

# Best Execution & Order Handling Policies

With the emergence of multiple marketplaces in Canada, Manulife Wealth Inc. has prepared this policy to inform its customers about the structure of the Canadian equity market and the way Manulife Wealth handles client orders.

Unless otherwise indicated, this policy applies to all orders entered through Manulife Wealth Inc.

## The Canadian Marketplaces

Manulife Wealth is a member of and routes client orders to the following marketplaces:

1. Toronto Stock Exchange (TSX)
2. TSX Venture Exchange (TSXV)
3. Alpha Exchange
4. Canadian Securities Exchange (CSE)
5. Chi-X Canada
6. CX2 ATS
7. Omega ATS
8. Lynx ATS
9. MatchNow (Dark Pool)
10. Aequitas
11. Pure

**Default Marketplace** For those securities listed on the Toronto Stock Exchange, TSX Venture and trading on various other alternative marketplaces, the default marketplace will be the TSX or TSXV. For other securities listed in Canada, the default marketplace will be the Exchange on which the security is listed. Manulife Wealth may change this default based upon trading activity and best execution.

Please be advised that unless otherwise agreed to between a Manulife Wealth Investment Advisor and the client:

- An order received prior to 9:30 a.m. will book to the pre-opening of the default Marketplace for execution on the opening; and
- An order received after 4:00 p.m. will be entered to the pre-opening of the default marketplace on the following business day.

**Trade Desk Hours of Operation** Hours of operation for Trading in Listed Canadian Securities will be between the hours of 8:30 a.m. and 5:00 p.m., Eastern Standard Time ("EST"), Monday through Friday, not including statutory Canadian holidays. However, as noted above, unless specifically directed by an advisor, all orders entered before the default marketplace is open will be booked into the book of the default marketplace. Your advisor will need to call The Trade Desk should you want to trade on an ATS between the hours of:

8:30 a.m. – 9:30 a.m.

4:00 p.m. – 5:00 p.m.

**Order Handling** All orders received for listed Canadian securities will be handled as follows:

1. Pre-Open: All orders received prior to 9:30 a.m., unless otherwise instructed will book to the pre-opening of the Default Marketplace.

2. Continuous Session: An order received during the regular trading hours of the default marketplace (9:30 a.m. to 4:00 p.m.) will be handled as follows: An immediately tradable order will be reviewed against all markets and will be routed to the marketplace(s) that will provide the best price and execution. A limit order or on-stop order which is not immediately executable at time of entry will be entered onto the default marketplace.

3. Post-Close: An order received after 4:00 pm, unless otherwise instructed will book to the pre-opening of the default marketplace on the following business day.

**Order Execution** Certain types of orders have specific handling implications in a multiple marketplace environment. These are discussed below:

**Market Orders** A Market Order is an order to buy or sell a security, to be executed upon entry to a marketplace, at the best available price. The order will expire, if not filled in full, on the market where the balance of the order has been booked and will expire at 4:00 p.m. Market orders of size may impact the marketplace and may be subject to Trade Desk intervention to insure marketplace integrity. Trade Desk actions may include the imposition of a limit price on the order and/or working of the order. The Trade Desk will try to contact the Manulife Wealth Investment Advisor on a best efforts basis to advise them of the circumstances. To eliminate risk of your order trading at a price outside an acceptable range, Manulife Wealth recommends the use of tradable limit orders rather than market.

**Limit Orders** A Limit Order has a specific minimum sale price or maximum purchase price agreed to by the client. If the order cannot be filled in its entirety, then the balance is booked to the default marketplace. The order will expire, if not filled in full, on the marketplace where the balance of the order has been booked. booked and will expire at 4:00 p.m. Limit orders that are above or below the current price may be subject to Trade Desk intervention to insure marketplace integrity. Trade Desk actions may include the imposition of a new limit price on the order and/or working of the order. The Trade Desk will try to contact the Manulife Wealth Investment Advisor on a best efforts basis to advise them of the circumstances.

**Day Orders** All orders accepted by Manulife Wealth are defaulted to a Day Order. A Day Order is an order that is only valid on and for the day it is entered. Day Orders will only be valid between the hours of 9:30 a.m. and 4:00 p.m. EST. The order will expire, if not filled in full, on the market where the balance of the order has been booked and will expire at 4:00 p.m.

**Special Terms Orders** Manulife Wealth does not accept special terms orders. An example would be an All or None order, Minimum Fill and Blocks of a specified quantity.

**Good 'Til Orders (GTD)** Good 'Til Orders are orders that the client wants to remain open until a specified date. These orders will be entered in the default marketplace, if they are not immediately executed in full at the time of entry (after 9:30 a.m. EST). The order will remain

in the default marketplace until executed or expires, whichever comes first. Manulife Wealth policy will only allow the entry of orders with a 45 business-day maximum Good-Til- Date. It is the client's responsibility to ensure they know what the date of expiry will be and to contact their Investment Advisor on or before the expiry date should they wish to extend the order; otherwise a new order must be entered.

