

## **BRANT SECURITIES LIMITED**

### **TRADING POLICIES AND PRACTICES (PURE TRADING)**

#### **1. Introduction**

With the advent of Alternative Trading Systems (ATS) in Canada, BSL has created policies and practices with respect to trading in securities listed on multiple marketplaces. BSL reserves the right to adjust or amend these policies and practices without notice to the clients, although every effort will be made to provide such notice on a timely basis.

#### **2. Trade Desk Hours of Operation**

BSL's trade desk will be available to enter orders between the hours of 9:30AM and 4:00PM EST Monday to Friday. Trade desk staff may be available prior to 9:30AM and/or after 4:00PM. BSL will not guarantee trade execution outside the hours of 9:30AM to 4:00PM.

#### **3. Principal Marketplace**

For securities listed on the TSX, which may also trade on one or more ATS, the TSX will be designated as the principal marketplace. If an ATS-traded security trades a greater volume of shares in any calendar year than the same security trades on TSX, the ATS may become the principal marketplace for that security. Unless a client specifically directs an order entered before 9:30AM to an ATS, BSL will enter the order into the pre-opening on the principal marketplace. Any order received after 4:00PM will be entered into the TSX after market (if applicable) if so requested by the client. Otherwise, any order entered after 4:00PM will be entered into the pre-opening of the principal marketplace on the next business day.

#### **4. Types of Orders**

- a) **Market Orders** – A market order is when a client instructs BSL to buy or sell at whatever price(s) existing in the marketplace. A market order will normally be executed immediately, although there is no guarantee or limit as to the price(s) it will be filled at. A market order received before 9:30AM will be entered into the opening sequence in the principal marketplace. A market order received after 9:30AM and before 4:00PM will be entered into the marketplace that offers the best execution price at that time – i.e. the lowest offer on a buy order and the highest bid on a sell order. In the event that BSL is not able to completely fill a market order, it will expire at the close of business of the marketplace where the last portion of the order remains unexecuted.
- b) **Market on Close Orders** – A Market on Close (MOC) order will trade on the close, at the closing price as calculated by the TSX (which is currently the only Exchange to accept MOC orders). There is no guarantee or limit as to the price(s) an MOC order will be filled at.
- c) **Limit Orders** – A limit order to buy will have a maximum purchase price and a limit order to sell will have a minimum sale price. A limit order received before 9:30AM will be entered into the principal marketplace. A limit order entered after 9:30AM and before 4:00PM will be entered into the marketplace that offers the best execution price at that time, given that the order is executable. If a limit order is not immediately executable and the client does not specify which marketplace to enter the order into, it will be entered into the “best” market available at that time. “Best” market is defined as the market with the lowest offering price for a buy order and the highest bid price for a sell order, and/or best historical liquidity which would offer the best chance of being fully executed. A limit order may be moved to another marketplace for the purpose of obtaining the best execution price available. A limit order, which is not completely filled, will

expire at the close of business in the marketplace where the last portion of the order remains unexecuted.

- d) **Special Terms Orders** – Special Terms Orders (STO) are orders, which contain special terms, which are not executable in the regular marketplace. STO orders will be posted to the Special Terms Market of the principal marketplace, which is currently the TSX, unless they are immediately executable on an ATS. An STO, which is not filled, will expire at the close of business of the marketplace on which it has been entered.
- e) **Open Orders** – An Open or Good-Till-Cancelled (GTC) Order will remain open until a specified date of expiry, and will be entered into the principal marketplace if it is not immediately executable on an alternative marketplace at the time of entry. A GTC order will remain in the marketplace until it is executed or it expires, whichever comes first. It is the client's responsibility to monitor GTC orders for expiry. A GTC order will not be automatically re-entered on expiry.
- f) **Day Orders** – A Day Order is only valid on the day it is entered. A Day Order received before 9:30AM will not be directed to an alternative marketplace, but will be entered into the principal marketplace. A Day Order received after 9:30AM and before 4:00PM will be entered into the "best" market at the time of entry. "Best" market is defined as the market with the lowest offering price for a buy order and the highest bid price for a sell order, and/or best historical liquidity which would offer the best chance of being fully executed. From there, the order will be directed to any marketplace where the best execution price is available. A Day Order will expire at the close of business on the marketplace where the last unfilled portion of the order remains.
- g) **All Or None Orders** – An All-Or-None (AON) order is an order that must be executed in full immediately. No partial fills will be accepted. An AON order may not be filled in a multiple marketplace environment if sufficient volume is not available on the marketplace where the order is entered. AON terms apply only to the marketplace where the order is entered and will not be filled across multiple marketplaces. An AON order received before 9:30AM will not be directed to an alternative marketplace, but will be booked into the opening sequence of the principal marketplace. An AON order which is received after 9:30AM and before 4:00PM will be entered into the marketplace which is considered to be the "best" market at that time. "Best" market is defined as the market with the lowest offering price for a buy order and the highest bid price for a sell order, and/or best historical liquidity which would offer the best chance of being fully executed.

## 5. Disclosure of Marketplace

If you have clients who wish to have their trades filled on multiple markets and processed on a single trade confirmation, you will have to process the trades through an average price account and include a trailer which says "Average Price order executed on multiple markets - details available on request". Otherwise, multiple trade confirmations will be produced and additional costs may be incurred.

## 6. Trading Halt

If a trading halt is announced in a particular security in a particular marketplace, all orders for that security shall remain in that marketplace. Orders will not be moved to another marketplace unless requested by the client.