

## Clearly Erroneous Policy Applicable to Foreign Exchange Traded Securities: US Securities in Canadian Funds

### **Purpose**

This Policy has been adopted for the purpose of protecting Omega’s marketplace integrity for trading US Securities in Canadian Funds. This is intended as a guideline on what may be deemed erroneous and is used to further provide transparency on how Omega (with sole discretion) will determine whether a trade should be busted. Other considerations may include the available liquidity at the time, share volume, and time of execution.

### **Authority and Scope of Policy**

We, Omega ATS (“we”, “us”, “our” and like terms), retain the discretion to “bust” (*i.e.*, cancel) executed trades facilitated through Omega on US listed securities that have not yet been submitted by us to the CDS settlement process on the terms described in this Policy. Each subscriber’s use of Omega constitutes acceptance of this Policy and of any decision by us to either bust a trade or let an allegedly erroneous trade stand.

### **Procedure to Request Busting of a Clearly Erroneous Trade**

A subscriber may be eligible to request for Omega to bust a clearly erroneous trade or series of executions if:

1. **Outside No Bust Range.** The trade price(s) in question must be outside our No Bust Range, which is determined as follows:

Best Offer / Best Bid on Omega at the time the buy order / sell order executes	<u>“No Bust Range”</u>	
	For Buys	For Sells
Less than \$1.00	Best Offer + \$0.05	Best Bid - \$0.05
\$1.00 to \$1.99	Best Offer + \$0.15	Best Bid - \$0.15
\$2.00 to \$24.99	110% of Best Offer	90% of Best Bid
\$25.00 to \$49.99	105% of Best Offer	95% of Best Bid
\$50.00 and above	103% of Best Offer	97% of Best Bid

The “Best Offer” / “Best Bid” are the best offer / best bid available at the time of execution of the trade in question on Omega.

For example, if the Best Offer at the time of a trade in question is \$4.55 and the price paid in the trade is \$5.00, then the price paid is *not* outside the No Bust Range and so the request to bust the trade is invalid. In this example, any price paid at \$5.01 or higher would be outside the No Bust Range and so satisfy this condition.

2. **Immediate and Valid Notification.** The subscriber must notify us of their request no later than 30 minutes after the execution of the trade in question. If a series of related trades are in issue, notification must be made no later than 30 minutes after the first of the trades. The Omega trade time stamp, and the time at which the notification is received by us, will determine whether a notification is at or within this maximum 30-minute notification period.

The notification must be made via email to [support@omegaats.com](mailto:support@omegaats.com); we will not accept a trade bust request by facsimile or phone. The email should include the following details to ensure your request is handled efficiently: (i) the name of the subscriber and the name of the individual submitting the request, and phone number for contact; and (ii) trade details including: the symbol(s) traded, trade price(s), share size(s), and time(s) of the trade(s) in question. Lastly, a short explanation for why the trade(s) were made unintentionally and are in clear error will also be required.

Since time is of the essence in us processing and reviewing the request, the subscriber is fully responsible for ensuring the notification is accurate and complete in all respects; we shall be under no obligation to seek corrections or clarifications to any deficiencies in the notification. All requests are irrevocable - the subscriber cannot withdraw a request that has been sent to us under this Policy.

Subscribers may follow-up with a telephone call to our Operations staff (see telephone number at [www.omegaats.com](http://www.omegaats.com)) to alert us to the notification. However, oral notification shall not be deemed to constitute valid notice or otherwise validate a late or inaccurate notification.

### **Omega Decision to Bust a Trade**

We will use reasonable commercial efforts to undertake the following review and decision-making process:

1. Determine whether a trade-bust request meets conditions described above. Failure to meet the conditions renders the request invalid and we will do nothing more to consider the request.
2. If the request meets both conditions, we will attempt to render a final decision before 5:00 p.m. on trade date. Such decision-making is in our sole discretion. We expect at least two of our senior officers and/or directors will be involved in all decisions to bust a trade. In all instances, our expected deadline for rendering a decision is prior to our end-of-day trade reporting to CDS; under no circumstances will we be obliged to make any efforts to bust a trade after such deadline.

**Implementing a Decision to Bust a Trade**

If we determine that a trade or series of trades should be busted, we will endeavour to communicate our decision to both the requesting subscriber and the affected counterpart(y/ies) by 5:00 p.m. on trade date, and before we provide our end-of-day trade report to CDS, which in such circumstances will be modified to reflect the busted trade(s). It is the subscriber's responsibilities to ensure that all contact information is up to date. Omega will make reasonable efforts to contact both sides of the trade to notify of trade busts.

**No Liability for Our Implementation of this Policy**

All subscribers acknowledge that this Policy is intended to mitigate extreme errors made by them in order execution. Accordingly, we shall bear no liability for any action we take or do not take in accordance with this Policy (including, without limitation, (i) our determination of whether a trade-bust request is valid or invalid, (ii) our decision to bust or not to bust a trade, or (iii) any delay in communicating, or any non-communication of, such a determination or decision).

**Limited Right to Review Decisions made under this Policy**

All decisions and other actions taken by us under this Policy shall be final and no subscriber affected by a trade bust shall have the right to appeal or seek a judicial or arbitrated review of our decisions or actions. Despite the foregoing, an affected subscriber may request arbitration under Section 8 of the Omega Subscriber Agreement if we are alleged to have busted a trade at or within our No Bust Range; such request must be formally initiated within seven (7) days of notification of our trade-bust decision, with failure to request arbitration within such time period constituting irrevocable acceptance of our decision.

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