

**MarketAxess Canada Company website disclosures pursuant to Section 10.1 of
National Instrument 21-101 - Marketplace Operation**

The MarketAxess ATS - access; order types; how orders are entered, interact and execute; indications of interest

MarketAxess Canada Company (**MarketAxess**) provides an institutional fixed income trading system (**System**) which is regulated in Canada as an alternative trading system (**ATS**) with institutional users and dealer participants.

Users must enter into a MarketAxess User Agreement and dealer participants must enter into a MarketAxess Dealer Agreement.

Each user must be a customer of one or more dealer participants of MarketAxess, and must be approved as a counterparty by each dealer with whom it desires to transact on the System. Accordingly, the dealer participant regulates a user's access to the dealer participant and its offerings on the platform.

Once users have been approved to join the ATS, they are supplied with a graphical user interface (**GUI**) through which they access the dealer participants they wish to trade with and with whom they have customer relationships. They can view prices and initiate price discovery to one or more dealer participants, conclude trades, review and query trading activities. Through a web-based interface, users can manage internal and external account information.

The computer interface allows dealer participants to publish indicative prices, respond to requests for quotes, change trading states, and integrate the trading activity into their inventory and risk management systems. The GUI is similar for both dealer participants and users with specific functions or views that are present or suppressed depending on the dealer participant's and user's role.

The ATS is a Request For Quote (**RFQ**) Inquiry system.

There are 2 ways to launch a request for quote inquiry: (1) a user can make a request for quote from the inventory displayed on the ATS; and (2) a user can make a request for quote for any of the fixed income securities available for trading on the System, including any such fixed income securities from the ATS database. This inquiry is not restricted to the dealer participant showing the inventory, and can be made to any of the dealer participants for which the User is permitted.

To transact in a specific bond that does not appear in inventory, users can easily search the MarketAxess database and submit an online inquiry to their chosen dealer participants, who can respond with live, executable prices. In a single inquiry, users can request bids or offers from all dealer participants for which the user is permitted and from other users and dealer participants through the Open Trading functionality.

An RFQ can immediately be submitted to dealer participants by posting a particular bid or offering to all dealer participants for which the user is permitted and to other users and dealer participants through the Open Trading functionality. A firm price will be available for acceptance for a period (such as 5 minutes) and the user can accept the bid or offering during that period. Activity on the ATS is generally conducted on a fully-disclosed basis; i.e., the identities of the user and the dealer participant(s) are known to each other at all stages of the

trading process, except that counterparties will face MarketAxess acting as a riskless principal when they participate in Open Trading. A firm price will be binding on the party responding to the request for quote inquiry and be open for acceptance by the user for a pre-determined period of time. The user consummates a transaction by accepting a firm quote. The trade at this point is considered done. Should the type of security require additional calculations (e.g. spotting, pricing), this can be done over the platform as well. Once the trade has been fully progressed, a transaction report will be generated.

Through the “Open Trading” functionality, MarketAxess also executes certain bond transactions between and among institutional investor and broker-dealer clients on a riskless principal basis by serving as counterparty to both the buyer and the seller in trades which then settle through a third-party clearing organization. Orders are also directly tradeable using the Open Trading “Live Markets” protocol, which consists of an order book that provides two-way, actionable prices for certain fixed income securities. Live Markets is designed to allow Open Trading participants to anonymously submit both “live” and “subject” resting bid and offer limit orders for fixed income securities, submit aggressing limit orders to interact with resting orders, and participate in multi-party “work-up” sessions at levels established by trading activity.

Testing environment

A test environment is available for customers whenever needed except during periods of routine maintenance, which occurs on Monday to Friday between 6 pm and 7 pm ET and during weekends. Additional maintenance periods may occur upon notice.

The testing environment is a beta test environment which runs MarketAxess software intended to be launched into the MarketAxess production environment in the subsequent software release. This allows customers to test any new functionality prior to it going into production.

All bonds that MarketAxess offers in production are available for testing within the testing environment.

Fees

Users pay a monthly access fee of US\$150.00 per each authorized person with access to the System. This monthly access fee is waived during the first 90 calendar day period following commencement of a user’s access to the System. Dealer participant fees are implemented as a transaction-based commission schedule based upon volume and product category.

