TSX DRK
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Better Outcomes

TSX DRK offers a variety of unique features to accommodate a wide range of dark strategies, including more efficient dark active sweeping strategies to help facilitate best execution at reduced costs, and mechanisms to control the environment under which a trade is executed to help minimize information leakage.

TSX DRK is a dark pool with deep liquidity and rich functionality, offering several advantages over other dark competitors.

HIGHLIGHTS

Depth of liquidity
- TSX DRK is Canada’s leading alternative dark pool.
- Lowest cost in Canada for dark price improving liquidity.

Best Execution
- 98% of traded dark volume resulted in price improvement.¹
- 90% of traded dark volume was at the midpoint or better.¹

Low Cost
- One of the least expensive overall first-route options for dark price-improving liquidity vs. other dark markets.
- Free to provide resting dark liquidity.

Rich Functionality
- Minimum Quantity and Minimum Interaction Size features provide participants with control over the environment under which a trade can execute, providing maximum protection from market impact as a result of information leakage.
- CMO+ provides an environment for like-minded investors to execute against one another.

Increased Interactions
Resting dark orders benefit from access to natural active order flow already drawn to Canada’s deepest pool of visible liquidity.

Transparency of Trading
- TSX DRK trades are marked publicly with the “isDark” tag
- TSX DRK CMO+ to CMO+ trades are marked with the “isMidOnly” tag

TSX DRK - Deep pools of hidden liquidity at greatly reduced costs. Your choice for a dark-first route.

¹ TSX and TSXV, Q1 2019
TSX DRK Order Features

**DRK Limit**
Can be entered at any price, allowing for the provision of dark liquidity at set prices. DRK Limit orders will trade upon entry with resting contra dark price-improving liquidity as well as visible liquidity at the Protected NBBO.

**Benefits**
Resting dark orders benefit from access to natural active order flow already drawn towards Canada’s deepest pool of visible liquidity, at no cost.

**DRK Midpoint Peg**
Pegs to the midpoint of the Protected National Best Bid and Offer (NBBO), which could be a full or half-tick increment. A DRK Midpoint Peg order is eligible for execution so long as its defined limit price is equal to or more aggressive than the midpoint of the Protected NBBO reference price.

**Benefits**
Enables the user to maintain pricing position relative to the NBBO to ensure the order is always available for execution in the dark at the midpoint.

**DRK Primary Peg**
Pegs to the same-side Protected NBBO, and can be entered with an optional aggressive or passive offset. The DRK Primary Peg order will automatically adjust its pegged value as the quote moves over time, subject to its stated limit.

**Benefits**
Enables the user to maintain pricing position relative to same-side NBBO to ensure the order is always available for execution in the dark at the desired reference value.

**DRK Market Peg**
Pegs to the opposite-side Protected NBBO, however only passive offsets will be accepted. The DRK Market Peg order will automatically adjust its pegged value as the quote moves over time, subject to its stated limit.

**Benefits**
Provides the participant the opportunity to define and maintain its pricing position based on the amount of spread it is willing to give up relative to the opposite-side NBBO.

**DRK MPI Peg**
Similar to a DRK Primary Peg with a one-tick aggressive offset, except that it will book at the same-side NBBO where the pegged value would otherwise be the midpoint of the Protected NBBO spread. The Minimum Price Improvement (MPI) Peg order will automatically adjust its pegged value as the quote moves over time, subject to its stated limit.

**Benefits**
Enables the user to participate against incoming orders in exchange for the minimum required price improvement, except where doing so requires paying half of the spread.

**SDL**
The Seek Dark Liquidity™ (SDL) order feature enables participants to ensure their IOC and FOK orders will only execute against dark resting orders.

**Benefits**
Allows for integration of TSX DRK into a dealer’s multi-venue routing strategy where attempting to access dark liquidity only, or where sweeping dark markets before visible markets. Gives participants the ability to execute a trading strategy seeking dark price improvement across dark venues before a visible sweep, while benefiting from very low SDL fees.
CMO+

Like DRK Midpoint Peg orders, the Contra Midpoint Only Plus (CMO+) order is priced at the midpoint of the Protected NBBO. However, all CMO+ orders are subject to a randomized 400 to 600 millisecond delay upon entry, and can choose to interact against only other resting CMO+ orders or against all resting midpoint-eligible dark liquidity. Once resting, CMO+ orders will only execute against incoming CMO+ orders that have been subject to the randomized delay, increasing the likelihood of trading only against contra-side orders that have a similar longer-term investment objective.

