDS VIA CARRYING BROKER
The Member hereby certifies that the information is provided by the Member for the purpose of fee collection through CDS via their carrying broker is correct. The undersigned is a signing officer with authority to bind the Member to the terms of the Agreement.

Member and CUID	
Name of Signing Officer	Title
Signature	Date

CARRYING BROKER AUTHORIZATION TO COLLECT FEES THROUGH CDS ON BEHALF OF A MEMBER

The Carrying Broker hereby certifies that the information is provided by for the purpose of fee collection through CDS is correct. The undersigned is a signing officer with authority to bind the Member to the terms of the Agreement.

Carrying Broker and CUID	
Name of Signing Officer	Title
Signature	Date

SCHEDULE 3 - DMA ELIGIBLE CLIENT AGREEMENT TERMS

The Member shall execute with each DMA Eligible Client (the "Client") a binding legal agreement containing, at a minimum, the following terms and conditions:

(a)   the DMA Eligible Client will only enter orders in compliance with Alpha Requirements and other applicable regulatory requirements respecting the entry and trading of orders;

(b)   specific parameters defining the orders that may be entered by the DMA Eligible Client are stated, including restriction to specific securities or size of orders;

(c)   the Sponsoring Member has the right to reject an order for any reason;

(d)   the Sponsoring Member has the right to change or remove an order in the Alpha Systems and has the right to cancel any trade made by the DMA Eligible Client for any reason;

(e)   the Sponsoring Member has the right to discontinue accepting orders from the DMA Eligible Client at any time without notice;

(f)   the Sponsoring Member agrees to train the DMA Eligible Client in the Alpha Requirements dealing with the entry and trading of orders and other applicable Alpha Requirements, so that individuals with adequate training and knowledge of applicable regulatory requirements will be provided with access to the Alpha Systems;

(g)   the Sponsoring Member accepts the responsibility to ensure that revisions and updates to Alpha Requirements relating to the entry and trading of orders are promptly communicated to the DMA Eligible Client;

(h)   The Alpha Systems are being provided on an "as is" basis and none of Alpha, its related parties, subsidiaries, affiliates, partners, officers, directors and employees or Member makes any warranty (whether express or implied) as to the operation of the Alpha Systems or its fitness for purpose. In no event shall Alpha, its related parties, subsidiaries, affiliates, partners, officers, directors and employees have any liability to DMA Eligible Clients under, or related to, the agreement.

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