



## **BEST EXECUTION AND ORDER HANDLING CLIENT DISCLOSURE**

### **Rule 3300: Best Execution of Client Orders**

INFOR Financial Inc (IFI) is 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 trading on Canadian listed marketplaces. "Best Execution" means obtaining the most advantageous execution terms reasonably available under the circumstances when executing a transaction on behalf of a client.

### **INFOR Financial Inc Trading Services**

IFI has an institutional trade desk located in Toronto that primarily trades in listed securities. All IFI client order flow is handled by experienced licensed traders on a manual basis.

### **General Factors That INFOR Financial Inc Considers**

In seeking the "most advantageous execution terms reasonably available under prevailing market conditions", INFOR Financial Inc takes the following general factors into consideration:

- The price at which the trade will occur;
- The speed of execution; and
- The certainty of execution; and
- The overall cost of the transaction

These four broad factors encompass more specific considerations, such as order size, reliability of quotes, liquidity, market impact (the price movement that occurs when executing an order) and opportunity cost (the missed opportunity to obtain a better price when an order is not completed as the most advantageous time). The overall cost of the transaction is meant to include, where appropriate, all costs associated with accessing an order and/or executing a trade that may be passed onto a client, including fees arising from trading on a specific marketplace. Infor Financial Inc's institutional trading desk does not pass these fees onto the client.

In considering the circumstances, IFI takes the following into account, "prevailing market conditions", when manually handling a client order for a listed security or foreign exchange-traded security that trades on a marketplace in Canada:

- Prices and volumes of the last sale and previous trades;
- Direction of the market for the security;
- Posted size of the bid and offer;
- The size of the spread; and
- Liquidity of the security

## **The Order Protection Rule**

Notwithstanding any instruction or consent of the client, the provision of “best execution” for a client order is subject to compliance with the “order protection rule: under Part 6 of the trading rules by the marketplace on which the order is entered or if IFI had marked the order as a “directed action order” in accordance with IIROC rule 6.2. If IFI considers a foreign organized regulated market to provide a client with “best execution”, IFI will insure to consider UMIR Rule 6.4, if applicable, is satisfied prior to the execution on a foreign organized regulated market. IFI’s institutional desk uses the IRESS best market router for the execution of all client orders. This router will automatically route to the “protected marketplaces” that IFI connects to provide the client with best execution.

## **Best Market Router**

To maintain compliance with the order protection rule under NI 23-101 when accessing electronic markets in Canada, IFI employs Best Market Router (BMR) technology. The primary objective of the BMR is to achieve the best possible fills for our clients’ executions by scanning all protected markets to source out and execute against the best priced liquidity available.

## **Training, Expertise and Knowledge**

IFI’s traders who receive and trade orders from clients have the appropriate expertise and licensing required to do so. All traders are supervised and are subject to continuing education which includes best execution obligations. These skills and abilities of our traders are key in ensuring that best execution of our client orders is obtained.

When handling client orders, traders will apply their professional judgement given prevailing market conditions, while also considering:

- The routing options available
- The nature of the transaction
- The security
- The client’s needs

## **Canadian Multiply Markets**

The Canadian equity market is composed of multiple marketplaces which include exchanges and Alternative Trading Systems (“ATS”). Under this arrangement, a single security can trade on multiply marketplaces.

In Canada, in order to achieve best execution, and meet Order Protection Rule (“OPR”) obligations under National Instrument 23-101, INFOR Financial Inc (IFI) connects to the following marketplaces and ATSs: Toronto Stock Exchange (TSX), TSX Venture Exchange (TSXV), TSX Alpha Exchange, Canadian Securities Exchange (CSE) (CNSX) and Pure Trading), Nasdaq Canada Exchange (CX and CX2), (Omega and Lynx), and NEO Lite.

IFI does not have any conflicts of interest with any of the marketplaces, ATSs or intermediaries which it is connected to. Marketplace/ATS hours of operation can be found on their respective websites.

## **Order Handling – Canadian Listed Securities**

Unless an exception is made to help achieve best execution, or a specific client instruction is given, IFI generally handles specific order types as follows:

### **Primary Marketplace**

For those securities listed in Canada, the primary marketplace will be the Exchange on which the security is listed. Currently there are six equities Exchanges in Canada – The Toronto Stock Exchange, Canadian Securities Exchange (CSE), TSX Alpha Exchange, TSX Venture Exchange, Aequitas NEO Exchange Inc, and Nasdaq Canada Exchange.

### **Hours of Operation**

IFI trading staff will be available for order execution between the hours of 9:30am and 4:00pm; Eastern Standard Time (“EST”), Monday through Friday, not including Canadian statutory holidays. Staff may be further available before and after these hours; however, IFI will not guarantee any order taking and/or trade execution outside of these hours noted above. Unless otherwise indicated, all time references are EST.

### **Pre-Open and Post Close Orders**

Unless otherwise agreed to between one of IFI’s traders and the client:

- An order received prior to 9:30 a.m. will book to the pre-opening of the primary marketplace for execution on the opening; and
- An order received after 4:00 p.m. will be entered the next business day to the pre-opening of the primary marketplace.

