



# Best Execution Policy

## Compliance and Risk Management

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**LAURENTIAN BANK  
SECURITIES**

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# 1. Purpose of this Document

The purpose of this document is to provide an overview on Laurentian Bank Securities Inc. (“LBS”), an affiliate of the Laurentian Bank of Canada (“LBC”), order execution policy and approach to providing “Best Execution” to institutional and wealth management clients in accordance with the Universal Market Integrity Rules “UMIR” and applicable securities laws in Canada.

## 2. Scope of the Policy

This Policy applies to business conducted with institutional (as defined in CISO’s Dealer Member Rules) and LBS wealth management’s trading desk clients (collectively “Clients”) and applies to listed securities and over-the-counter (“OTC”) securities (see [Schedule 1](#)).

## 3. What is the “Best Execution” Obligation?

Best execution is the requirement to take all reasonable steps to obtain the best possible result when executing, placing or transmitting clients orders on behalf of a Client or when dealing on a Request for Quote (“RFQ”) basis (“Best Execution”).

In providing Best Execution, amongst other things, we take into consideration the following factors (“Execution Factors”):

- Instructions of the client;
- Price;
- Speed of execution;
- Certainty of execution;
- Overall cost of the transaction to the client (including potential opportunity cost);
- Conflicts of interest for order handling and execution;
- Order size;
- Reliability of quotes;
- Liquidity;
- Market impact;
- Order routing optimization;
- Good-till-Cancelled Orders or Good Through Orders;
- Default order handling if marketplaces are opened;
- Factors related to executing on unprotected marketplaces; and
- Execution Venues (Domestic or Foreign) and Brokers.

When considering these circumstances, LBS will also take into account the prevailing market conditions and also consider such factors as:

- Prices and volumes of the last sale and previous trades;
- Direction of the market of the security;
- Depth of the posted market;
- The size of the spread; and
- Liquidity of the security.

With respect to institutional clients, when determining the relative importance of the Execution Factors, we will take into account the characteristics of:

- The Client, including the categorization of the client as institutional or retail;
- The Client instruction;
- The financial instruments that are subject of the Client order; and
- The execution venues to which the Client order can be directed.

LBS establishes, maintains and ensures compliance with written policies and procedures that are designed to achieve best execution when acting for a client.

## 4. When does the Best Execution Obligation Apply?

The best execution obligations apply when executing orders “on behalf of Clients.” We regard ourselves to typically be in receipt of an order and acting on a Client’s behalf when the Client legitimately relies on us to protect its interests in relation to the Execution Factors relevant to that transaction and to act on its behalf. This will include but is not limited to the following situations where we are:

- executing an order by dealing as the Client’s agent;
- executing an order by dealing as principal and taking the opposing side; and
- “working an order” on the Client’s behalf.

In all other circumstances, for example when we deal on our own account in response to RFQ, we will assess whether a Client is placing legitimate reliance on us to protect its interest in relation to the Execution Factors relevant to that transaction. In order to make this assessment, the following four factors will be considered. These factors will be considered collectively and not in isolation; any one factor, or a combination thereof, may require us to apply best execution:

- Which party initiated or solicited the transaction**—if the Client initiates a transaction, we will view this to mean that the Client is less likely to place reliance on us. Also, where we disseminate research or market commentary, as part of general business, these will not be deemed to initiate the transaction.
- Whether there is a market practice and the existence of a convention to “shop around” (i.e. seek quotes from other brokers)**—where there is market practice for a particular asset class or product that suggests that the Client has ready access to various providers who provide quotes and the Client has an ability to “shop around” to obtain the best price, it will be viewed as the Client is less likely to place legitimate reliance on the firm.
- The relative levels of price transparency within a market**—it is more likely that a Client will be placing reliance upon us where the level of price transparency available to the Client is not the same or similar to that available to us.
- Information provided by LBS and any agreement reached**—it is more likely that a Client will be placing reliance on us where there are arrangements and agreements in place, including this Policy, which state we will provide Best Execution and indicates or suggests a relationship of reliance.

In order to achieve Best Execution, LBS may route orders to any Canadian marketplace, which may include both lit and dark market venues. In considering Best Execution, LBS may also route orders to foreign marketplaces through intermediaries, taking into account current foreign exchange rates, market conditions and any potential liquidity in Canada.

