

**APPLICATION FOR RECOGNITION OF  
AEQUITAS INNOVATIONS INC. AND  
AEQUITAS NEO EXCHANGE INC.  
AS AN EXCHANGE**

**NOTICE AND REQUEST FOR COMMENT**

**I. INTRODUCTION**

Aequitas Innovations Inc. (Aequitas) and Aequitas Neo Exchange Inc. (Aequitas Exchange) (the Applicants) have each applied to the Ontario Securities Commission for recognition as an exchange pursuant to section 21 of the *Securities Act* (Ontario).

Aequitas is a holding company currently owned by Barclays Corporation Limited, BCE Inc., CI Investments Inc., IGM Financial Inc., ITG Canada Inc., Omeris OCM Investments II Inc., PSP Public Markets Inc., RBC Dominion Securities Inc., and Brilliant Orange Holdings Ltd. The Aequitas Exchange is a wholly owned subsidiary of Aequitas. The Aequitas Exchange proposes to operate an electronic, automated exchange to trade securities of qualified issuers listed on the Aequitas Exchange as well as those listed on other recognized exchanges.

In connection with the application of Aequitas and the Aequitas Exchange for recognition as an exchange (the application), OSC staff (Staff or we) are publishing the following for a 60-day public comment period:

- Application for recognition of Aequitas and the Aequitas Exchange (Application, included at Appendix A);
- Proposed Listing Manual and Forms (Appendix B);
- Proposed Trading Policies (Appendix C);
- Proposed Member Agreement and Information Form (Appendix D);
- Proposed Market Maker Application Form and Agreement (Appendix E), and
- A draft recognition order (Appendix F).

The comment period will end on August 26, 2014. Please refer to Part IV of this notice for information on how to provide feedback.

**II. APPLICATION**

In the Application, both Aequitas and the Aequitas Exchange made representations to the Commission regarding how they will meet each of the exchange recognition criteria related to: governance, fees, access, regulation of members and listed issuers, due process, systems and technology, financial viability and reporting, clearing and settlement, transparency, outsourcing, information sharing and regulatory cooperation. The specific criteria can be found in Schedule 1 of the draft recognition order attached at Appendix F.

The market structure of the Aequitas Exchange includes four separate trading books: Lit Book, Dark Book, Neo Book and the Crossing Book. The Lit Book is a conventionally transparent market that offers both pre-trade and post-trade transparency and has a maker/taker fee model. The Dark Book offers only post-trade transparency and has a taker/taker fee model. The Neo Book is a modified transparent market that displays the aggregate size of resting orders at each price level, has post-trade transparency and offers a taker/taker fee model. The Neo Book has a feature that imposes a randomized speed bump and higher fees for active orders of certain types of participants, and in particular Latency Sensitive Traders (LSTs). Staff are currently considering the need for additional disclosure regarding the types of marketplace participants that provide liquidity in the Neo Book. The Crossing Book is available for intentional crosses between 8 am and 5 pm.

### **III. REQUEST FOR COMMENTS**

Staff are seeking comment on all aspects of the application, but request specific comment on the issues highlighted below.

#### *(i) Benefits and obligations of market makers*

The Aequitas Exchange proposes that the market maker benefits apply to the Lit, Dark and Neo books; however, market makers' obligations would only apply to the Lit and Neo books (please see sections 1(d)(ii), 1(d)(iii) and 1(d)(iv) of the Application for a description of the market makers' benefits and obligations in the Lit, Dark and Neo books, respectively). Staff request specific comment on whether it is appropriate to have obligations with respect to the Dark Book and dark pools generally and whether it is appropriate to have benefits in the Dark Book but no obligations.

#### *(ii) Market makers' commitment (MMC)*

The Aequitas Exchange proposes to allow designated market makers to commit additional dark liquidity at multiple price levels and in varying quantities within the Lit and Neo Books for securities listed on the Aequitas Exchange only (please see sections 1(d)(ii) and 1(d)(iv) of the Application for additional detail). Staff request specific feedback on whether the MMC feature provides too great an incentive to the market maker at the expense of the existing orders in the book.

#### *(iii) Listings and Cross-Listings of Investment Products*

The Aequitas Exchange has indicated that a particular focus of the Aequitas Exchange's operations will be the listing of investment funds and other exchange traded products (collectively, Investment Products). One of the ways an issuer can become a reporting issuer in Ontario is to have its securities listed and posted for trading on an exchange. This raises the concern that an Investment Product may become available to the public in Ontario through an exchange listing or cross-listing. In OSC Staff Notice 81-715 *Cross-Listings by Foreign Exchange-Traded Funds* Staff articulated our view that a cross-listing of a foreign exchange traded fund or other Investment Product securities that are in continuous distribution would

generally be considered a distribution in Ontario, requiring a prospectus to be filed. To minimize opportunities for regulatory arbitrage, it is our view that there should be a specific process or protocol put in place to inform Staff of listing or cross-listing applications. The purpose of this protocol would be to allow Staff to assess whether we have in the past recommended or would recommend a receipt for a similar investment fund product offered by prospectus in Ontario. Staff request specific feedback on the listing requirements for Investment Products.