The LiquidityEdge Trading Platform

MarketAxess provides Canadian-based institutional clients that are “permitted clients” (as defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) access to the LiquidityEdge (LE) trading platform operated by MarketAxess’ U.S. affiliate LiquidityEdge, LLC for purposes of trading non-Canadian fixed income securities. For the purpose of accessing the LE platform, a customer located in Canada is a participant of the MarketAxess ATS. MarketAxess is the “client-facing” entity for Canadian fixed income customers.

Canadian MarketAxess customers are required enter into a supplemental agreement with MarketAxess that provides for the routing of Canadian client orders to LE. LE will continue to be responsible for the execution of trades in U.S. treasury securities on the LE platform. An

intercompany agreement has been entered into between MarketAxess and LE in respect of the routing arrangement. Orders transmitted by a customer located in Canada for a fixed income security traded in the United States will be routed and executed in accordance with the terms of the intercompany agreement.

Each order entered into the LE platform is considered a firm order, unless determined to be clearly erroneous, and is actionable and eligible for execution at any time based on its terms and conditions until such order has expired by its terms, is cancelled, changed or is executed. Once executed, it is binding on the subscriber who placed that order. The following order types are available on the LE platform: market order, limit order, iceberg order, stop limit order and midT order.

Through the LE GUI, Canadian customers can access a trading application that enables access to custom liquidity via different execution styles and trading models in an all-in-one trading environment (dealer to dealer, dealer to customer, customer to customer).

The LE platform offers two trading models: fully disclosed (pre trade and post trade attribution) and anonymous (no attribution and delayed post trade identifiers exposed to liquidity providers).

The LE platform facilitates trading of U.S. treasury securities between liquidity providers and liquidity consumers. Clients can access a comingled order book based upon their trading and execution choices.

Fees for access to the LiquidityEdge trading platform for users and dealer participants are implemented as a transaction-based commission schedule based upon volume and product category.

Policies and procedures that identify and manage any conflicts of interest arising from the operation of the ATS or the services it provides

MarketAxess maintains a Code of Conduct that includes policies and procedures that identify and manage conflicts of interest arising from the operation of the ATS and the services it provides. The Code of Conduct is summarized below.

A. In General

MarketAxess follows a policy of strict adherence to high ethical standards. In this regard, MarketAxess insists upon full compliance with all laws, rules and regulations applicable to MarketAxess personnel. Supervisory principals must be alert to, and must immediately investigate any questionable conduct by MarketAxess personnel, must make a record of the investigation and must promptly report the matter to the General Counsel or the Chief Compliance Officer (**CCO**).

B. Prohibited Activities

MarketAxess personnel may not:

- Handle discretionary accounts.
- Directly or indirectly guaranty against loss in any account or on any transaction.

- Warrant or guaranty the present or future value or price of any security or that the issuer will meet its promises or obligations.
- Agree to repurchase, at some future date, a security from any client for his/her own account, the account of MarketAxess, or for any other account.
- Raise money, or participate in the raising of money, for any company, individual, or venture, other than as an agent for MarketAxess in a transaction approved in advance by the CCO.
- Act as a personal custodian of securities, stock powers, money, or other property belonging to any client.
- Use or borrow funds or securities from any client.
- Forward, or agree to forward, confirmations or statements of accounts other than to the official post office address of any client, or change the mailing address of any client without the client's written authorization.
- Operate an account under a fictitious name in order to execute or disguise transactions that would otherwise be prohibited by MarketAxess policy or by law, regulations, or the rules of the applicable regulatory agencies.
- Divide or otherwise split commissions received in connection with the purchase or sale of securities with any person who is not a licensed broker-dealer or registered representative.
- Recommend any transaction on the basis of material non-public information.
- Give legal and/or tax advice, such as regarding the creation of trusts, joint tenancy, estate matters, or tax problems. If asked for such advice by a client, MarketAxess personnel should advise the client to consult his or her own attorney or tax adviser.
- Effect any abusive or otherwise prohibited type of transaction, including:
 - "Front running" a client order – i.e., trade in a security in advance of the execution of any pending client order with personal knowledge of the order.
 - Any transaction or series of transactions that are "wash" trades. "Wash" trades are those in which no change of beneficial ownership occurs. Similarly, no transactions may be effected that are manipulative and/or are intended to peg the price of a security or "paint the tape."
 - Insider trading.
 - Any transaction or series of transactions designed to manipulate the market for a security. Manipulative trades are those designed to raise, lower or maintain the price of a security or to create the false appearance of active trading in a security.
- Upon becoming aware of any abusive or otherwise prohibited type of transaction, MarketAxess personnel should report such behavior to a supervisor, the CCO or the General Counsel. MarketAxess will, as required, notify its relevant regulator of such behavior.