Optional Dark Order Instructions

Minimum Quantity and Minimum Interaction Size

Minimum Quantity (MinQty) is an optional instruction that may be submitted on DRK orders. This instruction will prevent DRK orders from participating in a trade unless the total tradable volume of the order meets or exceeds the volume specified in the MinQty instruction.

Minimum Interaction Size (MIS) is an optional instruction that may be submitted on DRK orders. This instruction will prevent DRK orders from being allocated a fill against a contra-side order unless the contra-side order size meets or exceeds the volume specified in the MIS instruction.

Post Only

Use of Post Only on a DRK order will prevent the order from trading upon entry. It will instead book the order at its applicable pegged value or limit, or will reject if any part is immediately executable with a visible order.

Tags to Identify DRK Trading

**IsDark Tag**

The IsDark Tag will enhance transparency of dark trading on TSX / TSXV by differentiating dark trades on all market data feeds and will allow clients to easily quantify the size of TSX DRK trading.

**IsMidOnly Tag**

CMO+ orders which are executed against other CMO+ orders can be identified on all market data feeds by the IsMidOnly Tag. This feature further enhances transparency by allowing trading within the CMO+ facility to be differentiated from other dark trading on TSX / TSXV.

Benefits

**Better facilitates midpoint trading against orders with a similar longer-term investment objective.**

**Both optional order instructions are useful tools for participants to help prevent information leakage and can allow increased selectivity as to the type of contra-side liquidity.**

**Increased effectiveness in finding large contra-side liquidity.**

**Reduced risk of detection by small-sized contra-side orders.**

**Enables participants to preference interaction with incoming order flow over immediacy of execution.**

**Provides benefit to participants who wish to provide price improvement but are fee sensitive.**
### Fee Schedule: TSX DRK

#### Toronto Stock Exchange

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<thead>
<tr>
<th>Removing Dark Liquidity</th>
<th>&lt;$0.10</th>
<th>$0.10 - $0.99</th>
<th>$\geq1.00</th>
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<td>w/ SDL or pegged IOC/FOK&lt;sup&gt;1&lt;/sup&gt;</td>
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#### TSX Venture Exchange

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#### Contra Midpoint Only (CMO+)<sup>4,5</sup>

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<tr>
<th>Regular CMO trades&lt;sup&gt;6&lt;/sup&gt;</th>
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<th>Max / trade / side</th>
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<td>$0</td>
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1. Applies to any IOC/FOK marked SDL or to any pegged Dark Order marked IOC or FOK when removing resting dark liquidity. See the TMX Equities Markets Order Type and Functionality Guide for a description of pegged Dark Orders.
2. Applies to Dark Limit orders and any other Dark Orders that are not marked as SDL, IOC or FOK when executing actively against resting dark liquidity. See the TMX Equities Markets Order Type and Functionality Guide for a description of all Dark Orders.
3. Rates for providing dark order volume apply to executions of the undisclosed portion of iceberg order volume.
4. Rates are based on share volume executed, including for executions resulting from matches through Self Trade Management. Where applicable, a firm-wide net credit for Post-Open Continuous trades will first be applied to offset the firm’s other trading charges. Any remaining net credit will be paid out to the firm.
5. Rates apply to trades in equities, ETFs and any other traded products for which rates have not been otherwise specified.
6. Regular CMO+ trade rates apply to CMO+ orders executed actively against non-CMO+ Dark orders.
7. Applies to CMO+ trades between the same broker, regardless of whether the broker has marked one or both sides of the trade as anonymous.
8. Applies to trades where both side were CMO+ orders.
For more information on TSX DRK:

Please contact a member of our Account Management Team

PHILIP COX
T +1 416 947-4752

PAUL DIMTSIS
T +1 416 947-4335

JEFF FOSTER
T +1 416 947-4229

LAURA HANSCHKE
T +1 416 947-4569

MICHAEL TINTINAGLIA
T +1 416 947-6679

U.S.A.

JON SCHNEIDER
T +1 816 518-4217

Europe

PETER OSBORNE
T +4 20 7922 5136

Asia

MARCO CHUNG
T +852 9823 1678

Alternatively, you can email:
trading_sales@tmx.com