*(iv) Emerging Market Issuers - Gatekeeper Concerns*

In OSC Staff Notice 51-719 *Emerging Markets Issuer Review* (the EM Issuer Review), Staff highlighted the important gatekeeper function to our Canadian markets played by Canadian exchanges. The EM Issuer Review recommended that Canadian exchanges assess whether additional listing requirements are needed to address the risks associated with emerging market issuers (EM Issuers) or whether additional exchange review procedures are required to evaluate whether significant risks are present and how they can be addressed. In response, TSX and TSXV are each currently developing an approach to the listing of EM Issuers. It is our view that Aequitas Exchange should develop its own targeted response to the listing of EM Issuers. The purpose of this exercise is for Aequitas Exchange to develop transparent procedures to identify and address the risks to Canadian markets associated with the listing of these issuers. Aequitas Exchange has agreed not to accept applications to list securities of EM Issuers until it has adopted listing requirements or procedures applicable to EM Issuers. Staff request specific feedback on the elements that should be included in Aequitas Exchange's requirements or procedures for EM Issuers.

*(v) Application of the Order Protection Rule*

The issue of the application of the Order Protection Rule (OPR) arises in two ways in the context of the Application. We are soliciting feedback on each issue described below.

*(a) Application of OPR to the Neo Book*

The Aequitas Neo Book, as proposed, would be considered a transparent market and therefore OPR would apply to the Neo Book at launch. This would mean that all market participants, including LSTs, would be required to direct their orders to the Neo Book if it displayed the best bid or offer. As proposed, the Neo Book will impose a speed bump and higher trading fees on LSTs. It is staff's view that the different treatment of the LST orders in the Neo Book does not unreasonably prohibit, condition or limit access to the Neo Book and Staff request comment on this matter.

However, concerns have been raised whether it is appropriate to require LSTs to route orders to a marketplace that does not treat these orders in the same manner as all others. Consequently, Staff request comments on whether it is appropriate for a market to be protected where it systematically treats one class of participant differently than another; that is, whether OPR should apply to the Neo Book in these circumstances.

*(b) Application of OPR to new marketplaces*

Staff note that, on May 15, 2014, the Canadian Securities Administrators (CSA) published for comment *Proposed Amendments to National Instrument 23-101 Trading Rules* (Proposed Amendments), including proposed amendments to OPR. In particular, the CSA is proposing to introduce a market share threshold at or above which the displayed orders on a marketplace will be protected. What this means is that the OPR obligations will only protect orders on a marketplace, or its market or facility, that has a market share at or above the threshold. In this context, and with consideration to timing, Staff are considering whether the current OPR (without regard to market share) should apply to protect orders on the Aequitas Lit Book and Neo Book (if applicable) at launch, as the launch is anticipated to occur prior to the implementation of the Proposed Amendments. More generally, Staff would like to solicit feedback on whether to interpret and apply OPR such that it does not apply to any new marketplace that launches in the time period between the publication for comment and implementation of the Proposed Amendments. Further, staff request comments on specific benefits to the market or costs and complexities that this approach would introduce.

#### **IV. COMMENT PROCESS**

Comments should be in writing and submitted by August 26, 2014 to:

Market Regulation Branch  
Ontario Securities Commission  
20 Queen Street West, 20<sup>th</sup> Floor  
Toronto, ON, M5H 3S8  
Fax: 416.595.8940  
Email: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

Comments received will be made public on the OSC website.

Questions on the content of this notice and the draft recognition order should be referred to:

Tracey Stern  
Manager, Market Regulation  
[tsstern@osc.gov.on.ca](mailto:tsstern@osc.gov.on.ca)

Ruxandra Smith  
Senior Accountant, Market Regulation  
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Questions on the content of the Application should be referred to:

Cindy Petlock  
Head of Legal, Regulatory and Compliance  
[cindy.petlock@aequin.com](mailto:cindy.petlock@aequin.com)

**AEQUITAS NEO EXCHANGE INC.**

Royal Bank Plaza, North Tower, 4th Floor  
200 Bay Street, Toronto, Ontario M5J 2W7

June 4, 2014

Ontario Securities Commission  
20 Queen Street West, Suite 1903  
Toronto, Ontario  
M5H 3S8

Attention: Susan Greenglass, Director of Market Regulation

Dear Ms. Greenglass,

**Re: Application for Recognition of Aequitas Neo Exchange Inc. (“Aequitas Neo Exchange”) and its parent company, Aequitas Innovations Inc. (“Aequitas”)**

**I. Application for Recognition of the Aequitas Neo Exchange and Aequitas**

**(a) Application for recognition of the Aequitas Neo Exchange**

This letter (the “**Application**”) sets out the application of the Aequitas Neo Exchange to the Ontario Securities Commission (the “**Commission**”) for recognition of the Aequitas Neo Exchange as an exchange in accordance with section 21(2) of the *Securities Act* (Ontario), R.S.O. 1990, c. S-5 (the “**Act**”).