### **Day Orders**

A day order is an order that is only valid on and for the day it is entered. Any unfilled portion of a day order will expire at the close of business of the marketplace where the order was last entered. A day order received prior to the opening of the primary marketplace at 9:30 a.m. will not route to an alternative marketplace. If received after the opening of the primary marketplace, the order will be routed for trading via a Best Market Router (“BMR”). This will ensure that any immediately executable portion of the order will trade against the best price available, according to the order’s limit, on any protected marketplace. The unexecuted portion of the order will then book on a marketplace according to the specific BMR settings, or according to the parameters as selected by the trader.

### **Good ‘Till Cancelled Orders**

As a default, all client orders, unless otherwise confirmed back to the client as a GTC will be considered as day orders and will expire at the end of the day they were received. These orders will be routed for trading via a BMR. This will ensure that any immediately executable portion of the order will trade against the best price available on any protected marketplace that IFI has access to. Any unexecuted portion of the order will then book on a marketplace according to the specific BMR settings or according to parameters as selected by the trader. The order will remain booked until it is executed, cancelled or upon expiry, whichever comes first. GTC orders are good for 89 days.

## **Market Orders**

A Market Order is an order to buy or sell that is executed immediately within the context of the marketplace. Due to the inherent danger of receiving fill prices that may vary significantly during times of extreme price or volume volatility, investors are recommended to use limit orders instead of market orders to minimize the chance of orders trading at a price outside of an acceptable range. A market order received prior to the opening of the primary market at 9:30 a.m. will not book on an alternative marketplace. Instead, it will book into the opening sequence of the primary marketplace. If received after the opening of the primary marketplace the order will be routed for trading using the BMR. This will ensure that any immediately executable portion of the order will trade against the best price available on any protected marketplace. Any unexecuted portion of the order will then book on a marketplace according to the specific BMR setting, or according to parameters as selected by the trader. Any unfilled portion of the order will expire at 4:00 p.m. (unless otherwise agreed upon between the client and trader at IFI).

## **Limit Orders**

A limit order has a specific maximum purchase price or a minimum specific sale price that is provided by the client. A limit order that is received prior to 9:30 a.m. will be booked to the primary marketplace and not to an alternative marketplace. It will book into the opening sequence of the primary marketplace. A limit order received after 9:30 a.m. will be routed for trading via a BMR. This will ensure that any immediately executable portion of the order will trade against the best price available on any protected marketplace. The unexecuted portion of the order will then book on a marketplace according to the specific BMR settings or according to parameters as selected by the trader. Any unfilled portion of the limit order will expire at 4:00 p.m.

## **Fill or Kill (“FOK”) or Immediate or Cancel (“IOC”) Orders**

FOK orders will hit the market, receive a full fill, or be cancelled. Not to be confused with an immediate or cancel order (“IOC”) which will fill a partial of the client order, and then cancel the remaining balance. Consult with the IFI trade desk or the marketplace website for additional details.

## **Special Terms Orders**

Special Terms Orders (“STO”) are orders with specific terms that are not immediately executable in the regular marketplace. STO’s will only post to the Special Terms Market of the primary marketplace unless these are immediately executable on an alternative marketplace at the time of entry. STO’s will only be live between 9:30 a.m. and 4:00 p.m., at which time they will expire unless “Good Till” instructions are applied to the order at the time of entry.

## **Governance and Oversight**

### Best Execution Committee

The IFI Best Execution Committee has oversight of this policy. The Committee meets at least annually to review this policy as well as our order execution arrangements.

The purpose of the annual review is to determine whether there is a way to improve the quality of order execution for our clients. It is also an opportunity to determine if the current monitoring for best execution remains effective. If there is a material change which we feel effects our ability to obtain best execution for our clients, additional meetings may be needed.

The following events could trigger a Committee meeting:

- Trade observations (i.e. fill rates),
- Change in liquidity patterns on a marketplace,
- New/Departing liquidity providers,
- Comments/concerns from clients, traders, technology, compliance,
- Change in regulations
- A service provider change

The committee will use available reporting to review areas affecting best execution such as (but not limited to):

- BMR Settings: Does IFI need to consider any BMR setting changes to help boost better execution accounting for marketplace reporting, special order handling, asset class consideration, etc?
- Training: Is additional training required for individuals responsible for attaining best execution for client orders (i.e. compliance, trading, technology)?
- Liquidity Sources: Are current sources providing appropriate levels of liquidity?
- Intermediary Testing/Best Execution: Ensure intermediary testing and best execution certifications are current.
- Reporting/Analysis: Observe and discuss from reporting (i.e. regulatory, trade, internal, etc.) that may need to be addressed in order to improve best execution.
- Monitoring: Re-evaluate the monitoring program, including sampling methodology, to ensure it remains effective and thorough.

If you have any questions about our Best Execution policies or procedure(s) please contact your IFI representative.