As a follow up to the Omega Securities Inc (OSI) Odd Lots Notice sent out on August 28th, OSI wishes to provide a little more information on the logic of this new feature. OSI will launch odd lots into production on **October 31, 2013**, and it is currently available to our subscribers in our Global Test Environment (GTE).

Odd lots will reside in a separate book away from the main board lot book. Odd lots cannot interact with board lots and vice versa. A mixed lot that is sent in will have the board lot and odd lot portions book in their respective books.

Omega will support the following odd/mixed lot order types:

- Day orders
- Midpoint Peg orders
- IOC (Immediate or cancel)
- FOK (fill or Kill)
- All or none (will be treated as fill or kill)
- Post-only orders
- Internal cross

Odd lot Midpoint Peg: Orders will be pegged to the Canadian Best Bid and Offer (CBBO) regardless if it is an odd lot/mixed lot/board lot.

Mixed Lot IOC: Immediate or Cancel orders will consider the odd lot portion of an order, and the board lot portion of an order separately. If you send a buy order of 150 shares, and there is an offer for 200 already shares on the book, only 100 shares or the board lot will be filled. The remaining 50 shares or odd lot portion will be canceled since the respective lots may only interact within their respective books. This is true with the reverse. If a buy order is sent with 75 shares and there is a 150 share offer on the book, 50 shares will fill and the remaining 25 shares will be cancelled.

Mixed Lot FOK: Fill or Kill orders will function similar in logic to IOCs. If a buy of 150 shares is sent to Omega ATS and there is already an offer of 100 shares on the book. The board lot portion or the 100 shares will be filled, and the odd lot portion of the order will be cancelled.

Odd lot Post-only orders: Odd lot post-only orders will consider the odd lot book and board lot book separately. If there is a bid in the board lot book for 100 shares and a Post-only sell order for 50 shares is submitted, the post-only order will be booked since there is no matching orders in the odd lot book. The same logic applies with board lot orders.

Mixed lot Post-only orders: Unlike IOC and FOK orders, mixed lot post-only orders will consider the odd lot and the board lot portions of an order as a whole. If there is a buy order of 200 shares in a book and you send a post-only offer for 150 shares the whole order, board lot and odd lot portions, will be cancelled. This is also true if there is an existing odd lot order on the book.

Order Protection Rule (OPR):

Odd lot orders will not be protected by the Order Protection Rule as they do not contribute to the CBBO.

Mixed lot orders will be protected by the Order Protection rule since they will contain a board lot portion. When a mixed lot order will be OPR re-priced, both the board lot and odd lot portions will be re-priced together. If the board lot portion of a mixed lot order will be completely filled prior to posting, the remaining odd lot order will no longer be OPR protected and will be posted at the best bid or offer price on the far side.

Quantity change and priority:

Omega will consider board lots and odd lots separately for quantity changes.

Decreasing the quantity of a board will not affect the priority of any order.

Increasing the quantity of a board lot will cause the order to lose priority.

Making any modifications to the odd lot portion of an order will cause the order to lose priority. Board lot portions of a mixed lot order will lose priority as well.

No additional tags are necessary to send an odd lot order to Omega. Simply use tag 38 (order quantity) with an odd lot/mixed lot quantity.

Market Data

Odd lots will be disseminated via the regular market data feed.

What this means for you

Consumers of our market data will need to filter out the odd lots and the odd lot portions of a mixed lot from our market data feed. Odd lots do not contribute to the CBBO and should not be considered for the purpose of maintaining a book. **This is a mandatory change for users of market data.** If this change is not made, odd lots will be considered to be part of the CBBO and will cause issues for your market data feed.

Example:

Odd Lot Order and Execution

When an order with an odd lot is sent via the market data feed, the quote and executions should be filtered into the odd lot book.

```
F    18B  50ALB       700000 1
T48288
M810
E    18  50       7 1
```

Mixed Lot Order and Execution

When a mixed lot quote is sent via the market data feed, the quote and executions for the odd lot portion should be filtered into the odd lot book. In this case, feed handlers should recognize the 50 shares as an odd lot portion and 300 shares as the board lot portion, and the execution for 50 shares as an odd lot execution. Mixed lot executions will always be split into separate board lot and odd lot executions.