We do not guarantee that we will be able to achieve Best Execution for every transaction received from a Client, however, in all cases we will comply with the Policy.

We are able to demonstrate to our Clients, at their request, that we have executed their orders in accordance with this Policy and to demonstrate to our regulators, at their request, our compliance with CIRO Rule 3100 – Part C.

## **5. When does the Best Execution Obligation Not Apply?**

The Best Execution obligation will not apply in circumstances in which we are transacting with a Client as counterparty on the basis of an own account risk price and the Client does not place legitimate reliance on us to protect its interest in relation to the Execution Factors relevant to that transaction. This does not apply to retail clients and therefore Best Execution will always apply.

## **6. Specific Instructions from Clients**

Where a Client provides us with a specific instruction in relation to one or more Execution Factors, we will execute the order in accordance with those instructions as long as this is not preventing us to be in compliance with the applicable market conduct and business conduct regulatory requirements. Acting on Client's specific instruction may prevent us from taking some or all of the steps in the Policy.

Where Client's instructions relate to only part of the order, in following those instructions we will be deemed to have taken all reasonable steps to provide Best Execution in respect of that part of the order. In respect of those aspects of the order not covered by your specific instructions, we will apply the Policy accordingly.

## **7. Application of Best Execution Across Classes of Instruments**

While the obligation to deliver Best Execution applies to all financial instruments, the differences in market structures or the structure of financial instruments means that it is necessary to apply the Best Execution obligations in a manner that takes into account the different circumstances associated with the execution of orders related to particular types of financial instruments.

Determining the relative importance of the Execution Factors is a dynamic process and may depend upon several variables and characteristics. In determining the relative importance of the Execution Factors we will apply our commercial judgement and expertise, in light of the prevailing market conditions, as well as taking into account:

- the Client's characteristics;
- the characteristics of the transaction;
- the characteristics of the financial instruments that are the subject of the transaction; and
- the characteristics of the execution venues to which the transaction can be directed.

In many circumstances, price will be the most important factor at which the relevant financial instrument is executed. However, in some circumstances we may judge that other Execution Factors will be more important than price in obtaining the best possible result for you, for example, market impact may become more important than price in illiquid securities.

Securities that are covered by this Policy are those which are listed on an exchange and trade on either an exchange or an Alternative Trading System (“ATS”), collectively Marketplaces. The types of securities that can be listed include:

- Common stocks
- Preferred stocks
- Convertible Debentures
- Rights / Warrants
- Exchange Traded Funds
- Structured Products
- Exchange Traded Derivatives.

## 8. Execution Venues (Domestic or Foreign) and Brokers

In respect of each class of securities, [Schedule 1.1](#) lists those execution venues that should enable us to obtain on a consistent basis the best possible result for the execution of Client’s transactions. LBS does not discriminate between execution venue(s). The choice of execution venue(s) will be made, and updated, from time to time, in accordance with the Policy and could include one or more of the following venue types when executing client order(s): regulated markets, multi-lateral trading facilities, crossing systems/dark venues, market makers and other liquidity providers.

The factors that have been considered in determining the attached list of execution venues may include the depth of liquidity a particular venue is able to offer, the likelihood of execution, speed of execution, reliability and system availability, historical trading activity and the robustness of the clearing arrangements.

In Canada, LBS executes transactions on exchanges and marketplaces that we are a member of. LBS may be a market maker, or otherwise act as principal, on various equity and option exchanges to which we route client’s orders. LBS may trade with Client’s orders on these Canadian venues.

Transactions executed in the U.S. or on a non-Canadian marketplace will be handled by another broker or market maker. In such cases, these orders will be required to be executed in accordance with the local rules and regulations and could result in the executing broker applying different criteria on the assessment on execution quality. However, we will monitor our executions with that broker to ensure that the entity is able to provide an appropriate standard of execution in the relevant market. The executing broker in this case may have acted as principal or agent and as a result derived compensation from the transaction.

Additional information shall be made available upon written request.

LBS will not structure or charge commissions in a way as to discriminate unfairly between execution venues.

## 9. Matters Outside of the Control of the Participant

In exceptional cases, a result of system failures, disrupted markets or otherwise, it may be necessary to execute Client’s orders in a different manner to that documented in the Policy for the securities in question. In such circumstances, we will still seek to achieve the best possible result available for our Clients in the prevailing circumstances.

