# Table of Contents

1. Introduction 4  
   1.1 Overview 4  
   1.2 Purpose 4  
   1.3 Glossary 5  
   1.4 TSX DRK Order Features 6  
   1.5 Regulatory requirements applicable to dark trading 7  

2. DRK Order Features – Details and Functionality 7  
   2.1 DRK Pegged Orders 7  
      2.1.1 DRK Midpoint Peg Orders 7  
      2.1.2 DRK Primary Peg Orders 8  
      2.1.3 DRK Market Peg Orders 8  
      2.1.4 DRK Minimum Price Improvement (MPI) Peg Orders 8  
      2.1.5 Contra Midpoint Only Plus (CMO+) Orders 9  
   2.2 DRK Limit Orders 9  

3. Interacting with Resting Dark Liquidity 10  
   3.1 Eligibility 10  
   3.2 Seeking Dark Liquidity without Interacting with Visible Volume 10  
   3.3 Avoiding the Taking of Resting Dark Liquidity 11  
      3.3.1 Bypass Orders 11  
      3.3.2 Post Only Orders 11  

4. Conditions on DRK Orders 11  
   4.1 Post Only DRK Orders 11  
   4.2 Minimum Quantity and Minimum Interaction Size 11  
      4.2.1 Minimum Quantity 11  
      4.2.2 Minimum Interaction Size 12  

5. Allocation Priority and Order Matching 12  
   5.1 Phase 1: Board Lot Allocation 12  
   5.2 Phase 2: Re-Pricing of DRK Pegged Orders 13  
   5.3 Mixed Lot Allocation 13  
   5.4 DRK Orders and the Closing Auction 13  
      Table 1: DRK order tag combinations 13  

6. Assigning the Limit Price and Executable Price to DRK Orders 14  
   6.1 Assigning a Limit Price to a DRK Order 14  
   6.2 Executable Price 14  
   6.3 DRK Midpoint Peg and Contra Midpoint Only Plus (CMO+) Executable Price 14  
   6.4 Other DRK Pegged Executable Prices 14  
      6.4.1 DRK Primary Peg 14  
      6.4.2 DRK Market Peg 15  
      6.4.3 DRK Minimum Price Improvement (MPI) Peg 15  
   6.5 DRK Limit Executable Price 15  
   6.6 Executable Price Reassignment Due to Small Order Bypassing a DRK Limit 15  
   6.7 Identifying a Delayed Active Assignment 15  

7. CFOing a Dark Order 16  

8. Last Sale Price for DRK Midpoint Peg and CMO+ Orders 16  

9. Identifying an Execution Against Dark Liquidity 16
10. Disabling and Re-enabling DRK Orders

10.1 Disabling of DRK Orders
10.2 Re-enabling DRK Orders
  10.2.1 Symbol level
  10.2.2 Market level

11. Order Entry

12. Broadcast Feed

12.1 Reconciliation Feed

Table 2: Summary of Order Entry and Market Data Feed Specification Changes

Appendix A: Scenarios

1.0 DRK Trading Scenarios
  1.0.1 Determining the price for a DRK Midpoint Peg trade
  1.0.2 Reassigning the executable price of a DRK Midpoint Peg order
  1.0.3 Assigning the executable price of a DRK Limit order
  1.0.4 DRK Limit order’s executable price being reassigned due to Small Order bypassing the DRK Limit order
  1.0.5 Small incoming order trading with a DRK Limit order at the NBBO
  1.0.6 Determining the price for a DRK Minimum Price Improvement (MPI) Peg
  1.0.7 Determining the price for a DRK MPI Peg – 1 tick spread
  1.0.8 Determining the price for a DRK Primary Peg — passive offset
  1.0.9 Determining the price for a DRK Primary Peg — aggressive offset
  1.0.10 Determining the price for a DRK Market Peg (i)
  1.0.11 Determining the price for a DRK Market Peg (ii)
  1.0.12 Determining the price for a DRK Market Peg (iii)
  1.0.13 CMO+ order bypassing non-CMO+ orders to trade against another resting CMO+ order
  1.0.14 CMO+ Dark Sweep order trading against other DRK orders on entry
  1.0.15 Resting CMO+ orders being bypassed by incoming non-CMO+ orders

2.0 MIN and MIS Scenarios
  2.0.1 Scenario 1 – DRK Limit with MIS
  2.0.2 Scenario 2 – Active orders eligible to interact with a Passive DRK Limit with MIS
  2.0.3 Scenario 3 – DRK Limit with MIS matching with passive DRK order to satisfy MIS condition
  2.0.4 Scenario 4 – Active DRK Limit order with MIS not eligible to trade with a passive visible order
  2.0.5 Scenario 5 – Active DRK Limit order with MinQty not eligible to trade
  2.0.6 Scenario 6 – Active DRK Limit order with MinQty eligible to trade
  2.0.7 Scenario 7 – Active DRK Limit order with MinQty trading against a resting DRK Limit order with MinQty
  2.0.8 Scenario 8 Passive DRK Limit with a MinQty condition bypassed
1. Introduction

1.1 Overview

TSX DRK is a dark pool with deep liquidity and rich functionality, offering fully hidden orders and features on TSX and TSXV-listed securities, and is uniquely integrated with the TSX and TSXV displayed order books, Canada’s deepest pool of visible liquidity.

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.

- Posting orders on TSX DRK facilitates continuous access to both orders expressly seeking dark price-improving liquidity and orders otherwise seeking interaction with Canada’s deepest displayed order book, providing increased fill opportunities.
- Liquidity takers can find significant value through meaningful price improvement and reduced trading costs.

All TSX DRK functionality is available on both TSX and TSX Venture listed symbols.

1.2 Purpose

The purpose of the product guide is to provide the reader with a firm understanding of TSX DRK, with respect to:

- TSX DRK related tags and values
- Conditions for submission and matching eligibility of TSX DRK orders
- Pricing and re-pricing of TSX DRK orders
- Interaction with and between TSX DRK orders and displayed liquidity
- Order entry and feed variations specific to TSX DRK
- When TSX DRK functionality may be disabled

1.3 Glossary

<table>
<thead>
<tr>
<th>TERM</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABBO</td>
<td>The best away protected market quote</td>
</tr>
<tr>
<td>ABB</td>
<td>Protected Away Best Bid</td>
</tr>
<tr>
<td>ABO</td>
<td>Protected Away Best Offer</td>
</tr>
<tr>
<td>Continuous Trading</td>
<td>Trading activity that occurs during the Post Open and MOC Imbalance market states. [9:30 – 16:00]</td>
</tr>
<tr>
<td>Executable price</td>
<td>The price at which a dark order is eligible to trade</td>
</tr>
<tr>
<td>TERM</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Executable state</td>
<td>The order state in which a dark order is eligible to trade.</td>
</tr>
<tr>
<td>Large Order</td>
<td>An order with a volume greater than 50 board lots or $100,000 in value, as defined in UMIR Section 6.6.</td>
</tr>
<tr>
<td>Limit price</td>
<td>A client or system assigned upper or lower limit which a dark order may have its executable price assigned to.</td>
</tr>
<tr>
<td>LSP</td>
<td>TSX/TSXV last sale price</td>
</tr>
<tr>
<td>Meaningful price improvement</td>
<td>A half-trading increment on a single trading increment NBBO spread, or one trading increment on a greater than one trading increment NBBO spread</td>
</tr>
<tr>
<td>Non-executable state</td>
<td>The order state in which a dark order is ineligible to trade.</td>
</tr>
<tr>
<td>Minimum Interaction Size (MIS)</td>
<td>MIS is an optional instruction that specifies the minimum size that any single contra-side order must be in order to be eligible to trade against the 'MIS order'.</td>
</tr>
<tr>
<td>Small Order</td>
<td>An order with a volume less than or equal to 50 board lots and a value less than or equal to $100,000, as defined in UMIR Section 6.6.</td>
</tr>
<tr>
<td>Minimum Quantity (MinQty)</td>
<td>MinQty is an optional instruction that specifies the minimum aggregate tradable volume that must be satisfied in order for a 'MinQty order' to trade.</td>
</tr>
<tr>
<td>TBBO</td>
<td>TSX/TSXV Best Bid/Offer</td>
</tr>
<tr>
<td>Trading increment</td>
<td>The price interval at which an order may be submitted and trade</td>
</tr>
<tr>
<td>Aggressive offset</td>
<td>When applied to a pegged order, results in a price that is more aggressive than the peg reference price</td>
</tr>
<tr>
<td>Passive offset</td>
<td>When applied to a pegged order, results in a price that is less aggressive than the peg reference price</td>
</tr>
</tbody>
</table>
1.4 TSX DRK Order Features

TSX DRK currently offers dark limit and pegged order types, Seek Dark Liquidity® (SDL®) orders that specifically target dark liquidity, and a Contra Midpoint Only plus (CMO+) facility to allow trading between like-minded investors. This dark functionality is integrated with the displayed order book and can be entered using standard FIX tags applicable to the TSX-FIX order entry protocol.

