

Credential

Best Execution and Multiple Marketplaces Disclosure

Credential Qtrade Securities has established policies and procedures in accordance with Best Execution and Order Protection regulations such as Investment Industry Regulatory Organization of Canada (“IIROC”) Dealer Member Rule 3300, Universal Market Integrity Rule (“UMIR”) 5.1 and National Instrument 23-101 Parts 4 and 6.

Credential Qtrade Securities is committed to ensuring all reasonable efforts are made to achieve best execution for all our client’s orders and our Introducing Broker client’s orders, where best execution means obtaining the most advantageous execution terms reasonably available under the circumstances.

The policy applies to business conducted by Credential Qtrade Securities with its clients and applies to listed and over-the-counter securities.

HOURS OF OPERATION FOR TRADING IN LISTED CANADIAN SECURITIES

Credential Qtrade Securities trading staff and systems will be available for order execution during marketplace hours of 9:30 AM and 4:00 PM EST, Monday through Friday, excluding Canadian statutory holidays. Trading staff may be available at other times outside of these hours, however Credential Qtrade Securities cannot guarantee any order taking and/or trade execution outside of the noted marketplace hours.

Credential Qtrade Securities does not currently offer trading services in pre-market or post-close listed markets in either Canadian nor foreign markets. Credential Qtrade Securities does offer trading in over-the-counter (“OTC”) markets outside normal market hours on a best efforts basis.

MARKETPLACES

Credential Qtrade Securities pursues the execution of each order on the most advantageous terms and as expeditiously as practicable under prevailing market conditions. Credential Qtrade Securities clients do not need to choose a specific marketplace when entering orders as any order will be routed to the marketplace that will provide the best execution.

There are currently several marketplaces in Canada for the trading of listed securities, including traditional Exchanges and Alternative Trading Systems (“ATS”). Credential Qtrade Securities participates in all Canadian Exchanges and most ATS, including those marketplaces where quotes are not protected under current Canadian Order Protection Rules.

Unless otherwise notified by Credential Qtrade Securities, the default marketplaces for all securities listed on the Toronto Stock Exchange (“TSX”) or the TSX Venture Exchange (“TSXV”) will be the TSX or TSXV, whether or not the security is trading on other marketplaces. Similarly, for securities listed on the Canadian Stock Exchange (“CSE”) or Aequitas NEO Exchange Inc. (“NEO Exchange” or “NEO”), those securities will default to trading on those marketplaces respectively.

Credential Qtrade Securities currently routes to the following Canadian Protected marketplaces:

- Aequitas Lit Book (protected for NEO listed securities only);
- CSE (protected for CSE securities only);
- Montreal Exchange
- Nasdaq CXC;
- Nasdaq CS2;
- NEX;
- Omega ATS;
- TSX; and
- TSXV

Credential Qtrade Securities also routes to the following unprotected marketplaces:

- Aequitas Lit Book (for other exchange's listed securities);
- Aequitas NEO Book;
- CSE (for other exchange's listed securities);
- Lynx ATS;
- TriAct Canada Marketplace LP MATCHNow; and
- TSX Alpha

Credential Qtrade Securities currently does not route to the following Unprotected marketplaces however may do so where market conditions and liquidity requirements would warrant such action:

- ICX;
- Liquidnet; and
- Nasdaq CXD

Credential Qtrade Securities does not direct client orders in Canadian listed securities in bulk to a foreign intermediary. A client through their advisor may choose to direct inter-listed or foreign securities for execution. In which case, Credential Qtrade Securities uses foreign intermediaries, Pershing LLC, Virtu Financial, Citigroup Global Markets Inc. and Citadel LLC, to facilitate client initiated trading, where they are obligated to satisfy best-execution requirements in those jurisdictions. Credential Qtrade Securities has reviewed the intermediaries order handling and routing practices and are satisfied they are reasonably designed to achieve best execution in accordance with their respective Regulations.

BEST EXECUTION FACTORS

Credential Qtrade Securities will consider the following broad factors when searching for best execution: price (bid and ask), speed, certainty of execution, overall cost of the transaction and any other factor relevant to the execution of the order.

Credential Qtrade Securities utilizes an electronic Smart Order Router ("SOR") to ensure best execution and order protection. The SOR will seek the best marketplace(s) at the time of order entry. Best execution will be determined by consolidated market view or other price discovery mechanisms such as call auction or other pricing systems, whether the security trades on a listed or foreign marketplace or whether the security trades OTC.

The primary objective of the SOR is to achieve the best possible outcome for our clients. Credential Qtrade Securities interactions with execution venues are guided by objectively observed and calculated parameters.

Subject to various client or market requirements, including the specific security, size of the order, market conditions or jurisdiction, orders will be routed to or executed on the marketplace in the case of a sell with the highest bid price and in the case of a purchase the marketplace with the lowest ask price.

The SOR may potentially break the client orders into smaller sized “child orders” and send them to one or many execution venues, either in parallel or in sequence. We are responsible for determining the precise quantities, limit prices and timing of each child order, always respecting the client’s original instructions. Best execution obligations will be applicable on the child orders as well as on the overall original client order.

In the case of non-marketable Limit Orders, orders will be placed on the marketplace that Credential Qtrade Securities views would provide the best execution, typically the Exchange where the security has been listed.