In any event, we are not required to guarantee that we will always be able to provide Best Execution on every order executed on the Client's behalf. The firm does not owe the Client any fiduciary responsibilities as a result of the matters set out in this document, over and above the specific regulatory obligations or as contractually agreed.

## **10. Governance & Oversight**

### **10.1. Best Execution Committee**

Best execution, as well as order routing is governed and reviewed by LBS Trading and Best Execution Committee (the "Committee"). The Committee will review this policy at least annually or upon material change to the trading environment or market structure that may impact our ability to achieve best execution for our client, taking into account the scope and size of our business.

Membership is composed of a number of senior executive members including trading, operations and compliance in accordance with the Committee charter.

Changes to order routing procedures, the ranking of marketplaces for active and passive routing as well as other trading, operational, regulatory and risks topics are discussed and approved by the Committee.

### **10.2. Monitoring**

LBS will monitor the effectiveness of its execution arrangements and execution policy on an ongoing basis to identify and implement any appropriate enhancements.

We assess on a regular basis whether the execution venues we access allow us to achieve Best Execution on a consistent basis or whether we need to make changes to our execution arrangements. We also assess on a regular basis whether the third party entities or affiliates used to access any execution venues that LBS does not have direct access to, including any algorithms or smart order routing provided by those entities, allow us to achieve Best Execution on a consistent basis.

LBS evaluates, on a post-execution benchmarking and analysis, transactions in which the Best Execution obligation applies for compliance with this policy.

The Committee receives reports relating to the monitoring program and will consider whether enhancements to this policy and/or best execution arrangements are required.

### **10.3. Conflicts Disclosure**

Provincial and territorial securities laws in Canada require securities registered firms such as LBS, when they trade in or advise with respect to their own securities or securities of certain issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. The requirement also applies to conflicts of interest that may arise between us and our Clients as a result of its execution arrangement which could prevent us from satisfying our Best Execution obligations.

LBS has established procedures that are designed to identify and manage such conflicts of interest.

As of the date of this policy, LBC and its wholly owned subsidiary LBS do not have an ownership stake or partnership with any ATS or Exchange on Canadian Marketplaces.

## **10.4. Order Routing and Treatment of Market Center Fees/Rebates**

LBS may from time to time establish order routing arrangements with certain exchanges, broker-dealers and/ or other market centers (collectively “Intermediaries”).

These arrangements have been entered into with a view toward the perceived execution quality provided by these intermediaries, evaluated on the basis of price improvement performance, liquidity enhancement and speed of execution. All Client orders that are subject to these order routing arrangements are sent to intermediaries that are subject to the principles of best execution.

LBS may receive payment in the form of cash, rebates and/or credits against fees in return for routing Client orders pursuant to these order routing arrangements. Any remuneration that LBS receives for directing orders to any intermediaries reduces their execution costs but will not accrue to Client’s account.

## **11. Ownership, Review and Responsibility for the Policy**

The Committee will review this policy and our order execution arrangements, at least annually to consider whether this policy and LBS best execution arrangements include all reasonable steps to obtain the best possible result for the execution of Relevant Orders. Specifically, it will review:

- whether to exclude or to include additional or different execution venues;
- whether to assign different relative importance to the Execution Factors;
- whether to modify any other aspects of this policy and/or the best execution arrangements; and
- whether there is any scope to improve the quality of the order execution delivered to the clients.

The Committee will also conduct a review whenever a material change occurs to the trading environment or market structure that could affect LBS’ ability to comply with the Best Execution obligation. What is material will depend on the nature and scope of the change.

## **12. Order Handling and Aggregation**

We have further policies and procedures in place to ensure we execute and allocate your orders promptly and fairly, taking into account the need to manage any potential conflicts of interest that may exist between ourselves, our Clients and our other clients.

When carrying out Client orders, we will ensure that orders executed on behalf of the Client are promptly and accurately recorded and allocated, when no special instructions are provided and unless we reasonably consider that delaying the execution of a Client’s order is in its best interests.

Moreover, we will execute Client orders in line with other comparable Client orders sequentially and promptly, unless (i) the characteristics of the order or prevailing market conditions make this impracticable or (ii) the interests of the Client requires otherwise.