**(b) Application for recognition of Aequitas**

This letter also sets out the application of Aequitas to the Commission for recognition of Aequitas as an exchange in accordance with section 21(2) of the *Securities Act* (Ontario) for the specific purpose of complying with the terms and conditions to be complied with by it, as a holding company for the Aequitas Neo Exchange, as set out in the draft recognition order published by the Commission (the “**Recognition Order**”).

**(c) Application for Exemptive Relief in Canadian Jurisdictions other than Ontario**

The Aequitas Neo Exchange will be operating as an exchange across Canada. It has applied<sup>1</sup> for an exemption from recognition for the Aequitas Neo Exchange and Aequitas from each jurisdiction in Canada, other than Ontario, on the basis of the Lead Regulator Model. The Lead Regulator

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<sup>1</sup> The exemption application will be published by the Quebec Autorité des marchés financiers concurrently with this Application.

Model is set out in a Memorandum of Understanding (“**MOU**”) among certain members of the Canadian Securities Administrators about the oversight of exchanges<sup>2</sup>.

The underlying principles of the Lead Regulator Model are based upon each recognized exchange (“**Exchange**”) having a lead regulator (“**Lead Regulator**”) responsible for its oversight, and one or more exempting regulators (“**Exempting Regulators**”). The Exempting Regulators exempt the Exchange from recognition on the basis that:

(A) the Exchange is and will continue to be recognized by the Lead Regulator as an Exchange;

(B) the Lead Regulator is responsible for conducting the regulatory oversight of the Exchange; and

(C) the Lead Regulator will inform the Exempting Regulators of its oversight activities and the Exempting Regulators will have the opportunity to raise issues concerning the oversight of the Exchange with the Lead Regulator in accordance with the MOU.

## **II. Background and Introduction to the Aequitas Neo Exchange Marketplace**

The mission statement of Aequitas is:

“To build an exchange in Canada that provides an innovative and cost-efficient marketplace which protects the interest of all investors and reflects the fundamental purpose of markets: the efficient allocation of capital between issuer and investor as a central force driving the Canadian economy.”

Aequitas was founded by a group of stakeholders who believe today's equity marketplaces, both in as well as outside of Canada, do not provide the fairness, efficiency and choice required to encourage confidence and participation by investors, issuers and dealers. Various factors, including the concentration of services in one marketplace group, a dominant market structure model favouring those with superior speed, and a lack of innovation, discourage marketplace participation rather than fostering it.

Aequitas believes that by properly leveraging issuer and investor expertise in its governance model and advisory committees, as well as by leveraging technology, efficiency and innovation, this mission can be commercially fulfilled by the Aequitas Neo Exchange<sup>3</sup>.

Within the context of today's markets, the Aequitas Neo Exchange offers a differentiated vision of how a marketplace should function and whom it should serve. Specifically, the Aequitas Neo Exchange proposes:

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<sup>2</sup> The current MOU became effective on January 1, 2010.

<sup>3</sup> The mechanisms for achieving commercial solutions for these objectives are described in detail in this Application. In particular, see the sections relating to governance, trading functionality and listing requirements.

- An ownership and governance structure that includes a broad representation of stakeholders and is built on a core founding principle to foster innovation and competition which enhance market integrity and promote the public interest;
- Advisory committees that will give investors and issuers a strong voice;
- Solutions, including listing standards, designed to achieve fairness and encourage investor confidence in Canada's equity markets, while providing issuers with a capital formation toolset that will promote their success and growth;
- Technology and a market structure model, including the features of the Neo Book, that enhance market integrity by rebalancing the market in favour of long-term investors while helping to eliminate the most prevalent speed-based and opportunistic trading strategies;
- A plan to promote fair and sustainable market making through a program which will support the liquidity needs of investors and issuers; and
- Innovative and affordable services and fees designed to place meaningful competitive pressure on incumbent players.

As part of its feasibility analysis, Aequitas engaged in extensive consultation with the Commission to review key aspects of the proposed Aequitas Neo Exchange market structure model. On August 13, 2013, Commission Staff published for comment a description of the key aspects of the proposal entitled "Notice and Request for Comments Regarding Proposed Structure of Trading Facilities for a New Exchange Proposed to be Established by Aequitas Innovations Inc." (the "RFC"). A summary of the RFC and other public consultation initiatives is attached to this Application as Appendix A.

The Aequitas Neo Exchange has taken into account and revised its proposal in response to some of the comments received and related dialogue with both industry participants and the Commission, which is reflected in the Application.

