

## Canaccord Genuity Limited Order Handling Policy

January 2018

### General Considerations

Canaccord Genuity Limited (“**CGL**”) has committed to execute or transmit the orders according to their chronology of arrival, on a first come first served basis, unless the nature of the order, the market conditions or the client’s interests require to proceed differently.

Where we receive an order from a client we will ensure that the order is executed promptly and will be accurately recorded and allocated.

In the event that we receive comparable orders from two or more clients, the orders will be executed promptly and sequentially unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise. Orders will not be considered as comparable if they are received via different execution channels (voice versus electronic tool) or via two different trading desks within CGL.

Information in respect of executed or pending client orders will be treated as confidential and we will take all reasonable steps to ensure that knowledge of any pending orders will not be misused.

For **Retail Clients** we are required under MiFID II to promptly inform them of any material issues that would prevent us from carrying out their order. Whilst this obligation only applies to Retail Clients we will endeavour to similarly inform Professional Clients on a best efforts basis

### Trading obligations in shares and derivatives

CGL will ensure that the trades it undertakes in shares admitted to trading on a Regulated Market or traded on a Trading Venue take place on:

- a Regulated Market,
- MTF
- a Systematic Internaliser, or
- an Equivalent Third-country Trading Venue (assessed as such), as appropriate, unless
  - a) those shares are non-systematic, ad-hoc, irregular and infrequent; or
  - b) the trade is carried out between eligible and/or professional counterparties and do not contribute to the price discovery process

CGL will ensure that the transactions it concludes:

- with financial counterparties as defined in EMIR, and non-financial counterparties (NFC)
- which are neither intragroup transactions nor transactions covered by the transitional provisions in EMIR,
- in derivatives pertaining to a class of derivatives that has been declared subject to the trading obligation in accordance with the procedure set out in Article 32 MiFIR and listed in the Register of derivatives subject to the trading obligation are concluded only on Regulated Markets, MTFs, OTFs or Equivalent Third-country Trading Venues.

### Trading outside a Regulated Market (RM), Multilateral Trading Facility (MTF) and Organised Trading Facility (OTF)

CGL may decide that in certain circumstances, where a client has previously provided its consent, it would be beneficial to execute all or part of an order outside a Trading Venue. Whilst this may provide the advantage of an improved execution price and faster execution, additional risks may be incurred which are detailed below:

- Transactions will not be subject to the rules of Trading Venues, which are designed to provide for a fair and orderly treatment of orders;
- Transactions will not benefit from any additional but unpublished liquidity, such as hidden limit orders that may be available on Trading Venues;
- Executions will not benefit from additional pre and post trade transparency in respect of pricing and liquidity that is required to be published by Trading Venues; and
- For transactions executed outside a Trading Venue, a settlement risk may be incurred as transactions will be subject to counterparty risk and will not be covered by the relevant clearing and settlement rules of the Trading Venue and relevant Central Counterparty Clearing House.

## Aggregation and Allocation

CGL' general practice is not to aggregate any client orders with other Client orders or any transactions for its own account. However, in certain circumstances this may occur as long as the following conditions are met:

- a) It is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;
- b) It is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
- c) Upon execution any aggregated orders are fairly allocated taking into account the size of the order and price of the fills received.
- d) For client orders aggregated with own account orders that have only been partially executed, priority in allocation will be given to the client and will be done in a manner that is not detrimental to the client. However, to the extent that we can demonstrate on reasonable grounds that without aggregating the order with an own account order, the transaction could not have been executed or executed on such favourable terms, then allocation may be made on a basis proportional to the relative size of the client and CGL own account order ; and
- e) Should we determine that an allocation of a transaction for our own account which was executed in combination with one or more client orders, requires reallocation, this will only occur where it is fair, reasonable and not to the detriment of clients.

## Restrictions

Where CGL is subject to internal trading restrictions it may not be possible to accept an order and the Client will be notified of this fact as soon as technically possible after order receipt.