**DRK Midpoint Peg orders** will peg to the Protected NBBO midpoint. They will always provide meaningful price improvement of at least a full trading increment unless the Protected NBBO spread is one trading increment. In this case the price improvement provided will be half a trading increment.

**DRK Primary Peg orders** will peg to the same-side Protected NBBO, and can be entered with an optional aggressive or passive offset.

**DRK Market Peg orders** will peg to the opposite-side Protected NBBO, but will default to one-tick inside the opposite-side Protected NBBO. Offsets on DRK Market Pegs will be accepted, but can only be passive offsets.

**DRK Minimum Price Improvement (MPI) Peg orders** will provide the minimum required price improvement except where the Protected NBBO spread is two-ticks or less, in which case the order will peg to the same side Protected NBBO. No offsets are permitted on DRK MPI Peg orders.

**DRK limit orders** will provide meaningful price improvement to Small Orders however Large Orders will be eligible to trade against a DRK limit order at the NBBO on TSX/TSXV once all visible volume on TSX/TSXV has been exhausted.

**Contra Midpoint Only Plus (CMO+) orders** will peg to the Protected NBBO midpoint, and are subject to a randomized 400 to 600 millisecond delay upon entry. CMO+ orders will only execute against other CMO+ orders, with the exception of an optional feature to allow CMO+ orders, on entry, to execute actively against all resting midpoint-eligible dark liquidity.

**Seek Dark Liquidity (SDL)** is a feature available for use only with orders marked as IOC or FOK. It is intended to be used where seeking to execute a dark only liquidity taking strategy, including where seeking solely to obtain price improvement for a client order. SDL is well suited for use as a dark probe by a smart order router to systematically access low cost, price improving dark liquidity before routing to the available visible book. Users of SDL will have the option of restricting their dark executions to prices that provide price improvement, or can allow for executions against dark resting liquidity at-the-quote, subject to their stated limit price as well as regulatory requirements applicable to at-the-quote dark trading.

Active pegged orders and SDL orders will not interact with visible passive orders. Only DRK limit orders, with the exception of an active DRK limit order with a MIS condition, can interact with passive displayed orders. When executing against both dark and displayed resting orders, these DRK limit orders will execute through an allocation sequence according to price-visibility-broker-Long Life-time priority, ensuring the priority of displayed orders over dark orders.

There is no pre-trade transparency of DRK orders meaning order responses and changes in order attributes are not disseminated publicly. As DRK orders are fully hidden they do not contribute to the symbol’s quote. All order responses are fully encrypted in the Broadcast feed.

There is full post-trade transparency of DRK execution prices which will update the last sale price and be provided to the TMX information processor’s Consolidated Last Sale (CLS) feed. All DRK tag details, with the exception of the IsDark and IsMidOnly tags, are classified as private content and therefore fully encrypted. The IsMidOnly tag will identify all CMO+ to CMO+ trades on the public market-data feeds, allowing for executions within the CMO+ facility to be clearly distinguished. This does not apply to CMO+ orders that trade on entry against resting non-CMO+ dark liquidity. The IsDark tag will enhance transparency of dark trading on TSX and TSXV by identifying all trades where the passive side of the trade is dark.

The TSX/TSXV securities that are enabled to accept DRK orders are identified based on information communicated by TSX/TSXV through notices to Participants/Members, as well as designations on a daily basis within the symbol status message distributed on TMX market data feeds. If technical issues arise such that a symbol is unable to accept DRK orders, any change to that symbol’s eligibility will be communicated to all participants through a stock status message.
which will have the Accept Undisplayed tag set to "N". Once the issue has been addressed, that symbol may have its eligibility reinstated. When this occurs a stock status message will be disseminated with the Accept Undisplayed tag set to "Y". These events will be followed by external notification by TSX/TSXV Trading Support serving as further notification of the event.

1.5 Regulatory requirements applicable to dark trading

UMIR requires that meaningful price improvement be provided to small orders when trading against dark resting orders. Meaningful price improvement is a full trading increment, or a half trading increment where the Protected NBBO spread is one tick. No price improvement is required to be provided to 'large' orders when executing against dark resting orders – currently, a 'large' order is one that is more than 50 board lots or $100,000 in value. A 'large' order can execute against dark resting orders on TSX/TSXV at the Protected NBBO so long as any displayed orders at that price level on TSX/TSXV have been satisfied. Please consult UMIR Section 6.6 Provision of Price Improvement by a Dark Order for the latest requirements.

2. DRK Order Features – Details and Functionality

2.1 DRK Pegged Orders

The following applies to all pegged orders:

- TSX DRK pegs, with the exception of DRK Midpoint Pegs and CMO+ orders, will be priced only as aggressively as their stated limit price, and will remain executable at their stated limit. DRK pegged executions are protected in the form of existing TSX/TSXV marketplace threshold parameters and bid/ask tick limits.

- Pegged orders will not trade when the Protected NBBO is locked or crossed

- Normal priority rules apply.

- Pegged orders become non-executable during the opening and closing auctions, and during the extended trading session.

- Pegged orders are sent to the IIROC Market Regulation feed upon entry or trade. No updates / messages are sent to the IIROC Market Regulation feed from repricing of the pegged order value arising from changes in the Protected NBBO.

2.1.1 DRK Midpoint Peg Orders

- DRK Midpoint Peg orders are eligible to trade with all contra-side orders regardless of order size, as meaningful price improvement is provided on all executions.

- DRK Midpoint Peg orders are pegged to execute at the floating midpoint of the Protected NBBO with an optional client-assigned limit price.

- The optional client-assigned limit price is permitted to be an invalid trading increment to ensure that an order limit can be set at the midpoint price in all circumstances.

- If the Protected NBBO midpoint is beyond the range of the limit price, the midpoint order will not execute but remain queued retaining priority. When the Protected NBBO midpoint floats back within range of the order’s
limit price, the order will become executable, attempt to trade, and if unsuccessful will re-enter the book and maintain its time priority.

- Upon entry, DRK Midpoint Peg orders are eligible to trade against any contra dark resting orders (except for resting CMO+ orders).
- Resting DRK Midpoint Peg orders may trade with any incoming orders, subject to conditions on the incoming order.
- DRK Midpoint Peg orders will only execute at the Protected NBBO midpoint.
- Can result in a trade price that is an invalid trading increment, in which case the reported Last Sale Price will also be an invalid trading increment.

### 2.1.2 DRK Primary Peg Orders

- Pegs to the same-side Protected NBBO.
- Offsets are allowed and can be aggressive or passive but must be entered in valid tick increments.
- Booked DRK Primary Peg orders with aggressive offsets that would otherwise lock or cross with the opposite side Protected NBBO will be pegged at one tick inside the opposite side Protected NBBO.
- Where there is no opposite-side Protected NBBO, a DRK Primary Peg order will be executable at the less aggressive of its pegged value or its limit price, subject to current TSX bid/ask tick limits.
- Where the Protected NBBO spread is one tick, a DRK Primary Peg order with an aggressive offset will be pegged at the midpoint.
- Upon entry, DRK Primary Peg orders with an aggressive offset are eligible to trade with any price improving dark orders. Resting DRK Primary Peg orders with an aggressive offset may trade with any incoming orders, subject to their limit price.
- Resting DRK Primary Peg orders with a 0 offset are eligible to trade with any incoming Large Orders once all visible orders at that price level are exhausted.

### 2.1.3 DRK Market Peg Orders

- Pegs to the opposite-side Protected NBBO
- Only passive offsets are allowed and must be entered in valid tick increments.
- Where no offset or a zero offset is entered, a DRK Market Peg order will default to one-tick inside the opposite-side Protected NBBO. A DRK Market Peg order will never lock or cross with the opposite-side Protected NBBO.
- DRK Markets Peg orders become non-executable where there is no opposite-side Protected NBBO
- Upon entry, DRK Market Peg orders are eligible to trade with passive dark orders, subject to their booked price. Resting DRK Market Peg orders are eligible to trade with any incoming orders, subject to their entered price and conditions.

### 2.1.4 DRK Minimum Price Improvement (MPI) Peg Orders

DRK MPI Peg orders will behave in the same manner as a DRK Primary Peg order with a one-tick aggressive offset, except as follows:

- Where the pegged value would otherwise be the midpoint of the Protected NBBO spread (e.g., where the Protected NBBO spread compresses to two cents or less for a stock priced over $0.50), the peg will rest as a dark order at the same-side Protected NBBO.
- DRK MPI Pegs will never rest at the midpoint of the Protected NBBO.
- Upon entry, DRK MPI Pegs are eligible to trade with resting contra orders subject to the above-noted conditions affecting the pricing of the DRK MPI Peg.
- Resting DRK MPI Pegs are eligible to trade with any incoming order, subject to conditions on the incoming order.
2.1.5 Contra Midpoint Only Plus (CMO+) Orders

CMO+ orders will function in the same way as DRK Midpoint Peg orders, except as noted below:

- Upon entry, CMO+ orders are subject to a randomized 400 to 600 millisecond delay before reaching the order book.