When executing a Client order, we may decide to aggregate the order with a transaction for our own account or that of another Client. Such aggregation will be taken, for example, to provide a better price to the Client or to reduce transaction costs, by allowing us to execute in larger size “bulk orders.” We will only aggregate orders if it is unlikely that this will work overall to the disadvantage of any Client whose order is to be aggregated. Where we are unable to fill an aggregated order in full, we will allocate the executed notional on a fair and equitable basis. If we aggregate a Client order with our own order and the aggregated order is partially executed, the resulting fills must be allocated to the Clients in priority to us. However, if we are able to demonstrate on reasonable grounds that without the combination, we would not have been able to carry out the Client’s order on such advantageous terms or at all, we may allocate the transaction for our own account proportionally.

We will endeavor to communicate the order execution and allocation status of a client order as soon as reasonably practicable.

## 12.1. Order Handling and Routing Practices

LBS may access exchanges, ATS’s (protected and unprotected), dark markets and OTC in the pursuit of best execution. The broad best execution factors, as well as the following considerations, will be used to select and rank venues. More specific factors will be considered when handling orders with unique circumstances, such as market opening and closing, unique client direction and requirements, and venues that may have specific unique attributes that may assist in best execution.

Venues will be selected, ranked and graded based on:

- Experience
- Analysis
- Direct market data consumption
- Research

LBS is as member/subscriber of the marketplaces listed in [Schedule 1.1](#), and may route orders directly to any of the marketplaces listed below.

LBS also considers the following factors for the purpose of achieving best execution for all client orders, pursuant to CIRO Rule 3100 – Part C.

How order and trade information from all appropriate marketplaces, including unprotected marketplaces and foreign organized regulated markets (FORMs), is taken into account.

And Factors related to executing on unprotected marketplaces.

LBS receives order, pricing and trade information for protected and unprotected Canadian markets and FORMs via market data, OMS/EMS vendors and best execution providers. LBS may trade actively, by taking liquidity, on unprotected marketplaces. Due to the potential for trade throughs of visible quotes on unprotected marketplaces, LBS may elect to not rest flow passively on these venues. If an unprotected marketplace has shown the ability to positively affect the desired factors LBS considers for best execution, an unprotected marketplace may be used for passive posting, in a routing/order handling strategy LBS will not send listed securities in bulk to a foreign intermediary for execution outside of Canada without considering other liquidity sources, including liquidity sources in Canada. LBS considers the following “prevailing market conditions” when manually handling a client order for a listed security or a foreign exchange-traded security that trades on a marketplace in Canada, pursuant to Rule 3100 – Part C.

## 12.2. Multiple Marketplaces in Canada

Recognizing that a Client's order in a TSX, or Aequis listed security can be executed on a number of different Canadian venues, LBS is committed to use all reasonable efforts to ensure that Clients achieve "Best Execution" of their orders for securities that are quoted or traded on all Canadian marketplaces.

LBS follows the following procedures in order to meet its Best Execution obligations.

### *Principal Marketplace*

Unless notified otherwise by LBS, the general principle will be to have access to the exchange with the primary listing for the security.

### *Order Routing Optimization*

Where accessing markets electronically in Canada, LBS's routing decisions, including those processed by algorithms, are made by third party Smart Order Router ("SOR") logic, which may differ depending on the front end used at the time of order entry.

The primary objective of the SOR is to achieve the best possible outcome for our Clients. LBS interactions with execution venues are guided by objectively observed and calculated parameters.

The decision as to which execution venues and price points to target can be taken based upon both the explicit instructions accompanying the relevant order from the client, and the SOR's programmed parameters.

The SOR may potentially break the client orders into smaller sized "child orders" and send them to one or many execution venues, either in parallel or in sequence and will be responsible for determining the precise quantities, limit prices and timing of each child order, always respecting the client's original instructions. Best execution obligations will be applicable on the child orders as well as on the overall original client order.

### *Hours of Operation for Trading in Listed Canadian Securities*

LBS trading staff and systems will be available for order execution between 9:30 am EST and 4:00 pm EST ("Hours of Operation"), Monday through Friday, not including statutory holidays in Ontario. Staff may be available outside of the primary Canadian listing marketplace hours; however, order taking and/or trade execution outside of the Hours of Operation will be treated on a best efforts basis.

