
Best Execution/Multiple Marketplace Disclosure

Trading of Canadian Listed Securities on Multiple Marketplaces

TD Direct Investing, TD Wealth Private Investment Advice and TD Securities ("we" and "our") are committed to make reasonable efforts to ensure that clients achieve the best execution of their orders to buy or sell Canadian listed securities that are quoted or traded on Canadian marketplaces. "Best execution" means obtaining the most advantageous execution terms reasonably available under the circumstances when executing a transaction on behalf of a client, including consideration of factors such as price, speed of execution, certainty of execution and overall cost of the transaction. We aim to provide best execution both for orders individually and for all client orders in aggregate.

We have prepared this information sheet to inform you about the structure of the Canadian equity market, default order handling, and order types, and other aspects of the Canadian trading environment.

Structure of the Canadian Equity Market

The Canadian equity market is composed of multiple marketplaces, including traditional exchanges and Alternative Trading Systems (ATSs). The same security may be traded on multiple marketplaces.

Exchanges

Exchanges are marketplaces that list securities. The exchange where a company's stock is listed is known as the "primary listing marketplace" for that stock. An exchange may also appoint market makers to provide a two-sided market for a security on a continuous basis and set requirements governing the conduct of marketplace participants.

ATSs and Dark Pools

ATSs provide automated trading systems which bring together orders from buyers and sellers of securities. Unlike exchanges, ATSs do not list securities and may only trade securities which are listed on other marketplaces. Dark Pools are ATSs which do not display orders prior to execution.

Dark Orders and Order Protection

"Dark orders" are orders that are not visible to any participant or to the market in general. Dark orders may be placed on Dark Pools or on certain exchanges and visible ATSs that offer dark orders on their trading venues. In Canada, small dark trades must be priced a full trading increment better than the National Best Bid and Offer (NBBO) or at midpoint in cases when the NBBO is one increment wide. Dark trades that are greater than 50 standard trading units or \$100,000 in size may trade at the NBBO prices.

Visible orders on a protected marketplace cannot be "traded through", that is they must be filled ahead of worse-priced orders resting on other marketplaces. Dark pools and dark orders resting on visible marketplaces are not protected and may be traded through.

Marketplace Trading Hours

Hours of operation for trading in publicly listed Canadian securities are between 9:30 am and 4:00 pm (Eastern Time) Monday through Friday, excluding Canadian statutory holidays.

Pre-market and after-hours trading facilities are available in limited situations. Investors should contact their TD Direct Investing, TD Wealth Private Investment Advice or TD Securities representative for further details.

Default Order Handling

Pre-Open

An order received prior to 9:30 am (Eastern Time) will be booked to the pre-opening of the primary listing marketplace for that security.



Continuous Session

An "active order" means any portion of a market order or a limit order (each as described below) which is immediately executable based on current market conditions. By contrast, a "passive order" is any limit order which is not immediately executable, or the unfilled balance of an active order.

An active order will be directed to the marketplace with the best price at the time of execution, where best price is the highest bid for a sell order or the lowest offer for a buy order. When executing active orders, dark pools and unprotected marketplaces may be evaluated for price improvement relative to the displayed quote, and all protected marketplaces are accessed to achieve best price.

Passive orders are generally booked to the primary listing marketplace for that security, but may be booked to a different exchange or an ATS based on an assessment of best execution factors for that order at the time the order is placed.

Changes to an outstanding order, or a portion of an outstanding order, will be handled in the same manner as a new order received.

Post-Close

An order received after 4:00 pm (Eastern Time) will be booked to the pre-opening of the primary listing marketplace for that security on the following business day.

Extended Hours Trading

In certain circumstances (client instruction) TD Securities will access markets outside of Continuous Session, during these extended hours for an "active order". An active order will be directed to an open marketplace with the best price at the time of execution, where best price is the highest bid for a sell order or the lowest offer for a buy order.

Order Types

Day Orders

A "day order" is an order to trade that expires if it is not executed the day that it is booked to the marketplace.

