



Cboe CANADA INC.
SPONSORED USER WELCOME LETTER

Thank you for choosing Cboe BIDS Canada, the conditional trading platform of Cboe Canada Inc. ("Cboe Canada"). Cboe BIDS Canada is powered by the technology of BIDS Trading L.P. ("BIDS"), a U.S. registered broker-dealer that operates an alternative trading system ("ATS") in the United States. Both Cboe Canada and BIDS are wholly-owned subsidiaries of Cboe Global Markets, Inc. ("Cboe"). BIDS is not a U.S. registered national securities exchange or a facility thereof, nor is it registered as an ATS or recognized as an exchange in Canada.

Because Cboe BIDS Canada has a unique structure, we have created this Welcome Letter to explain how it operates. This letter is intended to disclose to you important features of Cboe BIDS Canada. It is for informational purposes only, and it does not require signature. Additional information regarding the topics discussed in this Welcome Letter can be found in the "Document Library" page of the "Canadian Equities" section of www.cboe.com.

1. Overview

Cboe Canada is a recognized exchange that is regulated by the Ontario Securities Commission (the "OSC") and is exempt from recognition by all of the other provincial and territorial securities regulatory authorities of Canada. In addition, Cboe Canada is regulated as an equity marketplace ("Marketplace Member") by the Canadian Investment Regulatory Organization ("CIRO"). Cboe Canada does not do any trading for its own account, nor does it provide investment advice. Cboe Canada also does not own or have any ownership interest in any Canadian investment dealer. Access to Cboe Canada is open to all Canadian registered investment dealers that are members in good standing of CIRO and that are participants of CDS Clearing and Depository Services Inc. ("CDS") or have entered into an arrangement for the clearing and settlement of trades with a participant in CDS.

Cboe BIDS Canada is part of MATCHNow, a trading book of Cboe Canada that operates as a dark equity block crossing system. For orders sent to Cboe BIDS Canada by members of Cboe Canada ("Members") or their eligible direct electronic access clients ("DEA Clients"), Cboe Canada does not publish side, size, or price information. In addition, Members and DEA Clients are not aware of the identity of their counterparties on Cboe BIDS Canada, and information about orders is not exposed unless there is a *bona fide* opportunity to trade. Members and DEA Clients can submit orders to Cboe BIDS Canada from an Order Management System or Execution Management System; in addition, Members can submit orders to Cboe BIDS Canada through an algorithmic engine or a proprietary trading interface. Each Member or DEA Client maintains control of their respective transactions, and order details are confidential.

Orders may be sent to Cboe BIDS Canada by a Member's eligible DEA Clients, which may be buy-side or sell-side marketplace participants, including, but not limited to, Canadian pension funds, private equity firms, asset management firms, and exempt foreign dealer equivalents (and their large institutional investor clients).

A Member may elect to become a "Sponsoring Member" on Cboe BIDS Canada, which allows that Member to provide sponsored access for its designated DEA Clients ("Sponsored Users") into Cboe BIDS Canada using the Sponsoring Member's Participating Organization number (sometimes referred to as the "Broker ID"). If you are receiving this letter, you are deemed a "Sponsored User" of Cboe BIDS Canada and entitled to access it directly. Your Sponsoring Member is, at all times, responsible for your activity on Cboe BIDS Canada. Under this relationship, you remain a client of your Sponsoring Member, and any post-trade issues that you may experience with Cboe BIDS Canada should first be addressed directly with your Sponsoring Member. Issues related to access to, or any technical service of, Cboe BIDS Canada,

however, may be addressed directly with Cboe BIDS Canada. A designated Cboe BIDS Canada sales team is always available for any questions or problems that Sponsored Users may encounter.

The operation of Cboe BIDS Canada is monitored by a designated support team (the “Support Team”) to prevent the operation of Cboe BIDS Canada and the electronic participation by Sponsored Users on Cboe BIDS Canada from negatively impacting market integrity. The Support Team’s monitoring of Cboe BIDS Canada includes developing, testing, and observing new technology releases and other similar technology changes or activity. In the event that the Support Team identifies an issue, Cboe Canada may block or unblock the activity of a Sponsored User or Member on Cboe BIDS Canada, halt trading in one or more symbols, or halt all trading on Cboe BIDS Canada in order to contain the impact of a problem while the Support Team pursues a resolution.

2. Sponsored Access in Cboe BIDS Canada

As mentioned above, Cboe BIDS Canada offers a “Sponsored Access” model, meaning that you are neither a “member” nor a “client” of Cboe Canada, as those terms are commonly understood in the securities industry and under applicable provincial securities regulations and CIRO rules. As a result, you will not pay Cboe Canada for trades executed on Cboe BIDS Canada. Rather, you will pay commissions directly to one or more Sponsoring Members that you select and which have approved your access to Cboe BIDS Canada. This access to Cboe BIDS Canada (referred to as “Sponsored Access”) will permit you to send conditional messages and related instructions (“Conditionals”) and the resulting orders directly to Cboe BIDS Canada using the Sponsoring Member’s Broker ID. Your Sponsoring Member (or, if you have more than one Sponsoring Member, the one you select to represent a particular order) is responsible for all of your resulting orders and executed trades facilitated on or through Cboe BIDS Canada.