- Active CMO+ orders are only eligible to trade against other contra resting CMO+ orders, except when using the Dark Sweep option. Active CMO+ orders with the Dark Sweep option can trade against all resting midpoint-eligible dark liquidity. Any unfilled quantity will then rest at the midpoint where it will be eligible to trade only against active CMO+ orders. All trades will be at the midpoint of the Protected NBBO.

- Resting CMO+ orders, with or without the Dark Sweep Option, may only trade with an incoming CMO+ order.

- The matching of two CMO+ orders will occur irrespective of other dark orders resting in the order book at a better price, or at the midpoint, with a higher time priority [except in the aforementioned case of an active CMO+ order with the Dark Sweep option].

- All CMO+ to CMO+ executions will be flagged with a post-trade marker, isMidOnly, on the public market-data feeds to identify a CMO+ trade.

2.2 DRK Limit Orders

- DRK Limit orders, offering meaningful price improvement over the Protected NBBO, are eligible to trade with all contra flow.

- DRK Limit orders resting on TSX/TSXV at the Protected NBBO are eligible to trade with Large Orders once all visible volume at that price level is exhausted on the marketplace where the dark order is resting.

- If the marketplace quote is alone at the Protected NBB or NBO, a DRK Limit order resting at this price will be eligible to execute with any-sized incoming order once the displayed liquidity is exhausted. (Please see Appendix 1.0.5 for an example of an incoming Small Order trading with a DRK Limit order at the Protected NBBO).

- DRK Limit orders can be entered with a full tick limit price or a market price. TSX/TSXV may assign a limit price based on the original limit or the existing bid/ask tick limits.

- Upon entry, DRK Limit orders are eligible to trade against contra DRK Limit or DRK Pegged orders, and, unless the DRK Limit order was entered with a MIS condition, visible orders. (See section on MIS for the active order restrictions).

- DRK Limit executions are protected in the form of bid/ask tick limits.

- DRK Limit orders are automatically protected from unintentional trade-throughs by only executing at prices at or inside the Protected ABBO. When the Protected ABBO changes, a resting DRK Limit order may be re-priced to ensure it does not trade through the opposite side Protected ABBO price. When the DRK Limit order is re-priced it may execute against a contra order if it is determined to be tradable. (Please see Appendix 1.0.3).
3. Interacting with Resting Dark Liquidity

3.1 Eligibility

All TSX and TSXV participants are able to submit and interact with DRK orders through their current order entry sessions. There is no need to “Opt in” to receive the benefits of interacting with dark liquidity.

Visible orders will always seek price improvement opportunities by first attempting to trade against a dark order as per the order allocation sequence described in Section 5.1 – Allocation priority and Order matching. Once all price improvement fills have been exhausted, visible and dark volume will be allocated up or down to the order’s limit.

3.2 Seeking Dark Liquidity without Interacting with Visible Volume

Participants have a number of options for seeking dark liquidity on TSX and TSXV without interacting with visible volume.

Seek Dark Liquidity feature

The ‘Seek Dark Liquidity’ (SDL) feature is available for Participants wishing to execute a trading strategy seeking price improvement fills and executing only against resting DRK orders. This feature better facilitates the integration of TSX DRK into dealers’ multi-venue dark routing strategies where attempting to access dark only or when sweeping dark before lit. The SDL feature is only available for use with orders marked as IOC or FOK.

SDL can be set by participants to either of the two following options:

Option 1  Trade against DRK resting orders at prices up to and including one tick inside the opposite side Protected NBBO (or the order’s limit price if less aggressive).

Option 2  Trade against DRK resting orders at prices up to and including the opposite-side Protected NBBO (or the order’s limit price if less aggressive).

When Option 2 is selected, executions against dark liquidity resting at the opposite-side Protected NBBO will be subject to regulatory restrictions applicable to ‘at-the-quote’ dark trading. Consequently, where there is resting visible liquidity on TSX/TSXV at the opposite-side Protected NBBO, an incoming SDL order marked for Option 2 will only be executable against DRK resting orders to a maximum of one tick inside the opposite side Protected NBBO.

Use of DRK Peg orders with IOC or FOK

Users can also simulate SDL functionality by placing IOC or FOK conditions on their DRK Pegged order. Use of IOC/FOK on a pegged order will ensure execution only against resting DRK price improving orders, and is another means of facilitating the integration of TSX DRK into routing strategies attempting to access dark only, or sweeping dark before lit on multiple venues.

For example, use of IOC/FOK with a DRK Market Peg or DRK Midpoint Peg order will ensure execution only against price-improving resting contra-side liquidity. Any unfilled volume will cancel back allowing a participant to then route the balance to other dark or visible venues.

Priced limit orders

Using IOC/FOK on a DRK Limit or visible limit order can also facilitate interaction with resting dark liquidity so long as the limit price is not priced at or through the opposite side Protected NBBO. Users attempting to trade only against DRK resting orders via a priced limit order may face the risk of interacting against visible resting orders due to a price change while the priced limit order is in flight. SDL functionality or the use of IOC/FOK with DRK Pegged orders address this risk by ensuring execution only against resting dark liquidity.
3.3 Avoiding the Taking of Resting Dark Liquidity

3.3.1 Bypass Orders

Orders that have an obligation to displace displayed orders at the best price while trading on multiple venues can mark their orders bypass to avoid interaction with DRK orders and the undisclosed portion of iceberg orders.

3.3.2 Post Only Orders

Marking orders as Post Only will prevent interaction with DRK resting orders upon entry of the Post Only order. Participants can use Post Only to better anticipate trading costs by allowing them to more effectively manage when they are providing or taking liquidity. More detail on Post Only orders is provided in the next section.

4. Conditions on DRK Orders

4.1 Post Only DRK Orders

Post Only is available for all DRK orders except for SDL orders.

The Post Only order condition on a DRK order will reject the order immediately on entry if any part of the order is immediately executable with a visible order during continuous trading. If the DRK Post Only order is executable on entry with a contra-side resting DRK order, the DRK Post Only order will book at its limit price or pegged value as applicable, and subject to any other pricing constraints to avoid locking / crossing with the Protected NBBO.

DRK orders that are re-priced due to quote changes will never take the active side of a trade if they are marked as Post Only.

As indicated by the above, two contra-side Post Only DRK orders that are eligible to match based on price will not execute. Instead, both will maintain their price until executing against an active order. In addition, no execution will take place between a resting DRK order and an incoming contra-order marked Post Only with the same price as the resting order. Instead, both orders will sit in the book at the locked price and will not execute against each other unless the first resting DRK order is CFO’d by the trader and becomes a new order in accordance with existing TSX/TSXV CFO handling procedures.

In the scenario where the first DRK resting order referred to above is instead a non-Post Only DRK Pegged order, it will only execute actively when a Protected NBBO repricing causes it to become more aggressively priced.

4.2 Minimum Quantity and Minimum Interaction Size

DRK orders may be submitted with an optional Minimum Quantity (MinQty) or Minimum Interaction Size (MIS) instruction that specifies minimum volume parameters that must be met for the order to trade. MinQty and MIS are available for use with all DRK orders, specifically DRK Peg, DRK Limit, SDL, and CMO+ orders.

4.2.1 Minimum Quantity

MinQty is an optional instruction that may be submitted on DRK orders. This optional instruction will prevent a DRK order from trading unless the total tradable volume meets or exceeds the volume specified in the MinQty instruction.
• The MinQty instruction will be enforced on active as well as passive fills.

• When enforced on active fills, MinQty determines the minimum aggregate volume that must be filled (regardless of the size of each individual fill) in order to execute actively.

• When enforced on passive fills, MinQty allows the resting order to be filled against a contra-side incoming order if the resting order will receive an execution of at least the MinQty size condition.

• MinQty orders will book at their limit price, subject to the constraints to prevent them from locking/crossing with a contra-side visible order

• MinQty orders will trade All or None once the order’s remaining quantity is less the MinQty size.

**4.2.2 Minimum Interaction Size**

MIS is an optional instruction that may be submitted on DRK orders. This optional instruction specifies the minimum size that any single contra-side order must be in order to be eligible to trade against the ‘MIS order’.

• MIS will be enforced on both active and passive fills.

• For active fills, MIS will be enforced to allow executions against resting contra-side DRK orders that meet or exceed the specified MIS size.

• An order with MIS will book at its limit price, subject to constraints that would prevent it from locking/crossing with a contra-side visible order.

• When an incoming order attempts to match against a resting order with MIS, it will compare the incoming order’s original volume against the MIS value to determine eligibility of the incoming order to match.

• Active orders with the MIS condition will not execute against passive displayed orders.

• When the remaining quantity of resting order with MIS is less than its MIS size, the order is able to trade in any board lot sized volume.