MARKETPLACE FEES AND REBATES

Credential Qtrade Securities’ primary mandate is to abide by best price and best execution regulations by using SOR for all orders and will seek to improve the Protected quote in accordance with Canadian price improvement Regulation. Secondary mandate is to minimize costs so we can offer competitive commissions to our clients. Credential Qtrade Securities may pay marketplace fees or receive marketplace rebates as orders are routed to certain marketplaces. Marketplace fee schedules are made publically available by each marketplace and are governed by Canadian Securities Administrators Regulations. Marketplace and intermediary rebates and fees are not directly passed on to the client and the marketplace an order is executed on does not change our commission rate. Credential Qtrade Securities routing decisions are based on marketplaces or intermediaries ability to provide best execution at the lowest cost available.

STANDARD ROUTING OF ORDERS

Immediately executable orders received for Canadian listed securities are routed to the marketplace with the best bid or offer and the remainder of each order, if any, residing on the default marketplace.

An order received prior to the default marketplace opening, 9:30 AM EST will be queued in the SOR where it will be routed to the best marketplace(s) for execution on opening in accordance with the respective marketplace calculated opening price protocol.

An order received after the default marketplace closing, 4:00 PM EST will be queued in the SOR for routing to the best marketplace(s) for the opening on the following business day.

An order received during the default marketplace trading hours will route via the SOR where it will seek the best marketplace(s) at the time of entry.

If any portion of an order cannot be immediately filled, the remaining unfilled portion will remain in the default marketplace order book until filled, expired, changed or cancelled.

Changes to an existing order or portion of an outstanding order will be handled in the same manner as a new order subject to the same routing outlined above, seeking the best marketplace(s) at the time of the change.

ORDER TYPES AND EXECUTION

Certain types of orders have specific handling implications when multiple marketplaces in Canada exists:

Day Orders: A Day Order is an order that is only valid for the day it is entered, between the principle marketplace hours of 9:30 AM and 4:00 PM EST. Day Orders are handled in accordance to the "Standard Routing of Orders" noted above. All Day Orders that are not filled and unfilled portions, will expire upon the close of the marketplace where the last portion of the order remains live, unless otherwise agreed to between the client and a Trader, Investment Representative, Registered Representative or Advisor of Credential Qtrade Securities.

Market Orders: A Market Order is an order intended to be executed immediately, to buy or sell a security at the best available price at the time the order is entered. Market Orders will be handled in accordance to the "Standard Routing of Orders" noted above. Unfilled portions of a Market Order will expire upon the close of the marketplace where the last portion of the order remains live.

Open Orders: Open orders will be originally entered in the same way as "day orders". Once posted the order will remain there until the order is filled or expired.

Limit Orders: A Limit Order is an order with specific minimum sale or purchase price set by the client that is not to be exceeded. Limit Orders will be handled in accordance to the "Standard Routing of Orders" noted above.

Special Terms Orders: Special Terms Orders are orders with specific terms, that are not executable in the regular marketplace. These orders will be booked to the Special Terms Market of the default marketplace, unless they are immediately executable on an alternative marketplace at the time of order entry. Special Terms Orders will expire at the close of the default marketplace.

Stop Loss Orders: A Stop Loss Order is an order that becomes a Market Order or a Limit order when a standard trading unit trades at or superior to, 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 security or overall market is experiencing rapid price declines, the client may receive a fill price that is much lower than expected. Clients may place stop loss Limit Orders, stop loss Limit Orders allow clients to set the lowest price they are prepared to sell at once the "on stop" is activated, creating a price range for the sell order.

TRADING HALTS

If a trading halt is announced for a specific security in a particular marketplace, all orders for that security will be halted and remain in that marketplace and trading will not occur until the halt has been lifted.

EXTENUATING CIRCUMSTANCES

In the event of technical difficulties or other situations where Credential Qtrade Securities' access to certain marketplaces or routing systems are limited or unavailable, orders received will be directed to the default or alternative marketplace as determined by the circumstances that exist in the marketplace at the time, consistent with the client's best interest.

DISCLOSURE OF MARKETPLACE

An order that is executed on one or more marketplace or alternative marketplace will be disclosed on the trade confirmation that will generally read "We confirm the following Sale/Purchase for your account on one or more Canadian Marketplaces". Clients may contact Credential Qtrade Securities to obtain full details of the order execution.

MARKET DATA

Market data and quotation information provided are on a 15 minute delay, with the exception of real-time TSX and TSXV marketplace data where indicated. Market data is provided by external suppliers and is for informational purposes only and is not intended to provide, and should not be relied upon as providing legal, accounting, tax, financial, investment or other advice, or solicitation to buy or sell securities. Market data is not subject to any guarantee as to accuracy, completeness or currency, trading with incomplete or delayed market data may result client order entry instructions that may not be reflective of current marketplace conditions. Please refer to 'No liability for information or data and no advice' section for further details.

AMENDMENTS

This policy is current as of September 4, 2018.

Changes to this policy may be made from time to time at the sole discretion of Credential Qtrade Securities. Changes will be posted to Credential Qtrade Securities' website with the previous policy also maintained on the website for a period of at least 6 months from the effective date of the change.