Prior to going live on Cboe BIDS Canada, we will ask you to designate the Member(s) that you wish to have act as Sponsoring Member(s) for your activity on or through Cboe BIDS Canada. That (those) designated Sponsoring Member(s) will then contact you to discuss commission rates, set risk and credit limits and alerts, and other specifics regarding your activity on or through Cboe BIDS Canada. Until a designated Member informs us that you have been approved to trade via Cboe BIDS Canada under its sponsorship, or in the event that a Member that you have designated revokes such approval, any activity that you conduct on or through Cboe BIDS Canada using that Member’s Broker ID will not be accepted.

Cboe BIDS Canada will provide your Sponsoring Member(s) with a file that includes your trading activity on or through Cboe BIDS Canada with that Sponsoring Member on a daily basis or more frequently. Your Sponsoring Member(s) will clear and settle your trades in the normal course (as a participant of CDS and/or through an agent that is a CDS participant). You will only see the investment dealer you selected as a Sponsoring Member on your commission run.

3. Trading Rules

You must comply with any relevant technical specifications or other policies or procedures of Cboe Canada governing the entry, execution, reporting, clearing, and settling of Conditionals, orders, and trades on Cboe BIDS Canada, and with all applicable laws and regulations, including but not limited to the relevant provisions of: National Instrument 23-101 *Trading Rules*; National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces*; the CIRO rules (including, in particular, the Universal Market Integrity Rules or “UMIR”); any relevant directions, orders, or decisions of any provincial securities regulatory authority, CIRO, or their respective staffs; anti-money laundering legislation and regulations; privacy legislation and regulations; and any other legislative or regulatory requirements applicable to your activities on Cboe BIDS Canada.

You are responsible for ensuring that your employees who access Cboe BIDS Canada are authorized to trade on your behalf, and that password access conforms to your firm's information security standards and the minimum standards established by your Sponsoring Member(s) and by Cboe Canada, as applicable.

Before conducting any activity on or through Cboe BIDS Canada, you should be aware of the following:

- Cboe BIDS Canada matches Conditionals and certain firm orders (i.e., large "Liquidity Providing Orders" and "Market Flow Orders" for which a Member has opted in for matching with Conditionals, referred to herein as "Opted-In Firm Orders") internally and does NOT route orders to other marketplaces, even when such other marketplaces may be advertising a higher bid or lower offer than currently available on Cboe BIDS Canada.
- With respect to internal matches, Cboe BIDS Canada does not provide you with a "warning" or "alert," either at the time of submission of a Conditional or at any time thereafter, concerning the price of an order for any given security on Cboe BIDS Canada and the current market price for that security that may exist on other marketplaces.

4. Conditionals and Settings

Conditionals are non-firm "intent to trade" which are similar to "indications of interest" but with accountability. Conditionals are identical to a firm order in most attributes, but cannot trade because the shares have not been committed to Cboe BIDS Canada. Conditionals allow a trader to expose trading interest to Cboe BIDS Canada while searching for liquidity in other marketplaces. If and when Cboe BIDS Canada identifies that a Conditional *could* trade (i.e., a suitable, contra-side Conditional or Opted-In Firm Order exists), Cboe BIDS Canada sends an invitation to the trader. To participate in the potential trade, the trader must "firm up" the invitation within a specified time period; the contra side also receives an invitation to firm up, which it must do within a specified time period as well, in order to achieve execution (unless the contra side is an Opted-In Firm Order, in which case the execution is automatic). Conditionals allow trading interest to reside in multiple destinations simultaneously, while waiting for potential matches on Cboe BIDS Canada, which, in turn, provides accountability by tracking a Member's or Sponsored User's response to each invitation received in connection with its Conditionals.

There are multiple settings that Cboe BIDS Canada has available through its interface for Sponsored Users. Your sales support representative and/or your Sponsoring Member(s) will discuss these settings with you prior to enabling your activity on or through Cboe BIDS Canada and at any time thereafter upon request. Cboe BIDS Canada has set certain default settings for you, which you may change for individual trades or by Trader ID (for all trades originated by the relevant trader). Cboe BIDS Canada settings may supersede price-time priority. Some examples of default settings are as follows:

- Minimum volume for executions (which may be based on an absolute number of shares or on a percentage of the originally submitted order);
- Execution at the midpoint or "at or within the spread";
- Identifying the Sponsored User's account with the sponsoring Subscriber;
- Good-till-time ("GTT") duration for orders (orders not specified otherwise are assumed to be day orders);
- Execute and Cancel – this is a good-till-time order that will auto-cancel after the first fill prior to the GTT expiring order.