## **II. Recognition Criteria for the Aequitas Neo Exchange**

The following sets out the recognition criteria that will be applicable to the Aequitas Neo Exchange and how the Aequitas Neo Exchange proposes to achieve those criteria. The criteria are based upon the following topics:

- Governance
- Access
- Regulation of Participants and Issuers
- Rules and Rulemaking
- Due Process
- Clearing and Settlement
- Systems and Technology
- Financial Viability



- Fees
- Information Sharing and Regulatory Cooperation.

## A. Governance

### Governance Criteria

- (i) *The governance structure and governance arrangements of the Aequitas Neo Exchange and Aequitas must ensure: (a) effective oversight of the Aequitas Neo Exchange; (b) that business and regulatory decisions are in keeping with their public interest mandate; (c) fair, meaningful and diverse representation on the board of directors and any board committees; (d) policies and procedures are in place to appropriately identify and manage conflicts of interest; and (e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors; and*
- (ii) *The Aequitas Neo Exchange and Aequitas must have policies and procedures under which it will take reasonable steps, and must take such reasonable steps, to ensure that each director and officer is a fit and proper person.*

#### **1. The Aequitas Group of Companies**

Aequitas Neo Exchange was incorporated under the *Canada Business Corporations Act* (the “CBCA”) on January 17, 2014. Aequitas Neo Exchange is a wholly-owned subsidiary of Aequitas.

Aequitas was incorporated under the CBCA on May 30, 2013.

Aequitas has two additional subsidiaries: Aequitas Technology Services Inc. (“**AequiTech**”) and Aequitas Capital Link Inc. (“**AequiLink**”). AequiTech provides technology services to Aequitas and its affiliates, and will operate a smart order router. AequiLink will operate a private equity facility business.

#### **2. Aequitas Shareholders**

The founding shareholders of Aequitas (the “**Founding Shareholders**”) are Barclays Corporation Limited, BCE Inc., CI Investments Inc., IGM Financial Inc., ITG Canada Inc., OMERS OCM Investments II Inc., PSP Public Markets Inc., RBC Dominion Securities Inc. and Brilliant Orange Holdings Ltd. The Founding Shareholders (other than Brilliant Orange Holdings Ltd.) are each reporting issuers and/or regulated institutions and represent a diverse group of interests in the Canadian marketplace. As of the date hereof, each Founding Shareholder (other than Brilliant Orange Holdings Ltd.) owns or controls between 10% and 15% of the issued and outstanding voting shares of Aequitas. Brilliant Orange Holdings Ltd., the principal of which is the Chief Executive Officer of Aequitas and Aequitas Neo Exchange, owns voting shares carrying 5% of the voting power of all Aequitas voting shares, and other employees and officers of Aequitas own, directly or indirectly, voting shares having an aggregate of 4% of the voting power of all Aequitas voting shares.

Aequitas intends to issue additional voting shares in connection with a financing which is expected to be completed around the time of the commercial launch of the Aequitas Neo Exchange (“**Launch Financing**”). The Launch Financing will be offered to buy-side firms and other non-dealer issuers, and to sell-side firms (“**Launch Shareholders**”), and will be designed to expand the Aequitas shareholder base to include a diverse array of marketplace stakeholders and ensure that buy-side firms and other non-dealer issuers will hold not less than 51% of the outstanding Aequitas voting shares. Aequitas expects that each of the Launch Shareholders will have the opportunity to acquire approximately 0.5% - 5% of the voting shares of Aequitas through the Launch Financing, for an aggregated total of approximately 20%.<sup>4</sup>

Following the Launch Financing, the Aequitas shareholders are anticipated to be approximately composed of the following constituents (presented on a non-diluted basis):

Buy-Side and Issuers	55%
Sell-Side	35%
Employees and officers	10%
<b>Total</b>	<b>100%</b>

Aequitas also intends to issue incentive stock options to employees, officers and directors of Aequitas and its subsidiaries.

### **3. Objectives of the Governance Structure**

The governance structure of Aequitas Neo Exchange and Aequitas is designed to ensure:

- That Aequitas Neo Exchange’s business and regulatory decisions are in keeping with its public interest mandate;
- Fair, meaningful and diverse representation on the board of directors and any board committees, including independent director representation;
- Proper consideration and representation of the interests of the different types of persons or companies accessing the facilities and/or services of the Aequitas Neo Exchange;
- That Aequitas Neo Exchange and Aequitas have policies and procedures to appropriately identify and manage conflicts of interest;
- That each director and officer of Aequitas Neo Exchange and Aequitas is a fit and proper person; and
- That there are appropriate qualifications, remuneration, limitations of liability and indemnity provisions for directors and officers.

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<sup>4</sup> More specific details of the Launch Financing will be made public at the time of the Launch Financing.

