



OVERVIEW

TSX Alpha Exchange

TSX Alpha Exchange (TSXA) is designed to be an attractive destination for active retail and institutional orders of securities listed on Toronto Stock Exchange and TSX Venture Exchange, to provide superior domestic execution for active natural order flow and an attractive trading environment for liquidity providers willing to commit to minimum order sizes.

Marketplace model designed to provide multiple benefits for clients

- Increased fill certainty and sizes for active order flow
- Lower trading costs for active retail and institutional order flow
- Protection for passive liquidity

Specific features will help deliver these benefits

- Price/Broker/Time matching sequence
- Order processing delay on active orders (i.e. all orders except Post Only orders)
- Minimum order volumes for Post Only orders
- Inverted maker-taker pricing (i.e. rebates for active orders)

Increasing execution quality for active orders

To provide greater execution sizes for active order flow, a static 1-millisecond order processing delay is imposed on all orders that have the potential to take liquidity. This delay is imperceptible to most participants and is intended to discourage opportunistic liquidity taking strategies, thereby creating an environment where liquidity can be provided with greater confidence. All incoming orders without an explicit Post Only instruction are subject to the order processing delay. Once the order's delay has lapsed the order is released to trade with all eligible liquidity. Orders with a Post Only instruction are not subject to the order processing delay, but must meet specified minimum volume requirements.

Minimum size requirement for Post Only orders

In return for bypassing the order processing delay, all Post Only orders are subject to a minimum size requirement. The intention is for these orders to contribute to greater volume at the best bid/offer, translating to larger trade sizes and better fill rates for active orders. The volume requirement for each symbol is published at the beginning of each trading day on TSXA's symbol status messages. Price and volume characteristics will be considered in determining the minimum size requirement for each symbol. Post Only orders that do not meet the minimum size requirements are rejected by TSXA.

Application of order protection rule

Orders displayed on TSXA are not considered to be protected under the Order Protection Rule (National Instrument 23-101)

Sessions on TSXA

TIME (ET)	SESSION
7:00 AM – 8:00 AM	Pre Open New orders and order modification requests are not allowed, only cancels are permitted.
8:00 AM – 5:00 PM	Continuous Trading Continuous trading commences. All regular order types are accepted.
5:00 PM – 5:30 PM	Extended Hours Cancel TSX Trading Services has the ability to cancel orders, cancel trades or add trades.

Marketplace features

FEATURE	DESCRIPTION	FEATURE	DESCRIPTION
PROTOCOL	FIX 4.3		
ALLOCATION PRIORITY	Price/Broker/Time	SELF TRADE PREVENTION	<ul style="list-style-type: none"> Cancel Newest Cancel Oldest Decrement and Cancel Trade and Suppress
ORDER BOOKS	<ul style="list-style-type: none"> Board lot Odd lot 	ORDER PROTECTION RULE (OPR) FEATURES	<ul style="list-style-type: none"> OPR Cancel OPR Re-price
ORDER DURATIONS	<ul style="list-style-type: none"> Day Good til cancelled Good til date Immediate or cancel Fill or Kill 	CROSS TYPES	<ul style="list-style-type: none"> Intentional Basis Bypass Contingent Internal VWAP
PRICE TYPES	<ul style="list-style-type: none"> Market Limit 	CROSS INTERFERENCE	Not Enforced
ACCOUNT TYPES	<ul style="list-style-type: none"> Client (CL) Inventory (IN) Non-Client (NC) Options Market Maker (OT) Options Firm Account (OF) Equities Specialist (ST) 	ODD LOT TRADING	Trading at the better of the protected NBB0 and the best TSXA bid or offer
ORDER TYPES	<ul style="list-style-type: none"> Buy Sell Sell Short Anonymous On-Stop Iceberg Post Only 	REGULATORY MARKERS	<ul style="list-style-type: none"> SS: Significant Shareholder IA: Insider Account SME: Short Marking Exempt
MINIMUM SIZE REQUIREMENT	Minimum size requirement for a Post Only order to be accepted - assigned per symbol	DROP COPY	Session based
		CANCEL ON DISCONNECT	Session based, 3 Levels of Service
		SPEED BUMP	Static 1 millisecond delay applied to all messages other than Post Only orders



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