



TRADING OF CANADIAN LISTED SECURITIES - BEST EXECUTION PROCEDURES

Background and Purpose

Haywood Securities uses all reasonable efforts to ensure that its clients achieve the best execution of their orders to buy or sell Canadian listed securities that are quoted or traded on Canadian marketplaces. With the emergence of Multiple Marketplaces in Canada, effective March 9, 2006, Haywood has instituted certain procedures that may affect the manner in which its clients' Canadian securities trades are executed. This notice outlines these procedures.

Definitions

Alternative Market(s) means a Canadian marketplace that Haywood has access to which facilitates the purchase and sale of Canadian listed securities that are also listed on the Default Market.

Best Market means the marketplace with the best bid (buy price) or offer (sell price) for a client order, unless in the reasonable judgment of Haywood's trading staff the current or historical liquidity of the marketplace that has the best bid or offer will not likely be sufficient to ensure that the order has the best chance of execution. In such event, "Best Market" will mean an Alternative Market that Haywood has access to and can thereby facilitate the best execution of a client order.

Good Through Order ("GTO") means an order that is valid until filled or cancelled or until the close of business on a specified expiry date. Typically such orders are *limit orders* as discussed below.

Limit Order means an order to buy or sell a security at a specific price or "better". A *limit buy* order permits the purchase of shares at the limit price or lower. A *limit sell* order permits the sale of shares at the limit price or higher.

Market Order means an order to buy or sell securities at the prevailing market price. By definition, any order that does not have a specific price limit is a market order.

Multiple Marketplaces means the Default Market and the Alternative Market(s).

Open or Good Till Cancelled (“GTC”) means an order that is valid until filled or cancelled. Typically such orders are *limit orders* as discussed below.

Default Market means (unless otherwise notified by Haywood): (a) for securities listed on the Toronto Stock Exchange (“TSX”) and trading on one or more Alternative Market, the Default Market will be the TSX and (b) for securities listed on the TSX Venture Exchange (“TSX-V”) and trading on one or more Alternative Market, the Default Market will be the TSX-V.

Special Terms Orders (“STO”) means orders that have special terms that are executable in the regular marketplace.

Stop Loss Sell Order means an order that is specifically used in connection with a sell order where the limit price is below the existing market price. The order becomes effective when the stock price trades at or below the order limit price.

Stop Loss Buy Order means an order that is specifically used in connection with a buy order where the limit price is higher than the existing market price. The order becomes effective when the stock price trades at or above the order limit price.

Hours of Operation for Trading in Listed Canadian Securities

Haywood’s trading staff will be available for order execution of Canadian listed securities during the public trading hours of the TSX and the TSX-V which are normally between the hours of 6:30 a.m. and 1:00 p.m. Pacific Standard Time (“PST”), Monday to Friday, excluding Canadian statutory holidays. Haywood’s trading staff may be available for order execution prior to 6:30 a.m. PST or after 1:00 p.m. PST, however Haywood does not undertake to guarantee order execution services for Canadian listed securities outside of the normal trading hours of the TSX and TSX-V.

Default Marketplace

Unless otherwise expressly agreed between a client and his or her Haywood Investment Advisor an order received: (a) prior to the opening of the Default Market will be routed to the opening sequence of the Default Market for execution at the opening; and (b) an order received after the close of the Default Market will be entered the following business day to route to the opening sequence of the Default Market.

If a client expressly directs that an order be executed on an Alternative Market, the order will be valid for the duration of the hours of operation of the Alternative Market and Haywood will not assume any responsibility or liability to cancel or otherwise change the terms of the order until the opening of the Default Market the following day.

Day Orders

All orders received that are not specified as GTC or GTO will be considered a Day Order. A Day Order will only be valid if received during, and only for the duration of, the hours of the Default Market, unless expressly agreed between the client and his or her Investment Advisor that the Day Order should be posted to an Alternative Market. In

such an event, the Day Order will be valid for the duration of hours of operation of the Alternative Market. Haywood will not assume any responsibility or liability to cancel or otherwise change the terms of the order after the closure of the regular continuous market trading of the Default Market. If a Day Order is received during the hours of operation of the Default Market, the order will be entered into the Best Market at the time of entry.

GTC or GTO

GTO and GTC orders will be posted on the Default Market and will only be considered live during the hours of the Default Market, unless the client and his or her Investment Advisor expressly agree to post the GTC or GTO order on an Alternative Market. In such circumstances the order will be valid for the hours of the Alternative Market, however, Haywood will not assume any responsibility or liability to cancel or otherwise change the terms of the order until the opening of the Default Market the following day.

Market Orders

Market orders will be traded as required between the Default Market and any Alternative Market in an effort to achieve the best execution for the client, however, unless expressly agreed to between the client and his or her investment advisor, market orders will only be considered valid during the hours of operation of the Default Market.

Limit Orders and Stop Loss Orders

For the purposes of best execution, Limit Orders and Stop Loss Orders will be handled in the same manner as Day Orders.

Special Terms Orders

STO will only post to the Special Terms market of the Default Market, unless the order can be immediately executed on an Alternative Market. Regardless, STO will only be considered live during the hours of operation of the Default Market.

Trade Confirmation

If Multiple Marketplaces were used to facilitate the execution of a client order this will be disclosed on the resulting trade confirmation notice.

Amendments

From time to time Haywood may make changes to this Trading Policy. Any changes will be posted on Haywood website @ www.haywood.com.