5. Allocation Priority and Order Matching

5.1 Phase 1: Board Lot Allocation

Throughout the board lot allocation fully visible orders and the disclosed and undisclosed volume of iceberg orders will have priority over DRK orders at the same price. At each price level the allocation will adhere to the following sequence:

1. Broker Preference amongst displayed portions of orders

2. Displayed portions of all other orders
   a. Displayed portions of Long Life orders (in time priority if multiple matches exist).
   b. Displayed portions of non-Long Life orders (in time priority if multiple matches exist).

3. Undisclosed portions of icebergs (There is no broker preferencing amongst undisclosed portions of icebergs).
a. Undisclosed portions of Long Life icebergs (in time priority if multiple matches).

b. Undisclosed portions of non-Long Life icebergs (in time priority if multiple matches).

4. Broker preference amongst DRK volume, in time priority.

5. DRK order volume in time priority.

5.2 Phase 2: Re-Pricing of DRK Pegged Orders

After the Phase 1 board lot allocation, a new Protected NBBO may be realized which will result in a reassignment of the executable price for all eligible DRK Peg orders. When this occurs the system will attempt to allocate eligible re-priced DRK Peg orders according to the steps noted in Phase 1: Board lot allocation. (Eligibility of a repriced DRK Peg order to participate in this Phase of board lot allocation is determined based on whether its pegged value is less aggressive than its limit price.)

5.3 Mixed Lot Allocation

Mixed lot DRK orders may be entered as long as they are marked IOC. In these cases, the entire order will follow the same pricing rules as an equivalent board lot DRK order (e.g. if the order is a DRK Peg order, the odd lot portion will also be subject to the peg price). The board lot portion of the order will follow the same allocation steps described in Section 5.1 above. The odd lot portion of the order can trade independently of the board lot portion against a resting odd lot order (if matching on volume) or be automatically executed by a Registered Trader/Market Maker or Odd Lot Dealer (if priced at the opposite side Protected NBBO).

5.4 DRK Orders and the Closing Auction

DRK Limit orders sitting in the book are eligible to be brought into, and trade, in the closing auction at 4 p.m. (or 4:10 p.m. in the event of a price movement extension). Any DRK Limit orders priced more aggressively than the same side TBB0, will be repriced to the same side TBB0 immediately prior to the closing auction. DRK Limit orders will be matched second last in priority at a given price level; after any Market on Close (MOC), Limit on Close (LOC), or lit orders, but before any Closing Offset (CO) orders.

Table 1: DRK order tag combinations

The following order attribute tag values are not be permitted on DRK orders:

<table>
<thead>
<tr>
<th>ORDER ATTRIBUTES</th>
<th>Unauthorized Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>MBF</td>
</tr>
<tr>
<td>Volume</td>
<td>Odd Lot*</td>
</tr>
<tr>
<td>Bypass</td>
<td>Y</td>
</tr>
<tr>
<td>Item Number</td>
<td>-</td>
</tr>
<tr>
<td>MGF Candidate</td>
<td>Y</td>
</tr>
<tr>
<td>MOC</td>
<td>Y</td>
</tr>
<tr>
<td>Non Resident</td>
<td>Y</td>
</tr>
<tr>
<td>Settlement Terms</td>
<td>“Cash”, “CT”, “Date”, “MS”, “MN”</td>
</tr>
</tbody>
</table>

* with the exception of SDL orders
6. Assigning the Limit Price and Executable Price to DRK Orders

6.1 Assigning a Limit Price to a DRK Order

All DRK orders may be submitted with a limit or market price. The system will retain the limit price of the order and ensure that the order will not execute outside of that limit price. Aggressive limit orders and market priced orders will have a capped limit price assigned by the trading system based on the bid/ask tick limit for that symbol and price level.

The bid/ask tick limit is a TMX Market Quality safeguard that prevents Market or Better Price Limit orders from trading deep into the book, and thus causing large anomalous price swings. The bid/ask tick limit is currently applied to both visible and DRK orders.

The limit price, whether assigned by the client or assigned by the trading system, will constrain the executable price of the DRK order. The limit price assigned to the DRK order will not change unless CFO’d by the trader.

6.2 Executable Price

The Executable Price is a system assigned price at which a DRK order is eligible to trade. The Executable Price may be reassigned by the trading system when either the Protected NBBO or Protected ABBO changes for a symbol, or a DRK order is bypassed by a Small Order due to the potential execution not providing meaningful price improvement (see section 6.6 for more information).

6.3 DRK Midpoint Peg and Contra Midpoint Only Plus (CMO+) Executable Price

When the Trading Engine assigns an Executable Price to DRK Midpoint Peg and CMO+ orders, the system will take into consideration the order’s limit price and the midpoint of the symbol’s Protected NBBO. If the midpoint of the symbol violates the limit price of a DRK Midpoint Peg or CMO+ order, that order will be placed in a non-executable state. Once in a non-executable state the order will be ineligible to trade. When the Protected NBBO midpoint for the symbol floats back to a price that does not violate the limit price of the DRK Midpoint Peg or CMO+ order, the trading system will transition that order into an executable state retaining the time priority it previously held, after which it will assign the new Executable Price and attempt to trade the order.

Please see Appendix 1.0.2 for an example of reassigning the Executable Price of a DRK Midpoint Peg order.

Other conditions where DRK Midpoint Peg or CMO+ orders may be placed in a non-executable state include where the Protected NBBO is locked or crossed, or where there is there is no Protected NBB or Protected NBO.

6.4 Other DRK Pegged Executable Prices

6.4.1 DRK Primary Peg

- If the offset is 0, executable price of the DRK Primary Peg order = Same side Protected NBB0.
- If an offset is supplied, the executable price of the Primary Peg order = Same side Protected NBB0 +/- offset.
- If the limit price of the DRK Primary Peg order is less aggressive than its pegged price, the order will be executable and/or book at its limit price.
6.4.2 DRK Market Peg

- A DRK Market Peg order with no offset or a 0 offset will be booked at 1 tick inside the opposite side Protected NBBO, with a cap price of its entered limit, or for market priced orders, capped at the TSX bid/ask tick limit.

6.4.3 DRK Minimum Price Improvement (MPI) Peg

- Upon entry, a DRK MPI Peg will be booked at 1 tick more aggressive than the same side Protected NBBO.
- If the limit price of the DRK MPI Peg order is less aggressive than its pegged price, the order will be booked at its limit price.

6.5 DRK Limit Executable Price

When assigning an executable price to DRK Limit orders, the system will take into consideration the limit price (if supplied) and the symbol’s Protected ABO.

A buy DRK Limit order’s executable price will be the lesser of the order’s limit price (if supplied) and the Protected ABO. A sell DRK Limit order’s executable price will be the greater of the order’s limit price (if supplied) and the Protected ABB. A DRK Limit order with a market price will have an Executable Price of the opposite side Protected ABO. Please see Appendix 1.0.3 for an example of a DRK Limit order’s Executable Price being assigned.

DRK Limit orders with a MIS or MinQty instruction will not book at prices that will lock or cross the TBBO. Instead, they will be rolled back and booked at the following:

- Buy DRK Limit order will book at the TBO – 1 tick
- Sell DRK Limit order will book at the TBB + 1 tick

6.6 Executable Price Reassignment Due to Small Order Bypassing a DRK Limit

When an away market contributes to the Protected NBB or Protected NBO, a DRK Limit order resting at this price will only be eligible to trade with Large Orders at the Protected NBB/NBO, and after any displayed liquidity on TSX/TSXV at that price is exhausted.

If a contra order is determined to be a Small Order [see 1.3 Glossary] the DRK Limit order will be ineligible to trade at this price as it is not providing meaningful price improvement on the execution. If the Small Order has remaining volume that establishes a new quote and the DRK Limit order is now locking or crossing the Small Order, the DRK Limit order’s Executable Price will be reassigned 1 tick off of the quote established by the Small Order.

Please see Appendix 1.0.4 for an example of a DRK Limit order’s Executable Price being reassigned due to a Small Order bypassing the DRK Limit order.

6.7 Identifying a Delayed Active Assignment

When a DRK order is assigned a new Executable Price it has the potential to trade. If assigned the active leg of the trade, the trade report will be flagged with “A” [Delayed Active] in position seven of the Exchange Admin tag. This identifier will give full transparency to the trader that the order has been assigned as the active side of a trade.

Please note that this identifier will not be exclusive to DRK orders, and will be available to applicable displayed orders as well (triggered on-stops). Please see Table 2 for the Delayed Active specification details.
7. CFOing a Dark Order

Traders will be able to CFO all currently permissible tags (e.g., Limit price, Volume) on a DRK order with the exception of the Undisplayed tag and the Peg Type. Once an order has been entered as dark it may not be changed to a visible order. The DRK order would first need to be cancelled and a new order submitted.

8. Last Sale Price for DRK Midpoint Peg and CMO+ Orders

A midpoint execution can result in a trade price at a non-standard trading increment. When this occurs the last sale price will be set at the non-standard trading increment.