M812
F   20B 350AAV   700000 1
T48290
M812
E   20 100   8 1
E   20   50   9 1
F   21S 20AAV   700000 1

Order Entry

Odd lots can be sent via your normal order entry sessions. Our system will automatically recognize odd lot and mixed lot orders.

What this means for you

If your gateway does not prevent odd lots or mixed lots from being submitted, there will be no changes necessary.

Example:

Odd Lot

Odd lot buy order for 50 shares posted to book

21=1 55=ALB 59=0 54=1 60=20130911-17:24:47 38=50 40=2 44=70.000 76=200 6751=TRADER01 6820=N 37=20130911-18 11=Order11604 17=001A18 20=0 150=0 39=0 151=50 14=0 6=0.000 31=0.000 32=0 58=New Order ACK

Active odd lot sell order for 50 shares to remove liquidity

21=1 55=ALB 59=0 54=2 60=20130911-17:24:48 38=50 40=2 44=70.000 76=201 6751=TRADER01 6820=N 37=20130911-19 11=Order11605 17=002A19 20=0 150=0 39=0 151=50 14=0 6=0.000 31=0.000 32=0 58=New Order ACK

Odd lot execution for sell 50 shares

21=1 55=ALB 59=0 54=2 60=20130911-17:24:48 38=50 40=2 44=70.000 76=201 6751=TRADER01 6820=N 37=20130911-19 11=Order11605 17=022A7 20=0 150=2 39=2 151=0 14=50 6=70.000 31=70.000 32=50 30=OMGA 9730=R 58=Order Fill

Odd lot execution for buy 50 shares

21=1 55=ALB 59=0 54=1 60=20130911-17:24:48 38=50 40=2 44=70.000 76=200 6751=TRADER01 6820=N 37=20130911-18 11=Order11604 17=021A7 20=0 150=2 39=2 151=0 14=50 6=70.000 31=70.000 32=50 30=OMGA 9730=A 58=Order Fill

Mixed Lot order posted to book

Mixed lot buy order for 350 shares posted to book

21=1 55=AAV 59=0 54=1 60=20130911-17:24:49 38=350 40=2 44=70.000 76=200 6751=TRADER01 6820=N 37=20130911-20 11=Order11606 17=001A20 20=0 150=0 39=0 151=350 14=06=0.000 31=0.000 32=0 58=New Order ACK

Active mixed lot sell order for 170 shares to remove

21=1 55=AAV 59=0 54=2 60=20130911-17:24:50 38=170 40=2 44=70.000 76=201 6751=TRADER01 6820=N 37=20130911-21 11=Order11607 17=002A21 20=0 150=0 39=0 151=170 14=0 6=0.000 31=0.000 32=0 58=New Order ACK

Board lot execution for 100 shares sell

21=1 55=AAV 59=0 54=2 60=20130911-17:24:50 38=170 40=2 44=70.000 76=201 6751=TRADER01 6820=N 37=20130911-21 11=Order11607 17=012A8 20=0 150=1 39=1 151=70 14=100 6=70.000 31=70.000 32=100 30=OMGA 9730=R 58=Partial Fill

Board lot execution for 100 shares buy

21=1 55=AAV 59=0 54=1 60=20130911-17:24:50 38=350 40=2 44=70.000 76=200 6751=TRADER01 6820=N 37=20130911-20 11=Order11606 17=011A8 20=0 150=1 39=1 151=250 14=100 6=70.000 31=70.000 32=100 30=OMGA 9730=A 58=Partial Fill

Odd lot execution for 50 shares sell

21=1 55=AAV 59=0 54=2 60=20130911-17:24:50 38=170 40=2 44=70.000 76=201 6751=TRADER01 6820=N 37=20130911-21 11=Order11607 17=012A9 20=0 150=1 39=1 151=20 14=150 6=70.000 31=70.000 32=50 30=OMGA 9730=R 58=Partial Fill

Odd lot execution for 50 shares buy

21=1 55=AAV 59=0 54=1 60=20130911-17:24:50 38=350 40=2 44=70.000 76=200 6751=TRADER01 6820=N 37=20130911-20 11=Order11606 17=011A9 20=0 150=1 39=1 151=200 14=150 6=70.000 31=70.000 32=50 30=OMGA 9730=A 58=Partial Fill