

With the arrival of multiple marketplaces in Canada, clients will be provided with new trading options for equities currently listed for trading on the Toronto Stock Exchange (“TSX”). RBC Dominion Securities (“RBC DS”) has prepared this disclosure to inform clients of conditions and activities that could affect them in this new trading environment. RBC DS is committed to use all reasonable efforts to ensure that clients achieve “best execution” of their orders for securities that are quoted or traded on all Canadian marketplaces.

If you have any questions regarding this document, please contact your Investment Advisor or designated Salesperson.

1. PRINCIPAL MARKETPLACE

Unless notified otherwise by RBC DS, the Default Marketplace for all securities listed on the TSX, whether or not the security is trading on other alternate marketplaces, will be the TSX.

2. HOURS OF OPERATION FOR TRADING IN LISTED CANADIAN SECURITIES

RBC DS trading staff and systems will be available for order execution during between 9:30 am EST and 4:00 pm EST (“Hours of Operation”), Monday through Friday, not including statutory holidays in Ontario. Staff may be available outside of Principal Marketplace hours; however, order taking and/or trade execution outside of the Hours of Operation will be treated on a best efforts basis.

3. STANDARD HANDLING OF ORDERS

All orders received for TSX securities will be handled as follows:

- 1) An order received prior to the Hours of Operation will book to the pre-opening of the TSX for execution on the opening. Orders received prior to the Hours of Operation will not route to an alternative marketplace;
- 2) An order received after the Hours of Operation will be entered to the pre-opening of the TSX on the following business day. Orders received after the Hours of Operation will not route to an alternative marketplace;
- 3) An order received during the Hours of Operation will be entered into the best market at the time of entry. The “best market” is the marketplace with the best bid (buy price) or ask (sell price) or where RBC DS feels the order has the highest probability of being executed. This may be any marketplace that RBC DS has access to and/or can access for the purpose of best execution;
- 4) Any portion of an order that cannot be immediately filled will be entered on the TSX and will remain on the TSX order book until the order is filled, expired, changed or cancelled;
- 5) Changes to an outstanding order, or portion of an outstanding order, will be handled the same as a new order received and will be entered into the “best market” at the time of the change with the unfilled balance being entered on the TSX as outlined in paragraphs 3) and 4) immediately above.

4. ORDER EXECUTION

Certain types of orders have specific handling implications in a multiple marketplace environment. These have been addressed as follows:

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 will be handled in accordance with the “Standard Handling of Orders”. All Day Orders expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains live, unless otherwise agreed to between the client and the Firm’s representative.

GOOD TIL CANCELLED (OPEN) ORDERS

Open orders are orders that will remain open for 90 days. These orders will be entered on the TSX if they are not immediately executable on an alternative marketplace at the time of entry. The order will remain booked until executed, cancelled, or upon expiry after 90 days, whichever comes first.

MARKET ORDERS

A Market Order is an order to buy or sell a security at whatever prices are available in the marketplace to help ensure a complete and full fill. Upon entry to the marketplace, these orders require immediate completion. Market Orders will be handled in accordance with the “Standard Handling of Orders”. These orders will expire, if not filled in full, on the marketplace where the last portion of the order remains live, at the close of the marketplace.

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. Limit Orders will be handled in accordance with the “Standard Handling of Orders”. The order will expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains live.

SPECIAL TERMS ORDERS

Special Terms Orders are orders with specific terms that are not executable in the regular marketplace. Special Terms Orders will only post to the Special Terms Market of the principal marketplace, unless they are immediately executable on an alternative marketplace at the time of entry. Special Terms Orders will expire at the close of the principal marketplace.

STOP LOSS ORDERS

Stop Loss Orders are orders that become limit orders when a board lot is traded at, or superior to, the stop loss price on the marketplace in which the order has been booked. These orders will only be directed to the TSX until executed or expiry, whichever comes first.

ORDERS CONTINGENT ON A COMPLETE FILL

In situations where a client provides an order which is contingent either on acquiring a specific minimum volume of securities or a complete fill, RBC DS can accept the order, when agreed upon by your Investment Advisor or authorized representative. Typically these orders will not be immediately entered on a trading facility’s or marketplace’s central order book but will only be traded when a minimum volume or the entire order can be filled. It should be noted that RBC DS will consider trading opportunities on all trading facilities or marketplaces when filling such orders.

FILL OR KILL ORDERS

RBC DS will accept “fill or kill” orders but will only execute these orders on the understanding that they will execute the fills on the trading facility or marketplace which will provide the best price for our client. All trading facilities and marketplaces will be reviewed for “fill” opportunities before the order will be “killed.”

MARKET-ON-CLOSE ORDERS

Currently the TSX is the only marketplace which offers a market-on-close (“MOC”) facility. All orders must be entered on the TSX’s MOC facility prior to 3:40 pm EST and will be executed at the

calculated closing price for that security on the TSX. It should be noted that trading on the MOC facility will be executed at the same time as other trading facilities or marketplaces will be offering quotes on their visible order book and therefore RBC DS can not guarantee that the order will be executed at the best price.

5. DISCLOSURE OF MARKETPLACE

An order executed on one or more marketplace or alternative marketplace will be reported to the client using a single confirmation with the marketplace on which the order was filled will be identified by name on the confirmation.