## 12.3 Default Order Handling

### *Pre-Open*

Orders received prior to the opening at 9:30 a.m. will be entered for execution at the opening of a marketplace with trading hours of 9:30 a.m. to 4:00 p.m., unless otherwise specified by the Client. This may influence the price and the volume of an order which is entered for execution in the pre-opening period. For this reason, automated systems may not be relied upon during the pre-opening session to obtain Best Execution of Client's orders, unless otherwise instructed by the Client.

## ***Post-Opening Market***

Unfilled orders are moved to the post opening session of the marketplace where they were originally entered and will remain until the order is filled, expired, changed or cancelled. Orders received by LBS trading team during the post opening session will be routed using a SOR which will source out the best available market at the time of receipt of the order.

The best market is the market that displays the “best bid price and best offer price, offering the best liquidity, and where LBS has reasonably determined that the order has the best option for completion.”

Changes to an outstanding order, or portion of an outstanding order, will be handled the same as a new order received and will be entered into the “best market” at the time of the change with the unfilled balance being entered on the principal marketplace.

In all efforts of achieving best execution, LBS may route Client orders resting on an alternative marketplace to the primary marketplace if we feel such actions will increase the likelihood of obtaining an execution on our client orders.

## ***Post Close – 4pm***

New orders received after 4:00 p.m. and “Good-till-Cancelled” orders will be entered the next business day to the pre-opening of a marketplace with market hours from 9:30 a.m. to 4:00 p.m., unless specified by the Client for execution in the after-hours markets or pre-market open the next day. These orders will not be routed automatically to an alternative marketplace.

## **12.4. Risk Factors Trading in Extended Hours**

The purchase and sale of securities outside of regular trading hours entail specific risks, including the following:

### **a) Risk of Lower Liquidity:**

Liquidity refers to the ability of market participants to buy and sell securities. In general, the more orders are available in a market the greater the liquidity. Because there may be lower liquidity in extended hours trading as compared to regular market hours, Client’s order may only be partially executed or not executed at all.

### **b) Risk of Higher Volatility:**

Volatility refers to the changes in price that securities undergo when trading. In general, the higher the volatility of a security, the greater its price swings. Because there may be greater volatility in extended hours trading than in regular market hours, Client’s order may only be partially executed, or not at all, or Client may receive an inferior price in extended hours trading than they would during regular market hours.

### **c) Risk of Changing Prices:**

The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours or upon the opening of the next morning. As a result, Clients may receive an inferior price in extended hours trading than they would during regular market hours.

**d) Risk of Unlinked Markets:**

Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hour system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, Client may receive an inferior price in one extended hour trading system than they would in another extended hours trading system.

**e) Risk of News Announcements:**

Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

**f) Risk of Wider Spreads:**

The spread refers to the difference in price between what a Client can buy a security for and what Client can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

**g) Risk of Lack of Calculation or Dissemination of Underlying Index Value or Intraday Indicative Value (“IIV”):**

For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in extended trading hours. Since the underlying index value and IIV are not calculated or widely disseminated during the pre-market and post-market sessions, a Client who is unable to calculate implied values for certain derivative securities products in those sessions may be at a disadvantage to market professionals.

## 12.5. Types of Orders

Certain types of orders have specific handling implications in a multiple marketplace environment.

### ***Day Orders***

A Day Order is an order to trade that expires if it is not executed the day that it is booked to the marketplace. Day Orders will be handled in accordance with the “Default Order Handling.” All Day Orders expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains live, unless otherwise agreed to between the client and the Firm’s representative.

### ***Good-till-Cancelled Orders or Good Through Orders***

Open orders are orders that will remain open for up to 90 calendar days. These orders will be entered on the TSX if they are not immediately executable on an alternative marketplace at the time of entry. The order will remain booked until executed, cancelled, or upon expiry within the 90 days, whichever comes first.

## ***Market Orders***

A Market Order is an order to buy or sell a security at whatever prices are available in the marketplace to help ensure a complete and full fill. Upon entry to the marketplace, these orders require immediate completion, unless we reasonably consider that delaying the execution of a Client order is in its best interests. Market Orders will be handled in accordance with the “Default Order Handling.” These orders will expire, if not filled in full, on the marketplace where the last portion of the order remains live, at the close of the marketplace.