9. Identifying an Execution Against Dark Liquidity

To aid clients in determining their transaction costs, any order executing with a passive DRK order will have this interaction identified privately in position 4 (Pos. 4 = D) of the exchange admin tag which is returned in fill and trade reports. Please see Table 2 for the specification details.

10. Disabling and Re-enabling DRK Orders

DRK orders may be manually disabled by TSX/TSXV at the symbol or market level. Once DRK orders have been disabled, all booked DRK orders will be transitioned into a non-executable state maintaining their priority timestamp. New DRK orders and CFO’s will be rejected by the system; however users may cancel DRK orders previously accepted by the system.

10.1 Disabling of DRK Orders

Market or technical issues may require DRK orders to be disabled by TSX/TSXV Trading Support at the symbol or market level due to market issues such as triggering of volatility parameters or technical issues such as an away market sending erroneous quote data. When DRK orders have been disabled at the symbol level, all DRK orders for that symbol will be transitioned into a non-executable state and a stock status notification will be disseminated with the Accept Undisplayed value set to “N”. This will be followed by a General message being disseminated by TSX/TSXV Trading Support as further notification of the action.
When DRK orders are disabled by TSX/TSXV Trading Support at the market level, all DRK orders on the market will be transitioned into a non-executable state. This will be followed by a General message and an email being disseminated by TSX/TSXV Trading Support as notification of the action.

## 10.2 Re-enabling DRK Orders

### 10.2.1 Symbol level

Once DRK orders have been disabled at the symbol level they may be re-enabled intra-day by TSX/TSXV Trading Support. Once re-enabled a stock status notification message will be disseminated with the Accept Undisplayed tag set to ‘Y”. This will be followed by a General message being disseminated by TSX/TSXV Trading Support as further notification of the action.

### 10.2.2 Market level

When DRK orders have been disabled at the market level they may re-enabled prior to or after the continuous trading session by TSX/TSXV Trading Support. This will be followed by a General message being disseminated by TSX/TSXV Trading Support.

## 11. Order Entry

DRK orders may be submitted through the TSX-FIX protocol. Please refer to Table 2 for a summary of the corresponding tag details, or the TSX-FIX Specification and Business Design Guide for full details.

- When a DRK order is booked the limit price will be reported in the Price field of the order confirmation.
- When a trader CFOs the price of a DRK order this will result in a new limit price being assigned.
12. Broadcast Feed

- All pre-trade messages generated as a result of a DRK order will be fully encrypted.
- All trades where the passive side was a DRK order will be marked with the public indicator IsDark = Y on the corresponding trade report.
- All CMO+ to CMO+ trades will be flagged as IsMidOnly = Y on the trade reports to publicly identify that this is a trade between two CMO+ orders.
- The Price and Public price fields on the Order/Cancel confirmation report will be populated with the limit price, not the executable price.
- All trade reports involving a DRK order will have the public display volume tag set to zero for the side of the trade that was DRK. To determine the remaining volume of the DRK order, the remaining volume tag must be referenced. As a result of this feature, more than one trade report may have the same order number with a display volume of zero.
- All trade reports involving a DRK order will have a unique public order number for the side of the trade that was DRK. The first trade will contain the original public order number. Each subsequent trade will have a randomly generated public order number, however the private order number will be maintained. This feature will enhance the anonymity of DRK orders by masking the pattern of fills for any given DRK order.
- Re-priced DRK orders that are assigned the active leg of a trade will have position seven of the Exchange Admin tag populated with an “A” in the trade report. Please note that this identifier will not be exclusive to DRK orders, and will be available to applicable displayed orders as well (triggered on-stops).

12.1 Reconciliation Feed

The reconciliation feed primarily disseminates messages to aid in start-of-day activities. It is important to note that Order Book and Order Status messages for DRK orders will be fully encrypted in the feed. The limit price of DRK orders will populate the Public Price and Price fields in these respective messages.

Table 2: Summary of Order Entry and Market Data Feed Specification Changes

The table below summarizes the order entry and data feed specification changes associated with the introduction of DRK orders.

