

INSTINET CANADA LIMITED DISCLOSURE OF BEST EXECUTION POLICY

1. Best Execution Disclosure Changes

The following are recent changes to the Disclosure of Best Execution Policy, which will be noted in this section for your reference, and will be maintained for the next 6 months:

New Amendments, IIROC Rule 3300 Best Execution of Client Orders, incorporated into the Instinet Canada Limited Disclosure of Best Execution Policy.

2. Best Execution Overview

Instinet Canada Limited (“ICL”) and its affiliates in North America, Europe and Asia (collectively “Instinet”) have long been committed to obtaining best execution and we are pleased to provide you with our policy for obtaining best execution for our clients when trading Canadian listed equities, as outlined in IIROC Dealer Member Rule 3300.

Under IIROC Dealer Member Rule 3300.2, ICL must establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to achieve best execution when acting for a client. For purposes of IIROC Dealer Member Rule 3300, “best execution” means obtaining the most advantageous execution terms reasonably available under the circumstances.

In this policy we set out information concerning the best execution of Canadian orders.

3. Best Execution

Best Execution Factors

ICL considers the following broad factors for the purpose of achieving best execution for all client orders:

1. price;

2. the speed of execution;
3. the certainty of execution; and
4. the overall cost of the transaction, when costs are passed on to clients.

ICL considers the following additional factors, which encompass more specific considerations of the broad factors listed above:

1. considerations taken into account when determining appropriate routing strategies for clients;
2. considerations of the fair pricing of opening orders when determining where to enter an opening order;
3. considerations when not all markets are open and available for trading;
4. how order and trade information from all appropriate marketplaces, including unprotected marketplaces and foreign organized regulated marketplaces, is taken into account;
5. factors relating to executing on unprotected marketplaces; and
6. factors relating to sending orders to a foreign intermediary for execution.

When manually handling a client order for a listed security or a foreign exchange-traded security that trades on a marketplace in Canada, ICL considers the following “prevailing market conditions”:

1. the direction of the market for the security;
2. the depth of the posted market;
3. the last sale price and the prices and volumes of previous trades;
4. the size of the spread; and
5. liquidity of the security.

Approach to Best Execution and Order Handling

In general, the approach taken by ICL to achieve best execution is dependent on how you interact with ICL. There are two main methods of interacting with ICL:

1. electronically, through one of our front-ends or a direct FIX connection,
or
2. telephonically, by contacting one of our agency sales traders.

ICL periodically assesses its methods and its execution venues to ensure that we have taken all reasonable steps to obtain best execution of client orders.

Agency Sales Trading Desk

To the extent that the order is handled by our agency sales trading desk, we will take into account a variety of factors relevant to your order including (but not limited to):

1. your instructions,
2. the size of the order and,
3. its likely market impact, the average daily volume of the security and its trading patterns

The traders on the desk will assess whether the order can be better handled manually or through the use of our trading algorithms or routers.

Direct Electronic Access (“DEA”)

Canadian regulations require that clients accessing the Canadian marketplaces directly have a signed agreement in place with ICL outlining conditions which must be met. The Instinet DEA agreement lists the Canadian marketplaces that ICL currently accesses. It is possible that new Canadian marketplaces may have commenced operations subsequent to the signing of a DEA agreement. ICL assumes that any client which has signed an earlier version of the DEA agreement will want access to any new Canadian marketplace which ICL determines may be beneficial to trade execution. If this is not the case, DEA clients should notify ICL immediately.

SmartRouter

One of the key tenets of best execution is obtaining the best price available at a given time. SmartRouter is a tool that, on receipt of an order, scans all Canadian marketplaces (if applicable, SmartRouter will also evaluate US marketplaces for inter-listed securities) that ICL accesses and determines the venue on which the order will execute on the best terms. The order is then routed to that execution venue. As a broker, ICL has an obligation to the marketplace not to trade through better-priced orders and normally achieves this objective through the use of SmartRouter. ICL may reject any

client instruction or order which may cause ICL to trade-through any better-priced order. ICL will continue to closely monitor each of the execution venues it accesses for trading Canadian stocks to determine if alternative sources of execution provide a material opportunity to achieve best execution.

Intentional Crosses

From time to time ICL may source natural liquidity from our global client base for the other side of your order and cross the trade internally. The execution price of this cross will depend on your limit, if any, and any other circumstances such as liquidity. ICL will transact at a price within the consolidated best bid and offer.

4. Hours of Operation

The hours of operation for marketplaces trading in publicly listed Canadian equities vary by marketplace. Unless otherwise notified by ICL, the “principal marketplace” for all securities listed on the Toronto Stock Exchange, TSX Venture Exchange, Canadian Securities Exchange or Aequitas NEO Exchange will be the exchange on which the security is listed, regardless of other marketplaces that allow trading of these securities.

ICL’s hours of operation for trading Canadian listed equities are between 8:00 a.m. to 5:00 p.m., Eastern Standard Time (“EST”), Monday through Friday, not including Canadian statutory holidays.

[All orders will be routed to either the principal marketplace or alternative marketplaces as follows, unless specific instructions are received from the client to handle otherwise:

- Orders received prior to 9:30 a.m. and intended to trade at the opening price of the security are queued for execution at the opening of the principal marketplace that day.
- Orders received after 4:00 p.m. are queued and will be routed to the best marketplace(s) at the opening of the principal marketplace on the following business day.
- Orders received between 9:30 a.m. and 4:00 p.m. will be routed to the marketplace(s) that provide(s) the best opportunity for the client to obtain best execution at the time of entry.

- Changes to an outstanding order, or portion of an outstanding order, will be handled in the same way as a new order received and will be treated according to the routing conditions listed above.

Market-on-open and Market-on-Close order types will be routed to the principal marketplace for execution.

If at any time you have questions or concerns about how a particular order was handled, ICL would be pleased to demonstrate how the order was handled and what steps were taken to achieve best execution.

Marketplaces

A list of marketplaces to where ICL currently routes orders is listed in Appendix A. Where ICL is given specific instructions with regards to the execution of an order, ICL will consider the specific instruction(s) when trading and handling the order, subject to compliance with applicable regulatory requirements.

In the absence of specific instructions, ICL will determine where best execution may be obtained. In selecting marketplaces suitable for this execution policy, ICL's primary considerations will be liquidity, efficient price formation, speed of execution and sound infrastructure to enable efficient trading and settlement. ICL may also route an order to a dark pool marketplace for price improvement opportunities and/or to minimize market impact.

Marketplaces to where Canadian orders may be posted or routed also include Instinet Canada Cross Limited, a wholly owned subsidiary of ICL.

Treatment of Marketplace Fees and Rebates

ICL may pay marketplace fees or receive marketplace rebates when routing certain orders to certain marketplaces. Marketplace fee schedules are disclosed on each marketplace's website. Based on client agreements and disclosures, ICL may or may not pass on certain costs or compensation received to its clients. Routing decisions are not primarily made based on fees paid or payments received.

Appendix A: Canadian Marketplaces to which ICL Routes

Alpha Exchange Inc.

Nasdaq CXC

Nasdaq CX2

Nasdaq CXD

Instinet Canada Cross Limited

MATCH Now

Aequitas NEO

Aequitas LIT

Omega ATS

Lynx ATS

Liquidnet Canada ATS

Neo Dark

Canadian Securities Exchange (CSE)

Toronto Stock Exchange (TSX)

TSX Venture Exchange (TSXV)