## ***Limit Orders***

A Limit Order is an order for a security at a specific minimum sale price or maximum purchase price that is not to be exceeded. Limit Orders will be handled in accordance with the “Default Order Handling.” The order will expire, if not filled in full, upon the close of the marketplace where the last portion of the order remains live.

## ***Special Terms Orders***

Special Terms Orders are orders with specific terms that are not executable in the regular marketplace. Special Terms Orders will only post to the Special Terms Market of the principal marketplace, unless they are immediately executable on an alternative marketplace at the time of entry. Special Terms Orders will expire at the close of the principal marketplace.

## ***Stop Loss Orders***

Stop Loss Orders are orders that become limit orders when a board lot is traded at, or superior to, the stop loss price on the marketplace in which the order has been booked. These orders will only be directed to the TSX until executed or expiry, whichever comes first. If the order is filled when the relevant stock or overall market is experiencing rapid price declines, the client may receive a price that is much lower than expected.

## ***Orders Contingent on a Complete Fill***

In situations where a Client provides an order which is contingent either on acquiring a specific minimum volume of securities or a complete fill, LBS can accept the order, when agreed with the Client’s Investment Advisor or authorized representative. Typically these orders will not be immediately entered on a trading facility’s or marketplaces order book but will only be traded when a minimum volume or the entire order can be filled. It should be noted that LBS will consider trading opportunities on all trading facilities or marketplaces when filling such orders.

## ***Fill or Kill Orders***

LBS will accept “fill or kill” orders but will only execute these orders on the understanding that they will execute the fills on the trading facility or marketplace which will provide the best price for our Client. All trading facilities and marketplaces will be reviewed for “fill” opportunities before the order will be “killed.”

## ***Market-on-Close Orders***

Currently the TSX is the only marketplace which offers a market-on-close (“MOC”) facility. All orders must be entered on the TSX’s MOC facility prior to 3:40 pm EST and will be executed at the calculated closing price for that security on the TSX. It should be noted that trading on the MOC facility will be executed at the same time as other trading facilities or marketplaces will be offering quotes on their visible order book and therefore LBS DS cannot guarantee that the order will be executed at the best price.

## **13.0 Disclosure of Marketplace**

An order executed on one or more marketplace or alternative marketplace will be reported to the Client using a single confirmation with the mention “one or more market places”.

## **14.0 Update**

LBS must ensure its employees involved in the execution of client orders know and understand the application of LBS’ best execution policies and procedures that they must follow.

## **15.0 Disclosure of Best Execution Policies to Clients**

LBS must have publicly available on their website the Best Execution Disclosure and clearly identify to clients where on the website the disclosure is found. The disclosure must be reviewed on a frequency that is reasonable in the circumstances, and at a minimum on an annual basis and promptly update the disclosure to reflect current practices.

If LBS makes any change to the disclosure it is required to make under CRO Rule 3100 – Part C, LBS must identify and maintain the change on the website for a period of 6 months after the change has been made.

## **16.0 Client Enquiries**

Should you have any enquiries in relation to this document or the Policy, please contact your usual business contact.

## **SCHEDULE 1 – Overview of Best Execution by Class of Financial Instrument**

The following sections provide an overview of when and how we will provide our Clients with Best Execution across different classes of financial instruments.

Included in each section is a list of the venues that we consider allow us to obtain on a consistent basis the best possible result for our Clients.

Any venue, listed below or not, that we use will nevertheless be selected in accordance with the Policy.

Each section provides the general position of LBS in relation to each class of financial instrument.

Our approach may differ, to that outlined, depending upon the particular circumstances of individual transactions.

## SCHEDULE 1.1 – Equities

The types of Equity products traded by us encompass cash equities and exchange-traded funds.

In line with this Policy, where we execute Equity orders (including Limit Orders, Market Orders and At-Close Orders) on Client's behalf, we will owe them a duty of best execution unless you the Client did not allow us any discretion in the execution of those orders. In applying our duty of Best Execution, when executing Client's orders, we will consider any specific instructions and the relative importance of the Execution Factors in accordance with the Policy.