**On Stop Orders** On Stop orders will be entered in the order book of the default marketplace in accordance with Manulife Wealth's policies in effect at the time the order is received. Only On Stop orders with a lower or upper limit will be accepted. For On-Stop Buy orders the upper limit can be equal to or no more than 10% higher than the trigger price. For On Stop Sell orders the lower limit can be equal to or no lower than 10% of the trigger price. Manulife Wealth will no longer accept market on-stop orders. The On Stop order will become an active order once the trigger price is achieved on the marketplace on which the order is booked.

**Disclosure of Marketplaces on Trade Confirmations** Manulife Wealth Inc., when executing a trade on your behalf, will typically be providing a separate trade confirmation for each marketplace on which the trade has been executed. Therefore, if an order has been executed on more than one marketplace, a separate trade confirmation will be issued for each marketplace. In some situations, Manulife Wealth may provide a single confirmation relating to a trade executed on more than one marketplace. Such a trade confirmation will indicate that the trade has been executed on multiple Canadian marketplaces and will advise that details of the trade execution will be made available to the client upon the client's request.

**Trading Halts** If a trading halt is announced in a particular security in a particular marketplace, all orders for that security shall remain in that marketplace. Orders will NOT be moved to another marketplace unless requested by the client.

**Best Execution** Manulife Wealth Inc. will diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under the circumstances (referred to as the "best execution" obligation.)

In order to meet our "best execution" obligation to you, we may consider a range of factors relevant to the execution of your trade, including but not limited to the price at which the trade would occur, the speed of execution, the certainty of execution and the overall cost of the transaction. Other considerations may include the size of the order, liquidity, opportunity cost, market impact and the applicable foreign currency exchange rates in effect.

As noted above the Canadian securities marketplace continues to evolve and has grown to include a number of alternative trading systems (ATSS). Securities which are listed and traded on the TSX and TSX Venture may also trade on these ATSS. In addition, these securities may be listed on and traded on certain foreign markets. Using a third party smart order routing (SOR) technology, Manulife Wealth Inc. diligently pursues the "best execution" of each client order on the most advantageous terms available under market conditions. The default SOR strategy is a "Slice" model where multiple orders are sent across all exchanges at the top price level. Slice will capture a new liquidity environment snapshot following each iteration, and any new liquidity from iceberg or new orders will be captured and considered. Manulife Wealth's SOR is reviewed and tested on an annual basis to ensure it continues to achieve best execution.

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**Foreign Organized Regulated Marketplaces (FORM)** In order to meet Best Execution obligations to Manulife Wealth may make a determination that all or part of a client order could be transacted outside of Canada. In making this determination Manulife Wealth would consider liquidity, pricing, FX in the foreign market and any clearing or settlement issues before deciding to transact outside of Canada. Executions outside of Canada will be transacted on a Foreign Organized Regulated Market as required.

Prior to executing on a foreign organized market the converted price will be considered against the Canadian marketplace to ensure the protected marketplace is not traded through. In certain circumstances, when trading inter-listed securities (Canada/US) in USD accounts, your order will be directed to a US marketplace in order to achieve best execution.

Manulife Wealth does not trade directly on the US market. As such all orders directed to a US market are sent to and handled by Citadel Securities or StoneX. To see Citadel Securities Financial's Global Disclosures and Regulatory Reporting including those relating to Best Execution and order routing please see link:

<https://www.citadelsecurities.com/rule-605-606-statements/>

To see StoneX order routing disclosure please see the following link:

<https://www.stonex.com/Main-Channels/Securities/Capabilities/Disclosures/>

**Option Trading** All Canadian and US option trades are processed by Fidelity Clearing Canada LLC. Please click link for Fidelity Clearing Canada LLC Best Execution Policy

<https://clearingcanada.fidelity.com/app/home>

Manulife Wealth Inc. is deemed to have reviewed the order handling and routing practices of the intermediaries indicated above and is satisfied that they are reasonably designed to achieve best execution.

**Marketplace Fees & Rebates** In executing your trades, Manulife Wealth incurs certain costs and in seeking "best execution" of your trades, we may receive marketplace rebates when routing certain orders to certain marketplaces. Manulife Wealth does not pass on marketplace fees or rebates to clients. Marketplace fee schedules are disclosed on the websites of each marketplace.

**Best Execution Committee** Manulife Wealth's Best Execution Policy and order routing table maintenance is governed and reviewed by the Best Execution Committee (BEC). The BEC meets quarterly at a minimum and works to ensure Manulife Wealth continually meets its best execution obligations through monitoring and review of client orders.

Membership is composed of the Director of Securities Administration & Trading, Supervisor of the Trade Desk, Head of Capital Markets & Trade Desk Compliance and Trade Desk Compliance Officer.

Best Execution and order handling will be reviewed at least annually and more frequently if there are material changes to the trading and/or regulatory environment. As such this policy, may change from time to time, depending on various factors such as liquidity in the respective marketplaces and demand. If you have any questions regarding this policy, please contact your Investment Advisor.