#### **4. Aequitas and Aequitas Neo Exchange Board Structure**

##### **a. Aequitas Board and Committees**

Aequitas is a holding company with no operational responsibilities. The board of directors (“**Board**”) of Aequitas is expected to be comprised of 14 directors that reflect the diverse composition of the Aequitas shareholder base, as follows:

- four representatives nominated by buy-side and issuer (non-dealer) Founding Shareholders;
- two representatives nominated by sell-side Founding Shareholders;
- one representative nominated by buy-side and issuer (non-dealer) Launch Shareholders;
- one representative nominated by sell-side Launch Shareholders;
- five independent representatives, one of which will be the chairman of the Aequitas Neo Exchange Board; and
- the Chief Executive Officer of Aequitas Neo Exchange.

The chairman of the Aequitas Board will be a nominee director of a Founding Shareholder.

A quorum of the Aequitas Board will consist of a majority of directors with at least three of those attending being independent directors.

The Aequitas Board will have the following two standing committees: the Nominating and Governance Committee and the Finance and Audit Committee.

##### **b. The Aequitas Neo Exchange Board and Committees**

The Aequitas Neo Exchange Board is expected to be comprised of 10 directors, 5 of which will be non-independent and 5 of which will be independent. The non-independent directors are expected to be comprised of the following:

- one representative of buy-side and issuer (non-dealer) Founding Shareholders;
- one representative of sell-side Founding Shareholders;
- one representative of buy-side and issuer (non-dealer) Launch Shareholders;
- one representative of sell-side Launch Shareholders; and
- the Chief Executive Officer of the Aequitas Neo Exchange.

The chairman of the Aequitas Neo Exchange Board will be an independent director.

A quorum of the Aequitas Neo Exchange Board will consist of a majority of directors, at least 50% of whom shall be independent directors.

The Aequitas Neo Exchange Board will have four standing committees: the Regulatory Oversight Committee, the Nominating and Governance Committee, the Finance and Audit Committee and the Human Resources and Compensation Committee.

## **5. Aequitas Board Committee Structure**

### **a. Aequitas Nominating and Governance Committee**

The Aequitas Board will have a Nominating and Governance Committee comprised of no fewer than three members, at least two of whom will be independent directors. Since it is often the role of the Chairman to identify qualities or expertise of directors that would benefit the board, the Chairman of the Aequitas Board may be one of the members. The role of the Nominating and Governance Committee will be to identify and put forward for nomination qualified directors to act on the Aequitas Board. A quorum of the Nominating Committee consists of a majority of the members, at least two of whom shall be independent directors.

### **b. Aequitas Finance and Audit Committee**

The Aequitas Board will have a Finance and Audit Committee comprised of no fewer than three members, at least two of whom shall be independent directors. The Finance and Audit Committee will perform all of the typical roles of an audit committee, including reviewing and recommending approval of Aequitas' financial statements and overseeing and confirming the integrity of internal controls and audit processes, as well as recommending the appointment of the external auditors. A quorum of the Finance and Audit Committee consists of a majority of the members, at least two of whom shall be independent directors.

## **6. The Aequitas Neo Exchange Board Committee Structure**

### **a. The Aequitas Neo Exchange Regulatory Oversight Committee**

The Aequitas Neo Exchange Board will have a Regulatory Oversight Committee, comprised of no fewer than three directors, a majority of which shall be independent directors. A quorum of the Regulatory Oversight Committee will consist of a majority of the members, at least a majority of whom shall be independent directors. The Aequitas Neo Exchange Board may establish panels of members of the Regulatory Oversight Committee to review changes in the Aequitas Neo Exchange Trading Policies (“**Trading Policies**”) and listing requirements. In each case, the panel will be comprised of at least two members of the Regulatory Oversight Committee, and a quorum will consist of all members of the panel, at least one of whom shall be an independent director.

The Regulatory Oversight Committee's mandate is to oversee the performance of Aequis Neo Exchange's regulatory responsibilities, and oversee the management of conflicts of interest, and includes the following:

- reviews and decides, or makes recommendations to the Aequis Neo Exchange Board, on proposed regulations and rules that must be submitted to the Commission for review and approval under Schedule 5 of the Recognition Order;
- considers real or perceived conflicts of interest that may arise, including but not limited to the following contexts:
  - ownership interests in Aequis or in the Aequis Neo Exchange by any Aequis Neo Exchange marketplace participant with representation on the Aequis Board or the Aequis Neo Exchange Board;
  - increased concentration of ownership of Aequis or the Aequis Neo Exchange; and
  - the profit-making objective and the public interest responsibilities of the Aequis Neo Exchange, including general oversight of the management of the regulatory and public interest responsibilities of the Aequis Neo Exchange;
- oversees the establishment of mechanisms to avoid and appropriately manage conflicts of interest or potential conflicts of interest, perceived or real, including any policies and procedures that are developed by the Aequis Neo Exchange;
- monitors the operation of mechanisms that deal with conflicts of interest, including oversight of reporting of issuer regulation activities and conflicts of interest by the Aequis Neo Exchange;
- reviews regularly, and at least annually, the effectiveness of the policies and procedures regarding conflicts of interest;
- annually prepares a written report examining the avoidance and management of conflicts of interest, the mechanisms used and the effectiveness of those mechanisms and provides the report to the Aequis Neo Exchange Board promptly, and to the Commission within 30 days of providing it to the Aequis Neo Exchange Board; and
- reports in writing directly to the Commission on any matter that the Regulatory Oversight Committee deems appropriate or that is required by the Commission without first requiring the Aequis Neo Exchange Board approval for such reporting.