C. Confidential Information

MarketAxess personnel must treat all information relating to any order entered or transaction executed through the systems, or any other non-public information relating to any MarketAxess System subscriber, as confidential during and after employment and must take appropriate steps to protect all such information from unauthorized use and disclosure. MarketAxess personnel also must treat all information created or obtained by MarketAxess for its business purposes, such as proprietary software, as the exclusive property of MarketAxess and as confidential, both during and after employment. Accordingly, MarketAxess personnel are expected to limit disclosure of confidential information to those persons who have a “need-to-know” (*i.e.*, those persons who must have the information to serve the business purposes of MarketAxess and can be expected to maintain the information in confidence). In addition, all communications of confidential information should be conducted in a manner designed not to be overheard or seen by persons unauthorized to hear or see such information. MarketAxess has in place a set of procedures pertaining to the handling of confidential information.

D. Personal Transactions

Securities transactions in employee accounts are subject to the procedures and restrictions set forth in MarketAxess’s Personal Trading Policy. Supervisory principals are responsible for ensuring that all MarketAxess personnel under their supervision adhere to the applicable requirements set forth in these policies.

MarketAxess reviews all transactions in employee accounts. The Legal and Compliance Department is responsible for reviewing all employee account confirmations and monthly account statements for potential irregularities and conflicts of interest, as well as for frequency and type of activity.

E. Insider Trading Prohibition

The misuse of material non-public information in connection with the purchase or sale of a security or related financial instrument is a violation of MarketAxess’s policy and may result in a violation of legal and regulatory requirements, with severe criminal and civil sanctions for both the individual(s) involved and MarketAxess.

MarketAxess has in place a set of procedures concerning the handling of material, non-public information by its personnel.

F. Private Securities Transactions

No MarketAxess personnel may participate in any manner in a “private securities transaction” without prior written notice to, and approval of, the CCO. The term “private securities transaction” refers to any securities transaction effected by MarketAxess personnel outside the regular course or scope of their employment with MarketAxess, including any new offerings of securities. In general, MarketAxess will not approve a proposed private securities transaction in which any MarketAxess personnel may receive selling compensation.

G. Outside Employment or Business Interests

MarketAxess maintains a policy on outside employment and business interests. The prior approval requirement is not applicable to any volunteer activities undertaken by MarketAxess

personnel who volunteer to serve in charitable, civic or community service organizations, unless a potential conflict of interest with MarketAxess's other activities or other regulatory concerns exist.

H. Gifts and Gratuities

MarketAxess personnel may not give, directly or indirectly, any gifts or gratuities exceeding an aggregate of \$100 per individual per year, to any person, principal, employee, agent or representative of another person, where such payment or gratuity is in relation to the business of MarketAxess. Promotional items of *de minimis* value (pens, mugs, notepads) or promotional items that display the MarketAxess logo (T-shirts, vests, umbrellas, and similar items imprinted with the MarketAxess logo) may be given, provided that gifts valued in amounts above or near \$100, notwithstanding the presence of MarketAxess logos, are not eligible for the exclusion for promotional items of nominal value.

MarketAxess personnel and members of their immediate families may not receive benefits, favors, gifts or entertainment that might adversely affect the exercise of their judgment on behalf of MarketAxess or create an appearance of impropriety. MarketAxess personnel and members of their immediate families may not accept gifts or gratuities (including meals, travel, tickets to sporting events, etc.), other than those of nominal value, from any person or organization with which MarketAxess has a current or potential business relationship.

I. Extension of Credit

MarketAxess personnel may not arrange for the extension or maintenance of credit, to or for any account, that violates applicable laws.

J. Handling Funds or Securities

MarketAxess personnel may not hold any client funds or securities, other than in the context of self-clearing.