The features of Cboe BIDS Canada may change from time to time. For the most to up-to-date information on the various Cboe BIDS Canada features that may be available to you, please refer to Section 7.6 (“Other Sponsored User Features”) of the *In Detail Specification* for the MATCHNow order book, which is available on the “Document Library” page in the “Canadian Equities” section of www.cboe.com.

You should also be aware that your Sponsoring Member(s) and other Members may place Opted-In Firm Orders, which could match with your Conditionals. If an Opted-In Firm Order meets Cboe BIDS Canada’s order entry criteria and offers contra-side liquidity for your Conditional, you would receive an invitation to firm up, just as you would if the contra side were another Conditional. You will not be able to tell from the invitation whether the contra is a Conditional or an Opted-In Firm Order. In cases where an Opted-In Firm order generates a firm-up invitation, and you firm up that invitation within the time limit, your Conditional will immediately execute as a trade on Cboe BIDS Canada; in such a case, the orders cross at or within the NBBO as determined by Cboe BIDS Canada at the time of the match, based on the order parameters set by you.

5. Conditionals Compliance Mechanism

In conducting your Conditionals-related activity, you are subject to a compliance mechanism (the “Conditionals Compliance Mechanism”) whose purpose is to combat information leakage by ensuring that Conditional firm-up rates remain at or above an appropriate level. The parameters of the Conditionals Compliance Mechanism are described in Cboe Canada’s written policies and certain client-facing documents, including but not limited to, the *In Detail Specification* for the MATCHNow order book, which is available on the “Document Library” page of the “Canadian Equities” section of www.cboe.com, and they are subject to change.

6. Use of Data

Cboe BIDS Canada does not publicly display Conditionals or order information. Protecting the anonymity of participant information is an essential element of the Cboe BIDS Canada model. Cboe Canada, however, is required to report transactions executed on all of its trading books, including transactions executed on Cboe BIDS Canada, to the consolidated public tape via CIRO’s Market Regulatory Feed (the “MRF”). In addition, Cboe BIDS Canada will provide your Sponsoring Member(s) with a file that includes your trading activity on Cboe BIDS Canada with that Sponsoring Member on a daily (or more frequent) basis. Your Sponsors will clear and settle your trades on Cboe BIDS Canada via CDS. For its own purposes, Cboe BIDS Canada will monitor and analyze trade data and data relating to the context of trade data resulting from your activity on Cboe BIDS Canada to facilitate our understanding of the trading activity on the platform. Cboe Canada will aggregate and publish information about trading activity on Cboe BIDS Canada since we consider that kind of information to be proprietary to us. We do not publicly disclose your individual trade data. Cboe BIDS Canada provides post-trade, aggregated volume information to its users. Customized reports using aggregate data may be available upon request. (Cboe BIDS Canada is also subject to Conditionals-related aggregated data quarterly reporting obligations to the OSC.)

Access to order information is restricted solely to those personnel, directors, and third-party service providers (including certain Cboe Canada-affiliated entities) who have a need to know such information in order to assure the efficient and uninterrupted operation of the entire Cboe Canada marketplace, including its Cboe BIDS Canada platform, and to provide the best service possible to Members and their DEA Clients.

For executed trades that originate from orders submitted by you on or through Cboe BIDS Canada, Cboe Canada will attribute a Legal Entity Identifier (“LEI”) for you to each of your trades, if applicable. Your

encrypted LEI will be collected by (or on behalf of) Cboe Canada from your Sponsoring Broker as part of the initial set-up (onboarding) process required for you to be granted access to Cboe BIDS Canada. In accordance with applicable UMIR requirements, Cboe Canada will report your LEI to CIRO via the MRF as part of each trade's audit trail data (although your LEI will *not* be reported to the consolidated public tape). Cboe Canada will also report the LEI to your Sponsoring Member as part of the audit trail data for your trades so that your Sponsoring Member can comply with its record-keeping obligations under UMIR. Your LEI will be reported to CIRO in a format that is consistent with CIRO protocols relating to encryption (although the encryption method may differ somewhat from that applicable to other trades executed on Cboe Canada for which the applicable LEIs have been encrypted by Members before being submitted to Cboe Canada).

7. Contacts for Service and Support

If you have any questions about Cboe BIDS Canada, or if you experience any integration, trade, or system issues, please reach out to us using the contact information below:

Support:	Kevin Burns	212-618-2060	kevin.burns@bidstrading.com
Integration:	Ryan Olson	212-618-2081	ryan.olson@bidstrading.com
Connectivity:	Sean Dempsey	212-618-2090	fix@bidstrading.com