When determining the relative importance of the Execution Factors in relation to Client's order, we may utilize our Smart Order Routing System ("SOR") to initiate a price-sensitive strategy (prioritizing price as an Execution Factor). For European Economic Area ("EEA") and U.S. exchanges and marketplaces in the Policy for which we do not have access to price and volume data, Client's orders in financial instruments listed on those exchanges may be routed to our affiliate or third party broker, who may also utilize Smart Order Routing technology.

We will owe a duty of Best Execution in regard to any algorithmic execution functionality we may use in achieving a certain benchmark or execution strategy. If a Client is provided with access to algorithmic execution functionality, we will satisfy our duty of Best Execution in so far as we follow any specific instructions provided by the Client.

If a Client is provided with Direct Electronic Access ("DEA"), the Client will provide specific instructions for all Execution Factors and we will execute these orders accordingly. We will satisfy our Best Execution obligation by following those instructions.

Generally, where we transact with a Client as principal on the basis of a published quote, or one provided in response to an RFQ enquiry; we consider that Best Execution is not owed. Our rationale for this is that such transactions are initiated by a Client, there is a convention for Clients to "shop around" by approaching several dealers for a quote and a high level of price transparency exists across Equity markets.

In general, we will consider the most important Execution Factors to be price, likelihood of execution, and speed of execution. Where no instructions are provided by a Client, we will typically use the following order of priority: price, likelihood of execution, and speed of execution.

The list of execution venues that we utilize in respect of Equity products to which we have direct membership or directed access is set out below. Where we do not hold a direct membership, we will execute on an appropriate venue via either LBS affiliates or external third party brokers.

## Equities Product

<b>Equities Execution Venue</b>	<b>Equities Product</b>
Toronto Stock Exchange (TSE)	Canadian Equities
TSX Venture Exchange	Canadian Equities
CSE	Canadian Equities
Omega	Canadian Equities
Nasdaq CXC	Canadian Equities
Alpha	Canadian Equities
TMS Select	Canadian Equities
Nasdaq CX2	Canadian Equities
Lynx	Canadian Equities
Aequitas NEO	Canadian Equities
Aequitas Lit	Canadian Equities
Canadian Unlisted Board	Canadian Equities
<b>Dark Execution Venues</b>	
Match Now	Canadian Equities
Nasdaq Chi X Dark	Canadian Equities
Instinet Canada Cross Limited (ICX)	Canadian Equities
NEO-D (Dark)	Canadian Equities
<b>Foreign Brokers / Affiliates</b>	
Citadel Securities, LLC	U.S. Equities and Options

<b>Market Place</b>	<b>Status</b>	<b>Hours of Operation</b>
The CSE	Protected	9:30 am – 4:00 pm
Nasdaq CXC	Protected	8:30 am – 5:00 pm
Nasdaq CXC	Protected	8:30 am – 5:00 pm
Omega	Protected	8:00 am – 5:00 pm
TSX	Protected	9:30 am – 4:00 pm
TSX Venture	Protected	9:30 am – 4:00 pm
Aequitas List	Protected for Aequitas listings	9:30 am – 4:00 pm
Aequitas Neo	Unprotected	8:00 am – 5:00 pm
Alpha	Unprotected	8:00 am – 5:00 pm
Lynx	Unprotected	8:00 am – 5:00 pm
MatchNow	Unprotected	8:00 am – 5:00 pm
Nasdaq CXD	Unprotected	8:00 am – 5:00 pm

## SCHEDULE 1.2 – OTC Securities

In order to meet its Best Execution obligation for OTC securities, LBS pursues fair and reasonable pricing at the time of execution. Pricing is dependent on various factors, such as:

- Liquidity of the security;
- Relative fair market value of the security;
- Indicative pricing of other similar securities or benchmark references;
- Cost analysis, including any costs associated with the execution of the transaction;
- Notional amount of the trade; or
- If both parties agree on a price such as when LBS acts only as an agent for execution purposes.

LBS provides liquidity by:

- Acting as principal;
- Acting as agent by:
  - sourcing and pricing securities through the Inter-dealer network;
  - participating in third-party request for quote vendor platforms; or
  - sourcing bids or offers for a security from either our customers or another dealer.

LBS may choose not to either quote a security or participate as a market maker where market conditions are not favorable or where liquidity is not obtainable.