Aequis Neo Exchange will obtain prior approval of the Commission before implementing amendments to the mandate of the Regulatory Oversight Committee and the mandate will be publicly available on the Aequis Neo Exchange website.

**b. The Aequitas Neo Exchange Nominating Committee**

The Aequitas Neo Exchange Board will have a Nominating Committee, comprised of no fewer than three members, a majority of whom shall be independent directors. Since it is often the role of the Chairman to identify qualities or expertise of directors that would benefit the board, the Chairman of the Aequitas Neo Exchange Board may be one of the independent members. The role of the Nominating Committee will be to identify and put forward for nomination qualified directors to act on the Aequitas Neo Exchange Board. A quorum of the Nominating Committee consists of a majority of the members, at least a majority of whom shall be independent directors.

**c. The Aequitas Neo Exchange Finance and Audit Committee**

The Aequitas Neo Exchange Board will have a Finance and Audit Committee, comprised of no fewer than three members, at least 50% of whom shall be independent directors. The Finance and Audit Committee will perform all of the typical roles of an audit committee, including reviewing and recommending approval of Aequitas Neo Exchange's financial statements and overseeing and confirming the integrity of internal controls and audit processes, as well as recommending the appointment of the external auditors. A quorum of the Finance and Audit Committee consists of a majority of the members, at least 50% of whom shall be independent directors.

**d. The Aequitas Neo Exchange Human Resources and Compensation Committee**

The Aequitas Neo Exchange Board will have a Human Resources and Compensation Committee, comprised of no fewer than three members, at least 50% of whom shall be independent directors. The Human Resources and Compensation Committee will assist the Aequitas Neo Exchange Board in fulfilling its responsibilities of establishing the overall compensation philosophy, and making recommendations consistent with that philosophy, in respect of the compensation of the Aequitas Neo Exchange Board, the Chief Executive Officer and other executive officers of Aequitas Neo Exchange. A quorum of the Human Resources and Compensation Committee consists of a majority of the members, at least 50% of whom shall be independent directors.

**7. The Aequitas Neo Exchange and Aequitas Independence Standards**

The Aequitas Neo Exchange and Aequitas have established the following standards to determine whether a director is independent (the "**Independence Standards**"). An independent director is one who does not have a direct or indirect material relationship with Aequitas Neo Exchange or Aequitas, where the term "material relationship" is a relationship that could, in the view of the Aequitas Neo Exchange Board or the Aequitas Board, respectively, be reasonably expected to interfere with the exercise of the director's independent judgment. A director is independent if the director is "independent" within the meaning of section 1.4 of National Instrument 52-110 – Audit Committees ("**NI 52-110**"), as amended from time, but is not independent if the director:

- is a partner, officer, director or employee of an Aequitas Neo Exchange marketplace participant or an associate of that partner, officer or employee;

- is a partner, officer, director or employee of an affiliated entity of an Aequis Neo Exchange marketplace participant who is responsible for or is actively engaged in the day-to-day operations or activities of that Aequis Neo Exchange marketplace participant;
- is an officer or an employee of Aequis or any of its affiliates;
- is a partner, officer or employee of a Founding Shareholder or Launch Shareholder or any of its affiliated entities or an associate of that partner, officer or employee;
- is a director of a Founding Shareholder or Launch Shareholder or any of its affiliated entities or an associate of that director;
- is a person who owns or controls, or is the officer or employee of a person or company that owns or controls, directly or indirectly, more than 5% of the shares of Aequis;
- is the director of a person or company that beneficially owns or controls, directly or indirectly, more than 5% of any class or series of voting shares of Aequis;
- is a director that was nominated, and as a result appointed or elected, by a Founding Shareholder or Launch Shareholder; or
- has, or has had, any relationship with a Founding Shareholder or Launch Shareholder or a person or company that owns or controls, directly or indirectly, more than 5% of the shares of Aequis, that could, in the view of the Nominating Committee, having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgment as a director of Aequis or Aequis Neo Exchange.

The Recognition Order permits the Nominating Committee of the Aequis Neo Exchange or Aequis, respectively, to waive specific restrictions set out above where it has determined that independence is not compromised, and the Commission does not object. This allows otherwise qualified independent persons to be considered as an independent director on the Board of Aequis Neo Exchange or Aequis.

The objective of the Independence Standards is to remove anyone who has a material relationship with Aequis or its affiliates from qualifying as an independent director. The Nominating Committee of the Aequis Neo Exchange and Aequis, respectively, is charged with making recommendations to the Aequis Neo Exchange Board and Aequis Board, respectively, on the interpretation and application of the Independence Standards to the Aequis Neo Exchange directors and Aequis directors, respectively.

