



ScotiaRED

RESPONSIVE. EFFICIENT. DYNAMIC.

Electronic Execution Services FAQs

Scotia Capital (USA) Inc.

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1. CONFIDENTIALITY OF CLIENT INFORMATION

- Access to customer order information is limited to account coverage, personnel handling customer orders, and supervisors, as well as certain other support personnel in the performance of their responsibilities.
- Protecting the confidentiality and security of order, execution, position, revenue, and related information is an important part of how Scotia conducts business. Scotia may use such information for a variety of purposes, including customer coverage, supervision, risk management, liquidity provision, and business strategy, and may disclose such information in connection with our regulatory obligations, customer instructions, and normal course brokerage functions. In the event that client trade data is disseminated or published, it will always be done on an aggregated and anonymous basis.

2. TECHNOLOGICAL PLATFORM IN USE AND/OR IN DEVELOPMENT

- The Scotia EES platform leverages both internally built algorithms and algorithms from a variety of brokers/technology providers to deliver a full suite of liquidity seeking and benchmark algorithms, with customization available.

3. COMPLIANCE WITH BEST EXECUTION POLICIES AND PROCEDURES

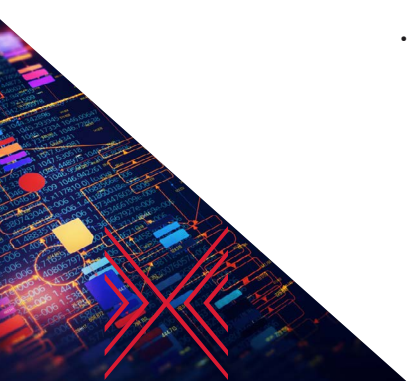
- Scotia seeks to execute customers' orders at the most favorable terms reasonably available under prevailing market conditions. In seeking best execution for orders, a number of factors are taken into consideration in determining how to execute and where to route orders, including, among other things, the size and the type of order, the terms and conditions of the order, the trading characteristics of the security, the character of the market for the security, the accessibility of quotations, transaction costs, the opportunity for price or size improvement, the speed of execution, the availability of efficient and reliable order handling systems, the level of service provided by the venue or broker, and the overall investment objectives. See the [Scotia USA Order Handling Letter](#).

4. EXECUTION AND VENUE TRANSPARENCY

- Scotia leverages a sophisticated in-house analytics platform to evaluate algo and smart order router performance. Our Execution Consulting team provides execution quality reporting as well as actionable product recommendations and market structure commentary to clients.
- Bespoke TCA reporting capabilities include:
 - Detailed analysis of performance by algo and urgency
 - Order-level trade review
 - Venue-specific analysis

5. CUSTOMIZATION

- Algorithms and smart order routing are highly customizable at the client and strategy level – including adding and removing specific venues from our routing table. Scotiabank frequently analyzes venues by measuring fill rates, reversion, participation rates, opportunity costs, and parent-level performance metrics.



6. INTERACTION WITH SCOTIABANK US LIQUIDITY

- Through the use of various Scotia algorithmic offerings, clients can interact with unique liquidity flows from Scotia's global customer base, via a dedicated matching room within Level ATS.
- Scotia principal desks are not eligible to access this matching facility.

7. INTERNAL ALGORITHM USE

- Internal Scotia desks leverage the same platform and algorithm suite as our clients, inclusive of Scotia developed and third-party algorithms.

8. TYPES OF ORDERS

- Scotia's Strategy Matrix is available here. We have algo to swap capabilities in the US market.

9. PAYMENT FOR ORDER FLOW

- Scotia does not engage in Payment for Order Flow relationships, for a discussion of pass-through arrangements see the [Scotia USA Order Handling Letter](#).

10. IRREGULAR SETTLEMENT OF SECURITIES

- Special settlement of securities is supported where applicable.

11. SETTLEMENT INSTRUCTIONS

- Reach out to your coverage person for settlement instructions. Settlement details available [here](#).

12. RISK LIMITS

- Scotia enforces a variety of risk checks to safeguard trading, including:
 - Single order notional value and share volume risk checks
 - Daily aggregate value risk checks
 - Price away checks
 - %ADV checks
 - Duplicate order checks
 - Order type restrictions
- If a risk check is triggered, Scotia may either reject or execute it on a delayed basis after further review. Where a Scotia EES trader reviews an order, they may contact the client to request more information about the transaction to verify that the transaction was not erroneous. Reach out to your coverage person for further information on your risk limits.