<table>
<thead>
<tr>
<th>FEATURE</th>
<th>Description</th>
<th>FIX OE</th>
<th>Broadcast Feed</th>
<th>TL1</th>
<th>TL2</th>
<th>TQL1 [Quantum Feeds]</th>
<th>TQL2 [Quantum Feeds]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contra Midpoint Only Plus (CMO+)</td>
<td>CMO+ orders will only execute at the midpoint of the Protected NBBO</td>
<td>TSXUndisplayed (7726) = Y Indicates the order is completely undisplayed</td>
<td>Order responses: Fully Encrypted TradeReport: Private Content Undisplayed (604) = Y PegType (597) = C or D</td>
<td>Trade Report: Message Type A – Trade: IsMidOnly = Y (unless a CMO+ Dark Sweep order trades against a non-CMO+ order)</td>
<td>Trade Report: Trade: IsMidOnly = Y (unless a CMO+ Dark Sweep order trades against a non-CMO+ order)</td>
<td>Trade/Trade Correction: IsMidOnly = Y (unless a CMO+ Dark Sweep order trades against a non-CMO+ order)</td>
<td>No Changes</td>
</tr>
<tr>
<td>FEATURE</td>
<td>Description</td>
<td>FIX OE</td>
<td>Broadcast Feed</td>
<td>TL1</td>
<td>TL2</td>
<td>TQL1 (Quantum Feeds)</td>
<td>TQL2 (Quantum Feeds)</td>
</tr>
<tr>
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<td>----------------------</td>
</tr>
<tr>
<td>DRK Min-</td>
<td>Order is priced at one tick more aggressive than the same side Protected NBB0</td>
<td>TSXUndisplayed [7726] = Y</td>
<td>Order responses:</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
</tr>
<tr>
<td>imum Price</td>
<td>Indicates the order is completely undisplayed</td>
<td>TSXPegtype [7723] = x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve-</td>
<td></td>
<td></td>
<td>Fully Encrypted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ment (MPI) Peg</td>
<td></td>
<td>TradeReport (private): Undisplayed (604) = Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRK Market Peg</td>
<td>Order is priced at the opposite side Protected NBB0 with an optional price offset. Will default to one tick inside the opposite side Protected NBB0</td>
<td>TSXUndisplayed [7726] = Y</td>
<td>Order responses:</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
</tr>
<tr>
<td></td>
<td>Indicates the order is completely undisplayed</td>
<td>TSXPegtype [7723] = P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PegOffsetValue (211) = value</td>
<td>PegType [597] = P</td>
<td>PegOffsetValue (669) = value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRK Primary Peg</td>
<td>Order is priced at the same side Protected NBB0 with an optional price offset</td>
<td>TSXUndisplayed [7726] = Y</td>
<td>Order responses:</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
</tr>
<tr>
<td></td>
<td>Indicates the order is completely undisplayed</td>
<td>TSXPegtype [7723] = R</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PegOffsetValue (211) = value</td>
<td>PegType [597] = R</td>
<td>PegOffsetValue (669) = value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TSX Min Interaction Size</td>
<td>Prevents fills smaller than the minimum interaction size specified until the order’s volume has been depleted to the point that the remaining volume is less than the minimum interaction size. Supported on DRK orders only</td>
<td>TSXMinInteractionSize [6793] = value</td>
<td>Order responses:</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fully Encrypted</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>Trade Report (private):</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>MinInteractionSize [668] = value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FEATURE</td>
<td>Description</td>
<td>FIX OE</td>
<td>Broadcast Feed</td>
<td>TL1</td>
<td>TL2</td>
<td>TQL1 (Quantum Feeds)</td>
<td>TQL2 (Quantum Feeds)</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
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<td>---------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Seek Dark Liquidity</td>
<td>Used on an IOC/FOK order to match against dark orders</td>
<td>SeekDarkLiquidity [7731] = '1' – trade with price improving dark only</td>
<td>Order responses: Fully Encrypted</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SeekDarkLiquidity [613] = '1' or '2'</td>
<td>Trade Report (private):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SeekDarkLiquidity [613] = '1' or '2'</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRK Midpoint Peg</td>
<td>An order with pre-trade anonymity which will only execute at the midpoint of the NBBO</td>
<td>TSXUndisplayed (7726)=Y</td>
<td>Order responses: Fully encrypted</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
<td>No Changes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Indicates the order is completely nondisplayed</td>
<td>Trade Report:</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>TSXUndisplayed (7726)=Y</td>
<td>Undisplayed [884] = Y</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Indicates order is priced at the National Best Bid/Offer midpoint</td>
<td>PegType [597] = M</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Added to private content</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>LastSale (114) The execution price which may occur at an invalid trading increment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Price [41] The execution price which may occur at an invalid trading increment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Price [41] The execution price which may occur at an invalid trading increment</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Display volume [150] Set to 0 for the side which is dark</td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Message type H - Trade Cancellation:</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Trade Price will be the execution price which may occur at an invalid trading increment</td>
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<td></td>
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<td></td>
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<td>Trade Price will be the execution price which may occur at an invalid trading increment</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Equity Trade:</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>LastSale The execution price which may occur at an invalid trading increment</td>
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<td></td>
<td></td>
<td></td>
<td>Price The execution price which may occur at an invalid trading increment</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Price The execution price which may occur at an invalid trading increment</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Equity Trade Cancelled:</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>LastSale The execution price which may occur at an invalid trading increment</td>
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<td></td>
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<td></td>
<td>Price The execution price which may occur at an invalid trading increment</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Price The execution price which may occur at an invalid trading increment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FEATURE</td>
<td>Description</td>
<td>FIX OE</td>
<td>Broadcast Feed</td>
<td>TL1</td>
<td>TL2</td>
<td>TQL1 (Quantum Feeds)</td>
<td>TQL2 (Quantum Feeds)</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>DRK Limit</td>
<td>An order with full pre-trade anonymity which will only execute at or inside the NBBO</td>
<td>TSXUndisplayed [7726]=Y</td>
<td>Order responses:</td>
<td>Message type A - Trade:</td>
<td>Trade Report:</td>
<td>Equity Trade:</td>
<td>Trade Report:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Indicates the order is completely non-displayed</td>
<td>Fully encrypted</td>
<td>Trade Price will be the execution price which may occur at an invalid trading increment</td>
<td>LastSale [114]</td>
<td>Stock Price</td>
<td>LastSale</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Undisplayed [604] = Y</td>
<td>The execution price which may occur at an invalid trading increment</td>
<td>The execution price which may occur at an invalid trading increment</td>
<td>The execution price which may occur at an invalid trading increment</td>
<td>The execution price which may occur at an invalid trading increment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Added to private content</td>
<td>Price [41]</td>
<td>Price [41]</td>
<td>Price</td>
<td>Price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>LastSale [114]</td>
<td>The execution price which may occur at an invalid trading increment</td>
<td>Display volume [150]</td>
<td>Set to zero for the side which is dark</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Display volume [150]</td>
<td>Set to zero for the side which is dark</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRK Order Eligibility by Symbol</td>
<td>Notification of DRK eligibility for the symbol</td>
<td>No impact</td>
<td>Symbol status:</td>
<td>No impact</td>
<td>Symbol status:</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AcceptUndisplayed [605]=Y</td>
<td>No impact</td>
<td>AcceptUndisplayed [605]=Y</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Indicates if the symbol is eligible to trade DRK orders</td>
<td>Stock status:</td>
<td>Stock status:</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>AcceptUndisplayed [605]=Y</td>
<td>No impact</td>
<td>AcceptUndisplayed [605]=Y</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Intraday notification if the DRK eligibility for the symbol has changed</td>
<td>Stock status:</td>
<td>Stock status:</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No impact</td>
<td>AcceptUndisplayed [605]=Y</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td>Delayed Active Identifier</td>
<td>An identifier to notify the participant that they were assigned the active side of the trade due to a re-pricing or triggering mechanism</td>
<td>Fill Report: TSXExchangeAdmin (6780)</td>
<td>Trade Report:</td>
<td>No impact</td>
<td>No impact</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Position ?: 'A' Delayed Active</td>
<td>No impact</td>
<td>No impact</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Trade Report:</td>
<td>Position ?: 'A' Delayed Active</td>
<td>No impact</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Exchange-Admin [380]</td>
<td>No impact</td>
<td>No impact</td>
<td>No impact</td>
<td>No impact</td>
</tr>
<tr>
<td>FEATURE</td>
<td>Description</td>
<td>FIX OE</td>
<td>Broadcast Feed</td>
<td>TL1</td>
<td>TL2</td>
<td>TQL1 (Quantum Feeds)</td>
<td>TQL2 (Quantum Feeds)</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
<td>------------</td>
<td>----------------</td>
<td>-----</td>
<td>-----</td>
<td>---------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>Enhancing Dark Order Anonymity</strong></td>
<td>An additional feature to minimize disclosure of DRK order intentions. After the first fill of a DRK order a unique public order number will be assigned to any subsequent fills.</td>
<td>No impact</td>
<td>Trade Report:</td>
<td>No impact</td>
<td>Trade Report:</td>
<td>No impact</td>
<td>Trade Report:</td>
</tr>
</tbody>
</table>
| **Executing against dark liquidity tag value** | A private tag value that will identify if the order executed with a passive DRK order | FieldIdentifier = 6780  
TSXExchangeAdmin  
Position 4: “D” Order executed against dark liquidity | No impact  | No impact | No impact | No impact |
| **Min Qty**                          | The minimum quantity instruction determines the minimum aggregate total volume that must be satisfied for the order to trade, regardless of the size of any single contra-side order. Supported on DRK orders only. | MinQty [110] | Added to private content | No impact | No impact | No impact | No impact |
| **IsDark**                           | A public identifier on trade reports that indicates the passive side of the trade was a DRK order | No impact  | Trade Report: | IsDark[617] = Y  
IsDark=Y | Message Type A = Trade  
IsDark[617] = Y  
IsDark=Y | Trade: | Is Dark = Y  
Trade / Trade Correction: | Is Dark = Y |
Appendix A: Scenarios

1.0 DRK Trading Scenarios

1.0.1 Determining the price for a DRK Midpoint Peg trade

Starting values:

NBBO = (10.00, 10.03)

NBBO Midpoint = 10.015

Bid/Ask tick parameter: $0.50

TSX Order book

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.01*</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>9.95</td>
<td>10.03</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10.04</td>
<td></td>
</tr>
</tbody>
</table>

* DRK Limit

A DRK Midpoint Peg order to Buy 100 @ MKT is entered.
The trading system calculates the limit price and executable price to be assigned to the DRK Midpoint Peg order

Limit Price = TSX offer + 0.50
= 10.53

Executable price = NBBO midpoint if < Limit price, otherwise non-executable
= 10.015

The DRK Midpoint Peg order will trade with the DRK Limit order for 100 shares at the NBBO midpoint. The trade report will contain the un-rounded trade price (Tag 41 = 10.015) and the un-rounded Last sale price (Tag 114 = 10.015).
1.0.2 Reassigning the executable price of a DRK Midpoint Peg order

Starting values:

ABB0 = (9.99, 10.03)
TBBO = (10.00, 10.03)
NBBO = (10.00, 10.03)
NBBO Midpoint = 10.015
Bid/Ask tick parameter: $0.50

**TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.03</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.98</td>
<td>10.04</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.97</td>
<td>10.03</td>
<td>100</td>
</tr>
</tbody>
</table>

A DRK Midpoint Peg order to Sell 500 @ MKT is entered.
The trading system calculates the limit price and executable price to be assigned to the DRK Midpoint Peg order

\[
\text{Limit Price} = \text{TSX bid} - 0.50 \\
= 9.50
\]

\[
\text{Executable price} = \text{NBBO midpoint} \text{ if } > \text{Limit price}, \text{ otherwise non executable} \\
= 10.015
\]

The system books the DRK Midpoint Peg order at the executable price (10.015)

**Resulting TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.015*</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.98</td>
<td>10.03</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.97</td>
<td>10.03</td>
<td>100</td>
</tr>
</tbody>
</table>

* DRK Midpoint Peg

An order to Sell 100 @ 10.00 is entered and trades with the 10.00 bid.
The resulting TSX quote (9.98, 10.03) is compared against the ABBO quote (9.99, 10.03) to determine if the midpoint of the NBBO has changed.

**NBBO** (9.99, 10.03)
**NBBO Midpoint** = 10.01

The new NBBO midpoint does not violate the limit assigned to the DRK Midpoint Sell order therefore the executable price of the DRK Midpoint order is reassigned to 10.01.
1.0.3 Assigning the executable price of a DRK Limit order

Starting values:

**ABBO** = (9.99, 10.03)

**TBBO** = (10.00, 10.03)

**NBBO** = (10.00, 10.03)

**Bid/Ask tick parameter:** $0.50

**TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.03</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.98</td>
<td>10.04</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.97</td>
<td>10.03</td>
<td>100</td>
</tr>
</tbody>
</table>

DRK Limit order to Sell 500 @ MKT is entered

The trading system calculates the limit price and executable price to be assigned to the DRK Limit order

\[
\text{Limit Price} = \text{TSX bid} - 0.50 \\
= 9.50
\]

\[
\text{Executable price} = \text{the greater of the Limit price and the ABB} \\
= 9.99
\]

The DRK Limit order trades 100 shares at the visible bid (10.00) and books the remaining volume at the executable price.