#### **8. Director and Officer Fitness Requirements**

The Aequis Neo Exchange and Aequis will ensure that each of its respective directors and officers is a fit and proper person so that there are reasonable grounds to believe that the business of the Aequis Neo Exchange and Aequis, respectively, will be conducted with integrity and in a manner that is consistent with the public interest.

The names and qualifications of nominee directors will be provided to the Aequitas Neo Exchange Nominating Committee or the Aequitas Nominating Committee, as applicable, to consider and determine whether the person is both fit and proper, as well as qualified. The officers will be reviewed and confirmed by the Aequitas Neo Exchange Board or the Aequitas Board, as applicable, as fit and proper.

**9. Managing potential conflicts of interest within the Aequitas Neo Exchange and Aequitas**

The Aequitas Neo Exchange and Aequitas, respectively, will adopt a conflicts of interest policy applicable to the members of the respective Board which will set out the obligations and expectations imposed upon directors in dealing with conflicts of interest and matters of confidentiality<sup>5</sup>. This policy will, among other things, provide that every director of the Aequitas Neo Exchange or Aequitas, respectively, shall, in acting in such capacity, act honestly and in good faith with a view to the best interests of the Aequitas Neo Exchange or Aequitas, respectively, and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, the policy will provide that directors must ensure that their personal interests and their duty to the Aequitas Neo Exchange or Aequitas, respectively, are not brought into conflict, and that they do not receive or obtain, directly or indirectly, a personal profit, gain or benefit (other than any fees paid as a result of acting as a director) as a result of their relationship with the Aequitas Neo Exchange or Aequitas, respectively. The conflicts of interest policy will also contain provisions requiring a director to disclose the nature and extent of any interest that he or she has in a material contract or material transaction with the Aequitas Neo Exchange or Aequitas, respectively.

In addition, the Aequitas Neo Exchange and Aequitas will establish policies and procedures that address the conflict of interest matters addressed in the Recognition Order, including conflicts arising from the interactions between the Aequitas Neo Exchange and Aequitas and its shareholders, and arising between the regulation functions and business activities of the Aequitas Neo Exchange.

In addition, the Recognition Order requires that significant shareholders of Aequitas also establish policies and procedures to manage conflicts of interest resulting from its interactions with the Aequitas Neo Exchange and Aequitas, and to maintain confidentiality.

**B. Access**

**Fair Access Criteria**

*The Aequitas Neo Exchange must establish appropriate written standards for access to its services including requirements to ensure participants are appropriately registered under Ontario securities laws, or exempted from these requirements, and such access standards and the process for obtaining, limiting and denying access must be fair, transparent and applied reasonably.*

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<sup>5</sup> A copy has been filed with the application.



The Aequitas Neo Exchange has established appropriate written standards for access to its trading and related services, including requirements that Aequitas Neo Exchange members (“**Members**”) are appropriately registered under securities laws and are dealer members of the Investment Industry Regulatory Organization of Canada (“**IIROC**”). The access standards and the process for obtaining, limiting and denying access are set out in Part III of the Trading Policies and are fair, transparent and can be applied reasonably.

Specifically, a dealer is eligible to become a Member of the Aequitas Neo Exchange if it is a dealer member in good standing of IIROC. The Aequitas Neo Exchange may refuse to approve an applicant based on past or present misconduct by the applicant or any related person, or if the applicant refuses to comply with Aequitas Neo Exchange requirements or is not qualified by reason of integrity, solvency, training or experience. Any dealer who is refused approval will have a right of appeal to the Aequitas Neo Exchange’s Regulatory Oversight Committee.

Dealers who are members of IIROC are eligible to become a Member by applying for membership and signing the Aequitas Neo Exchange member agreement (“**Member Agreement**”). Once approved, a Member must comply with all Aequitas Neo Exchange requirements as set out in the Member Agreement and the Trading Policies.

Copies of the proposed Member Agreement and the Trading Policies have been filed with this Application.

### **C. Regulation of Participants and Issuers**

#### **Regulation of Participants and Issuers Criteria**

*The Aequitas Neo Exchange must have the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of participants and issuers, monitoring their conduct, and appropriately disciplining them for violations of exchange requirement.*

The Aequitas Neo Exchange has the authority, capacity, systems and processes to undertake directly or indirectly through a regulatory services provider, its regulation functions by:

- Setting requirements governing the conduct of its Members and Listed Issuers (as defined in the Aequitas Neo Exchange Listing Manual (“**Listing Manual**”));
- Monitoring their conduct; and
- Appropriately disciplining them for violations of Aequitas Neo Exchange requirements.

The Aequitas Neo Exchange will enter into a Regulatory Services Agreement with IIROC so that IIROC will perform on its behalf market regulation services and some listed issuer services as specified in the agreement.

