



UNION SECURITIES LTD.

**TRADING POLICY NOTICE**



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**Trading of Canadian Listed Securities – Multiple Marketplaces**

July 2010

**1) Background and Purpose**

Union Securities Ltd (“Union Securities”) uses all reasonable efforts to ensure that its clients achieve the best execution of their orders to buy or sell Canadian listed securities that are quoted or traded on Canadian marketplaces. With the emergence of Multiple Marketplaces in Canada, there is potential for different marketplaces to be trading the same security within Canada. Union Securities has instituted certain procedures that may affect the manner in which its clients’ Canadian securities trades are executed.

**2) Definitions**

**Alternative Marketplace** means a Canadian marketplace that Union Securities has access to which facilitates the purchase and sale of Canadian listed securities that are also listed on the Principal Marketplace.

**Best Market** means the marketplace with the best bid (buy price) or offer (sell price) for a client order. Union Securities uses a best market router to ensure client orders are filled at the best price.

**Good Through Date Order (“GTD”)** means an order that is valid until filled or canceled or until the close of business on a specified expiry date.

**Open or Good Till Canceled Order (“GTC”)** means an order that is valid until filled or canceled. Typically such orders are limit orders as discussed below. All GTC orders, including partially filled GTC orders will expire in 90 days.

**Limit Order** means an order to buy or sell a security at a specific price or “better.” A limit buy order permits the purchase of a security at the limit price or lower. A limit sell order permits the sale of a security at the limit price or higher.



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**Market Order** means an order to buy or sell securities at the prevailing market price to be executed immediately within the context of the marketplace. By definition, any order that does not have a specific price limit is a market order.

**Multiple Marketplaces** means the Principal Marketplace and the Alternative Marketplace(s).

**Principal Marketplace** means notified otherwise by Union Securities, the Principal Marketplace will be:

- a) for all securities listed on the Toronto Stock Exchange (“TSX”), whether or not the security is trading on other alternate marketplaces, will be the TSX, and
- b) for all securities listed on the TSX Venture Exchange (“TSX-V”), whether or not the security is trading on other alternate marketplaces, will be the TSX-V.

**Stop Loss Sell Order** means an order that is specifically used in connection with a sell order where the limit price is below the existing market price. The order becomes effective when the security trades at or below the order limit price.

**Stop Loss Buy Order** means an order that is specifically used in connection with a buy order where the limit price is higher than the existing market price. The order becomes effective when the security trades at or above the order limit price.

### **3) Hours of Operation for Trading in Listed Canadian Securities**

Union Securities trading staff and systems will be available for order execution during normal trading hours of the Principal Marketplace hours between 9:30 am to 5:00 pm (Eastern Standard Time) Monday to Friday, excluding Canadian statutory holidays. Staff may be available outside of Principal Marketplace hours; however, Union Securities does not guarantee order execution services outside of the normal trading hours of the Principal Marketplace.

### **4) Order Execution**

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

#### **a) Day Order**

All orders received that are not specified as GTC or GTD will be considered a Day Order. A Day Order will only be valid if received during, and only for the duration of, the hours of the Principal Marketplace, unless expressly agreed between the client and their Union Securities Investment Advisor that the Day Order should be posted to an Alternative Marketplace.

Union Securities will not assume any responsibility or liability to cancel or otherwise change the terms of the order after the closure of the principal market. If a Day Order is received during the normal trading hours of the Principal Marketplace, the order will be entered into the Best Market at the time of entry.



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## **b) Good Through Date Orders**

GTD orders will be posted on the Principal Marketplace and will only be considered live during the normal trading hours of the Principal Marketplace, unless the client and their Union Securities Investment Advisor expressly agree to post the GTD order on an Alternative Market. In such circumstances, the order will be valid for the hours of the Alternative Market; however, Union Securities will not assume any responsibility or liability to cancel or otherwise change the terms of the order until the opening of the Principal Marketplace the following day.

## **c) Market Orders**

Market orders will be traded as required between the Principal Marketplace and any Alternative Marketplace in an effort to achieve the best execution for the client; however, unless expressly agreed to between the client and their Union Securities Investment Advisor, market orders will only be considered valid during the normal trading hours of the Principal Marketplace.

## **d) Limit Orders**

For the purposes of best execution, Limit Orders will be handled in the same manner as Day Orders.

## **e) Stop Loss Buy/Sell Orders**

All Stop Loss Buy and Stop Loss Sell orders will post to the Principal Marketplace and will only be considered live during the normal trading hours of the Principal Marketplace. Stop Loss Buy and Stop Loss Sell orders will only be triggered by a trade on the Principal Marketplace at which time they will become a Limit Order on the Principal Marketplace.

## **5) Trade Confirmation**

If Multiple Marketplaces are used to facilitate the execution of a client order, this will be disclosed on the resulting trade confirmation notice.

## **6) Amendments**

From time to time Union Securities may make changes to this Trading Policy. Any changes will be posted on Union Securities' website, [union-securities.com](http://union-securities.com).