**Resulting TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>9.98</td>
<td>9.99*</td>
<td>400</td>
</tr>
<tr>
<td>100</td>
<td>9.97</td>
<td>10.03</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10.04</td>
<td>100</td>
</tr>
</tbody>
</table>

* DRK limit
1.0.4 DRK Limit order’s executable price being reassigned due to Small Order bypassing the DRK Limit order

Starting values:

\[
\begin{align*}
\text{ABBO} &= (10.00, 10.03) \\
\text{TBB0} &= (10.00, 10.03) \\
\text{NBBO} &= (10.00, 10.03)
\end{align*}
\]

Bid/Ask tick parameter: $0.50

**TSX Order book**

<table>
<thead>
<tr>
<th></th>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1000</td>
<td>10.00</td>
<td>10.03</td>
<td>100</td>
</tr>
<tr>
<td>DL</td>
<td>1000</td>
<td>10.00</td>
<td>10.04</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>1000</td>
<td>9.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1000</td>
<td>9.98</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

An order to Sell 1500 @ 10.00 and is marked DAO

The system determines that the order is a Small Order and must receive meaningful price improvement when executing with a DRK order.

The Small Order trades with 1000 shares with the visible bid @ 10 and books the remaining volume establishing a new visible offer at 10.00. The Small Order was not able to trade with the resting DRK Limit at 10.00 because the execution did not provide meaningful price improvement over the NBB.

The DRK Limit order is re-priced one tick off of the visible offer.

When a DRK order is crossed or locked with a visible order it cannot provide price improvement and is ineligible for execution, as a result the system will re-price the DRK Limit order as follows:

If both TBBO and ABB0 have changed or only TBBO has changed, system shall determine the booked price based on the following rule:

1. Buy DRK Limit order will be re-priced such that the booked price is lesser of ABO, Cap Price, TBO – 1 tick
2. Sell DRK Limit order must be re-priced such that the booked price is greater of ABB, Cap Price or TBB + 1 tick

(Please note when a DRK Limit order has its executable price reassigned a price assigned message will not be disseminated.)

**Resulting TSX Order book**

<table>
<thead>
<tr>
<th></th>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1000</td>
<td>9.99</td>
<td>10.00</td>
<td>500</td>
</tr>
<tr>
<td>DL</td>
<td>1000</td>
<td>9.99</td>
<td>10.03</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>1000</td>
<td>9.98</td>
<td>10.04</td>
<td>100</td>
</tr>
</tbody>
</table>
1.0.5  Small incoming order trading with a DRK Limit order at the NBBO

Starting values:

\[
\begin{align*}
\text{ABBO} &= (9.99, 10.03) \\
\text{TBB0} &= (10.00, 10.03) \\
\text{NBBO} &= (10.00, 10.03)
\end{align*}
\]

\textbf{Bid/Ask tick parameter: $0.50$}

\textbf{TSX Order book}

\begin{center}
\begin{tabular}{cccc}
\hline
\textbf{Volume} & \textbf{Bid} & \textbf{Offer} & \textbf{Volume} \\
\hline
1000 & 10.00 & 10.03 & \\
DL 1000 & 10.00 & 10.04 & \\
1000 & 9.99 & & \\
1000 & 9.98 & & \\
\hline
\end{tabular}
\end{center}

The TSX quote is alone at the NBBO with a DRK Limit order resting at this price. An order to Sell 2000 @ 10.00 is submitted.

The system determined that the order is a Small Order requiring meaningful price improvement when interacting with dark liquidity. The order will trade 1000 @ 10 with the visible bid and 1000@ 10.00 with the DRK Limit order.

Once the visible volume at 10.00 is traded the DRK order resting at 10.00 is providing 1 tick price improvement over the ABB, and therefore is eligible to trade with the sell order.

\textbf{TSX Order book}

\begin{center}
\begin{tabular}{cccc}
\hline
\textbf{Volume} & \textbf{Bid} & \textbf{Offer} & \textbf{Volume} \\
\hline
100 & 9.99 & 10.03 & 100 \\
100 & 9.98 & 10.04 & 100 \\
\hline
\end{tabular}
\end{center}
1.0.6 Determining the price for a DRK Minimum Price Improvement (MPI) Peg

Starting values:

**NBBO** = (10.00, 10.03)

**NBBO Midpoint** = 10.015

**Bid/Ask tick parameter:** $0.50

**TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.03</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.95</td>
<td>10.04</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>10.05</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

A DRK MPI Peg order to Buy 100 @ MKT is entered.

The trading system calculates the limit price and executable price to be assigned to the DRK MPI Peg order

\[
\text{Limit Price} = \text{TSX offer} + 0.50 \\
= 10.53
\]

\[
\text{Executable price} = \text{NBBO} + 1 \text{ tick} \\
= 10.01
\]

1.0.7 Determining the price for a DRK MPI Peg – 1 tick spread

Starting values:

**NBBO** = (10.00, 10.01)

**NBBO Midpoint** = 10.005

**Bid/Ask tick parameter:** $0.50

**TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.01</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.95</td>
<td>10.02</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>10.02</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

A DRK MPI Peg order to Buy 100 @ MKT is entered.

The trading system calculates the limit price and executable price to be assigned to the DRK MPI Peg order

\[
\text{Limit Price} = \text{TSX offer} + 0.50 \\
= 10.51
\]

Executable price = $10.00. (If 1 tick better than the same side NBBO is more aggressive or equal to the NBBO midpoint, the order must peg to the same side NBBO).
1.0.8 Determining the price for a DRK Primary Peg - passive offset

Starting values:

NBBO = (10.00, 10.03)

NBBO Midpoint = 10.015

Bid/Ask tick parameter: $0.50

### TSX Order book

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.03</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.95</td>
<td>10.04</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10.05</td>
<td>100</td>
</tr>
</tbody>
</table>

A DRK Primary Peg order to Buy 100 @ $10, -5 offset is entered.

The trading system calculates the limit price and executable price to be assigned to the DRK Primary Peg order

Limit Price = $10

Executable price = TSX Bid – 0.05
                = 9.95

1.0.9 Determining the price for a DRK Primary Peg - aggressive offset

Starting values:

NBBO = (10.00, 10.03)

NBBO Midpoint = 10.015

Bid/Ask tick parameter: $0.50

### TSX Order book

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.03</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.95</td>
<td>10.04</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10.05</td>
<td>100</td>
</tr>
</tbody>
</table>

A DRK Primary Peg order to Buy 100 @ $10.10, +5 offset is entered.

The trading system calculates the limit price and executable price to be assigned to the DRK Primary Peg order

Limit Price = 10.10

Executable price = TSX Offer – 1 (If the DRK Primary Peg with an aggressive offset will lock or cross the NBBO, it will be pegged one tick inside the opposite side NBBO)

= 10.02

Note if the NBBO moves to (10.00, 10.10), the Buy DRK Primary Peg will float to $10.05
1.0.10 Determining the price for a DRK Market Peg (i)

Starting values:

\[ \text{NBBO} = (10.00, 10.10) \]
\[ \text{NBBO Midpoint} = 10.05 \]
\[ \text{Bid/Ask tick parameter:} \$0.50 \]

**TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.10</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.95</td>
<td>10.11</td>
<td>100</td>
</tr>
</tbody>
</table>

A DRK Market Peg order to Buy 100 @ MKT.

The trading system calculates the limit price and executable price to be assigned to the DRK Market Peg order.

\[
\text{Limit Price} = \text{TSX offer} + 0.50 \\
= 10.60
\]

\[
\text{Executable price} = \text{TSX Offer} - 1 \text{ tick} \\
= 10.09
\]

1.0.11 Determining the price for a DRK Market Peg (ii)

Starting values:

\[ \text{NBBO} = (10.00, 10.10) \]
\[ \text{NBBO Midpoint} = 10.05 \]
\[ \text{Bid/Ask tick parameter:} \$0.50 \]

**TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.10</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>9.95</td>
<td>10.11</td>
<td>100</td>
</tr>
</tbody>
</table>

A DRK Market Peg order to Sell 100 @ MKT, with a passive offset of 3 ticks. Note that an Aggressive Offset will be rejected.

The trading system calculates the limit price and executable price to be assigned to the DRK Market Peg order.

\[
\text{Limit Price} = \text{TSX Bid} - 0.50 \\
= 9.50
\]

\[
\text{Executable price} = \text{TSX Bid} + 3 \text{ ticks} \\
= 10.03
\]
1.0.12 Determining the price for a DRK Market Peg (iii)

Starting values:

\[ \text{NBBO} = (0.40 - 0.51) \]

\[ \text{NBBO Midpoint} = 0.4555 \]

\text{Bid/Ask tick parameter: $0.50}

**TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>0.40</td>
<td>0.51</td>
<td>1000</td>
</tr>
</tbody>
</table>

A DRK Market Peg order to Sell 1000 @ MKT, with a passive offset of 3 ticks. NOTE that an Aggressive Offset will be rejected.