## SCHEDULE 1.3 – Structured Products

The types of Structured Products traded by us encompass structured notes, deposits, and bespoke OTC derivatives.

Where we deal with a Client as issuer and counterpart, we negotiate with the Client the terms of a transaction for the purposes of structuring a bespoke security that reflects its specific instructions. In these circumstances, we deal with the Client as principal for our own account in accordance with its specific instructions, and therefore there is generally no expectation that we will be providing Best Execution. Further, the bespoke nature of the instrument means that it is not likely that there will be any comparable products available.

Where we receive an order from a Client for a Structured Product during the subscription period, by the timely transmitting of the order, Best Execution will be achieved as there is only one execution venue available.

Generally, where we transact with a Client as principal on the basis of a published quote, or one provided in response to an RFQ enquiry; we consider that Best Execution is not owed. Our rationale for this is that such transactions are initiated by the Client and there is a convention for Clients to “shop around” by approaching several dealers for a quote. The exception will be scenarios where we are likely to be the sole market maker in the instrument, thus limiting the Client’s scope to “shop around.” In these cases, Best Execution obligations will be owed to the Client.

With regard to unwinding positions in Structured Products, Best Execution obligations will be owed to the Client as they may be considered to be a “captive client,” i.e. Client will not be in a position to “shop around” as they can only unwind your position with us.

In general, we will consider the most important Execution Factors to be price, likelihood of execution, and speed of execution. Where no instructions are provided by the Client, we will typically use the same order of priority.

The list of execution venues that we utilize in respect of Structured Products is set out below.

Execution Venue	Product
Laurentian Bank Securities	Equity Structured Products Fixed Income Structured Products

## **SCHEDULE 1.4 – Fixed Income Products**

The types of Fixed Income products traded by us encompass cash bonds (including Government, Corporate, Supra-Sovereign and inflation-linked), and Asset-Backed Securities (“ABS”).

Where we execute Fixed Income orders, such as specified price/spread orders on Client’s behalf, we will owe a duty of Best Execution to the Client unless there is no discretion in the execution of those orders.

Generally, where we transact with a Client as principal on the basis of a published quote, or one provided in response to an RFQ enquiry; we consider that Best Execution is not owed. As the transactions are initiated by the Client, there is a convention for Clients to “shop around” by approaching several dealers for a quote, and there is also generally a high level of price transparency.

In general, we will consider the most important Execution Factors to be price, size, and speed of execution. Other characteristics that can also be under consideration are nature of the order, product type, certainty of execution and market impact can play into the execution process.

Where no instructions are provided by the Client, we will typically use the following order of priority: price, size, and speed. LBS is required to make reasonable efforts to obtain a price for a Client that is fair and reasonable in relation to prevailing market conditions. In order to demonstrate compliance with the fair pricing requirement, the compensation or mark-up/mark-down (i.e., the spread) on a transaction must be reasonable and based on the fair market price of the security.

## SCHEDULE 2 – Execution Arrangements

Execution Arrangements	Types of Products
Pershing	<ul style="list-style-type: none"> <li>• U.S. Clearing</li> <li>• Options (retail)</li> <li>• Foreign Equity</li> <li>• OTC</li> </ul>
Citadel	<ul style="list-style-type: none"> <li>• Equity flow</li> <li>• Options desk and retails</li> </ul>
Fidelity	<ul style="list-style-type: none"> <li>• Options</li> </ul>

## Most Recent Changes

### September 2025

Update	Section	Summary of Changes
Amendment	Schedule 1.1 Table	Updated Equities Product with English translations

### November 2024

Update	Section	Summary of Changes
Amendment	Across the document	French translation

### July 2024

Update	Section	Summary of Changes
Amendment	Across the document	Replaced references to IIROC with CRO
Amendment	Section 4 (page 5); Section 12 (page 9); Section 15 (page 14)	Replaced references to the previous IIROC's Rule 3300 with the updated CRO's Rule 3100 – Part C

### May 2023

Update	Section	Summary of Changes
Amendment	Schedule 2 – Execution Arrangements	Subtracted Cowens, Dash and Admis
Amendment	Order Handling and Routing Practices	As per CRO review points of concern.
Amendment	Consideration to unprotected marketplaces	As per CRO review points of concern.