Day orders are booked in accordance with "Default Order Handling" above. Any unfilled portion of a day order will expire at the close of business of the marketplace where the order was last booked.

Good Through Orders

A "good through order" is an order that will remain open for a specified number of days (with a maximum of 30 days).

Good through orders are booked in accordance with "Default Order Handling" above. A good through order will remain booked until executed, cancelled, or upon expiry, whichever comes first.

Market Orders

A "market order" is an order to buy or sell a security at whatever price is available in the marketplace. Market orders provide no control over the execution price. In cases of extreme market volatility or liquidity imbalance, a market order may execute at a price which is significantly different than the expected execution price. Investors can use marketable limit orders (as described below) in place of market orders to eliminate the risk of the order executing at a price outside of an investor's acceptable range.

Market orders are booked in accordance with "Default Order Handling" above.

Limit Orders

A "limit order" is an order for a security at a specific minimum sale price or maximum purchase price that is not to be exceeded. A limit order provides control over the execution price but reduces the certainty of execution. In a fast moving market, a limit order may miss the opportunity to buy or to sell a stock. Marketable limit orders (i.e., buy limit orders priced higher than the prevailing offer price or sell limit orders priced lower than the prevailing bid price) will trade much like market orders, increasing the certainty of execution without the risk of the order trading at a price outside of an investor's acceptable range.

Limit orders are booked in accordance with "Default Order Handling" above.



Stop Loss Orders

A "stop loss order" is an order that becomes a market order or a limit order when a board lot trades at or through the stop price on the marketplace in which the stop loss order has been booked. Stop loss market orders are filled at the best available market price once the "on stop" is activated. If the order is filled when the relevant stock or overall market is experiencing rapid price declines, an investor may receive a price that is much lower than expected. Investors can place stop loss limit orders as an alternative. Stop loss limit orders allow investors to define the lowest price an investor is prepared to sell at once the "on stop" is activated, in effect creating a price range for the investor's sell order.

Stop loss orders are booked to the primary listing marketplace.

Market on Close Orders

A "market on close" (MOC) order is an order for the purchase or sale of a security entered on a marketplace on a trading day for the purpose of calculating and executing at the closing price of the security on that marketplace on that trading day.

TSX and TSXV are currently the only Canadian marketplaces that support a MOC facility. MOC market orders must be entered by 3:40PM ET at which time the surplus/demand for MOC orders on TSX and TSXV MOC eligible stocks is calculated and published to the marketplace.

MOC orders are not guaranteed a fill.

Special Terms Orders

A "special terms order" is an order with specific terms that are not executable in the regular marketplace.

Special terms orders are booked to the Special Terms Market of the primary listing marketplace, unless they are immediately executable on an alternative marketplace at the time of entry.

Retail Liquidity Provision

TD Securities may act as principal to provide liquidity to marketable TD Direct Investing and TD Wealth orders. The capacity of TD Securities in acting as agent or principal is disclosed on order confirmations.

Marketplace Fees and Rebates

We may pay marketplace fees or receive marketplace rebates when routing certain orders to certain marketplaces. Marketplace fee schedules are disclosed on the websites of each marketplace.

Costs associated with those fees paid or rebates received are not passed on to the client.

TD Securities owns or controls an equity interest in TMX Group Limited in excess of 1% of the issued and outstanding equity securities thereof. As such, TD Securities may be considered to have an economic interest in TMX Group Limited including the various marketplaces operated by it such as the Toronto Stock Exchange, the TSX Venture Exchange, TMX Alpha, TMX Select and Alpha IntraSpread.

| The information contained herein is current as of January 2019⁹⁸.

TD Securities Inc. owns or controls an equity interest in TMX Group Limited ("TMX") and has a nominee director serving on the board thereof. As such, TD Securities Inc. may be considered to have an economic interest in the listing of and trading of securities on an exchange owned or operated by TMX, including the Toronto Stock Exchange, the TSX Venture Exchange and the Alpha Exchange. No person or company is required to obtain products or services from TMX or its affiliates as a condition of TD Securities Inc. supplying or continuing to supply a product or service.

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