The trading system calculates the limit price and executable price to be assigned to the DRK Market Peg order.

\[ \text{Limit Price} = \text{TSX Bid} - 0.10 \]
\[ = 0.30 \]

\[ \text{Executable price} = \text{TSX Bid} + 3 \text{ ticks} \]
\[ = 0.415 \]

1.0.13 CMO+ order bypassing non-CMO+ orders to trade against another resting CMO+ order

Starting values:

\[ \text{ABBO} = (10.00, 10.06) \]

\[ \text{TBBO} = (10.00, 10.06) \]

\[ \text{NBBO} = (10.00, 10.06) \]

\text{Bid/Ask tick parameter: $0.50}

**TSX Order book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRK Limit</td>
<td>1000</td>
<td>10.04</td>
<td>10.06</td>
</tr>
<tr>
<td>DRK Midpoint</td>
<td>1000</td>
<td>10.03</td>
<td>10.07</td>
</tr>
<tr>
<td>CMO+</td>
<td>1000</td>
<td>10.03</td>
<td>10.08</td>
</tr>
</tbody>
</table>

An order to Sell 1000 @ MKT, CMO+ (PegType=C) is entered.

The sell CMO+ order is released from the delay mechanism after a 572 millisecond delay. It is priced at 10.03 (NBBO midpoint).

The sell CMO+ order bypasses the resting DRK Limit and DRK Midpoint Peg orders, and trades against the resting CMO+ order for 1000 shares @ 10.03.
1.0.14 CMO+ Dark Sweep order trading against other DRK orders on entry

Starting values:

\[ \text{ABBO} = (10.00, 10.06) \]
\[ \text{TBBO} = (10.00, 10.06) \]
\[ \text{NBBO} = (10.00, 10.06) \]

Bid/Ask tick parameter: $0.50

<table>
<thead>
<tr>
<th>TSX Order book</th>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRK Limit</td>
<td>1000</td>
<td>10.04</td>
<td>10.06</td>
<td>500</td>
</tr>
<tr>
<td>DRK Midpoint</td>
<td>1000</td>
<td>10.03</td>
<td>10.07</td>
<td>100</td>
</tr>
<tr>
<td>CMO+</td>
<td>1000</td>
<td>10.03</td>
<td>10.08</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>1000</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

An order to Sell 3000 @ MKT, CMO+ Dark Sweep (PegType=D) is entered.

The sell CMO+ order is released from the delay mechanism after a 425 millisecond delay. It is priced at 10.03 (NBBO midpoint).

The sell CMO+ order trades against the resting DRK Limit, DRK Midpoint Peg, and CMO+ orders all at a trade price of 10.03.

1.0.15 Resting CMO+ orders being bypassed by incoming non-CMO+ orders

Starting values:

\[ \text{ABBO} = (10.00, 10.06) \]
\[ \text{TBBO} = (10.00, 10.06) \]
\[ \text{NBBO} = (10.00, 10.06) \]

Bid/Ask tick parameter: $0.50

<table>
<thead>
<tr>
<th>TSX Order book</th>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMO+</td>
<td>1000</td>
<td>10.03</td>
<td>10.06</td>
<td>500</td>
</tr>
<tr>
<td>CMO+ Dark Sweep</td>
<td>1000</td>
<td>10.03</td>
<td>10.07</td>
<td>100</td>
</tr>
<tr>
<td>DRK Midpoint</td>
<td>1000</td>
<td>10.03</td>
<td>10.08</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>1000</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A lit order to Sell 1500 @ 10.00 is entered.

The sell order will trade against the resting DRK Midpoint Peg order for 1000 shares @ 10.03. The sell order will then trade against the resting lit order for 500 shares @ 10.00.

The resting CMO+ orders are bypassed since they will only trade against incoming CMO+ orders.
2.0 MIN and MIS Scenarios

2.0.1 Scenario 1 – DRK Limit with MIS

TSX Order Book

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>10.00</td>
<td>10.10</td>
<td>100</td>
</tr>
<tr>
<td>1000 MIS 500 (Dark)</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A DRK Limit order with MIS Sell 5000 shares, MIS 100 @ $10.00 is entered.

The trading system calculates the executable price to be assigned to the MIS order. An incoming MIS is not eligible to trade with passive visible orders. MIS is not allowed to trade through a visible order, and will never book at a price that will lock or cross the TBBO.

The MIS order is assigned a Limit Price of $10.01 to prevent it from locking with the visible bid of $10.00.

2.0.2 Scenario 2 – Active orders eligible to interact with a Passive DRK Limit with MIS

TSX Order Book

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>5000 MIS 500 (Dark)</td>
<td>10.01</td>
<td>10.10</td>
<td>100</td>
</tr>
<tr>
<td>100</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A DRK Limit Buy order Volume 5000, MIS 500 @ $10.01 is booked (see TSX Order book above).

The following orders are eligible to trade with the resting MIS order:

An incoming visible sell order, with volume >= 500 shares that matches the limit price of the passive MIS order.

An incoming sell DRK Limit order with a volume >= 500 shares, priced @ $10.01.

An incoming sell DRK Market Peg order priced @ MKT with a volume >= 500 shares and 0 offset.

An incoming sell SDL IOC/FOK with a volume >= 500 shares seeking dark price improving liquidity will be filled.

An incoming sell DRK Primary Peg order with an aggressive offset that matches the limit price of the passive MIS order.
2.0.3 Scenario 3 – DRK Limit with MIS matching with passive DRK order to satisfy MIS condition

An incoming DRK Limit order to sell 3000 shares at $10.01, with a MIS size 600 shares will skip over the DRK orders # 1 and 2 at $10.01 as they do not satisfy its MIS criteria, and trade with the resting DRK MIS order # 3 at $10.01.

2.0.4 Scenario 4 – Active DRK Limit order with MIS not eligible to trade with a passive visible order

An incoming DRK Limit order to sell 3000 shares at $10.01, with a MIS size 600 shares is not eligible to trade with passive visible order. The Trading Engine determines that the DRK order with a MIS condition cannot trade through the visible quote against the passive DRK orders. Since a MIS order cannot lock or cross the TBBO, the order will book at 1 tick off the Bid.
2.0.5 Scenario 5 – Active DRK Limit order with MinQty not eligible to trade

TSX Order Book

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 (Dark)</td>
<td>10.02</td>
<td>10.10</td>
<td>100</td>
</tr>
<tr>
<td>100 (Visible)</td>
<td>10.01</td>
<td>10.10</td>
<td>500</td>
</tr>
<tr>
<td>100 (Dark)</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200 (Dark)</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200 (Dark)</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100 (Visible)</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Sell DRK Limit MinQty order Volume 5000, MinQty 1000 @$10.00 is entered.

The Trading Engine determines that there is not sufficient volume to satisfy the MinQty condition on the incoming order. In this case, the order will be booked at a price that will prevent it from locking or crossing the TBBO. The order will book at 10.02.

The cap price = limit price on the order.

2.0.6 Scenario 6 – Active DRK Limit order with MinQty eligible to trade

TSX Order Book

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order # 1 100 (Dark)</td>
<td>10.02</td>
<td>10.10</td>
<td>100</td>
</tr>
<tr>
<td>Order # 2 100 (Visible)</td>
<td>10.01</td>
<td>10.10</td>
<td>500</td>
</tr>
<tr>
<td>Order # 3 100 (Dark)</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order # 4 200 (Dark)</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order # 5 200 (Dark)</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order # 6 100 (Visible)</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Sell DRK Limit MinQty order Volume 5000, MinQty 500 @$10.01 is entered.

The Trading Engine determines that there is sufficient volume to satisfy the MinQty condition on the incoming order. In this case, the system will aggregate the passive Orders # 1 – 5 to satisfy the MinQty condition.
2.0.7 Scenario 7 – Active DRK Limit order with MinQty trading against a resting DRK Limit order with MinQty

**TSX Order Book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order # 1 500</td>
<td>10.01</td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>(Visible)</td>
<td></td>
<td>10.10</td>
<td></td>
</tr>
<tr>
<td>Order # 2 5000</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Dark)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>500 MinQty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order # 3 500</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Dark)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order # 4 100</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Sell DRK Limit MinQty order Volume 50000, MinQty 5000 @$10.01 is entered.

The Trading Engine determines that there is sufficient volume to satisfy the MinQty condition on the incoming order, as well as satisfy the MinQty condition on the passive orders. In this case, the system will aggregate the passive Orders # 1 – 3 to satisfy the MinQty condition.

2.0.8 Scenario 8 – Passive DRK Limit with a MinQty condition bypassed

**TSX Order Book**

<table>
<thead>
<tr>
<th>Volume</th>
<th>Bid</th>
<th>Offer</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order # 1 50000</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Dark)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10000 MinQty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order # 2 1000</td>
<td>10.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Dark)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100 MinQty</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order # 3 100</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Sell DRK Limit MinQty order Volume 1000 with a MinQty 100 @$10.01 is entered.

The Trading Engine determines that there is sufficient volume to satisfy the MinQty condition on the incoming order by Order # 2. In this case, the system will skip over order # 1 as its MinQty condition cannot be satisfied by the active order, and generate a trade with order # 2.
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