The Regulatory Oversight Committee will, at least annually, review the performance of IIROC and the Aequitas Neo Exchange with respect to their regulation functions and report to the Aequitas Neo Exchange Board, together with any recommendations for improvement.

## **1. Trading**

### **a. Overview**

The Aequitas Neo Exchange's market structure includes four separate trading books (each, a "**Trading Book**"): Lit Book, Neo Book™, Dark Book and Crossing Book. Each Trading Book is designed to provide specific services that may be attractive to different kinds of market participants while providing a comprehensive offering that promotes market integrity, fairness and choice. The Aequitas Neo Exchange market structure has been designed to rebalance the market in favour of long-term investors while helping to eliminate the most prevalent speed-based trading strategies that negatively impact market quality, fairness and investor and issuer confidence. The Aequitas Neo Exchange market structure also features a market maker program designed to promote reliable liquidity, quality price discovery and support the needs of investors and issuers. In addition, new features and functions have been introduced to address the evolving needs of Members and their clients.

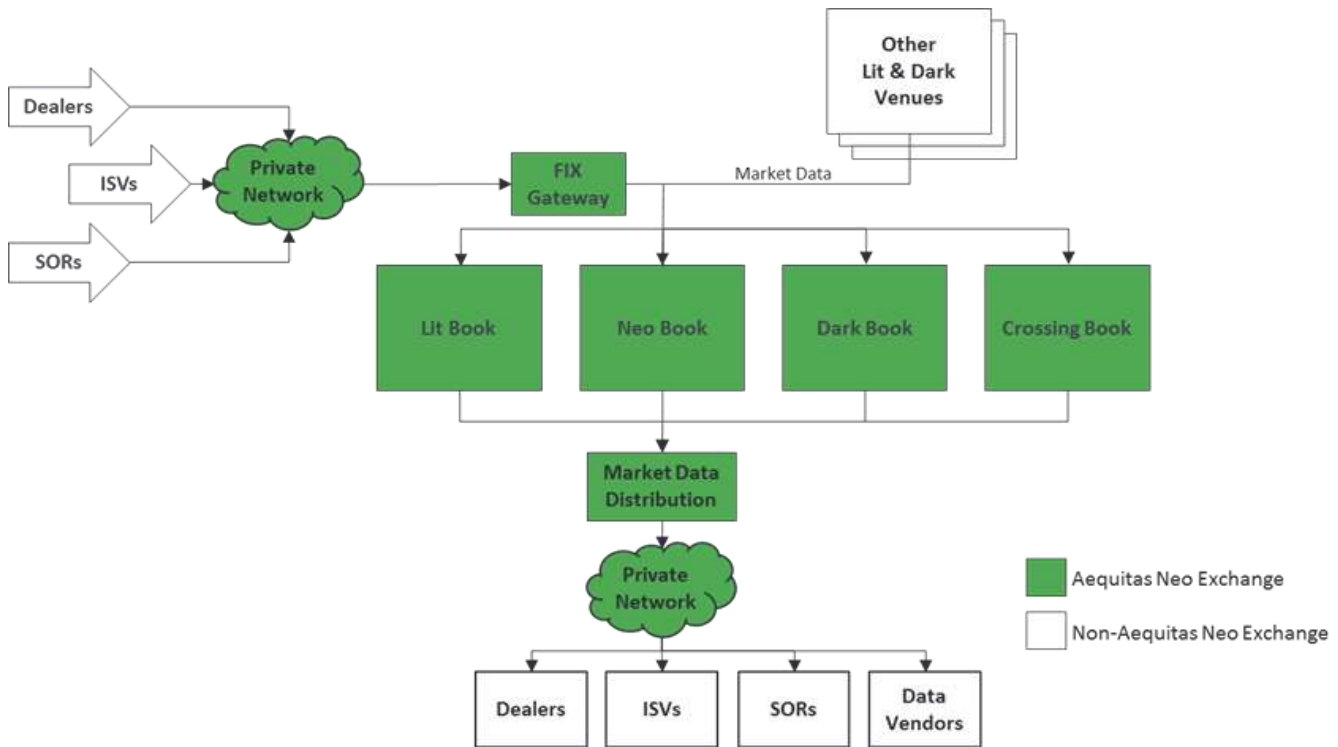
Among the many features of the Aequitas Neo Exchange market structure that help rebalance the market in favour of long-term investors and issuers, the following are expected to have the greatest impact:

- in the Lit Book, an execution priority (before time, and after price and broker-preference) for passive orders of long-term investors, which will reduce unnecessary intermediation and minimize information detection. The execution priority will allow their orders to trade before non-long-term investors that leverage speed-based strategies and to counter book layering as part of a technological front-running strategy;
- in the Neo Book™, a speed bump and higher trading fee applied to active orders from non-long-term investors that leverage speed-based strategies, coupled with a take-take fee structure and a size-time weighted execution priority (after price and broker-preference) to promote reliable liquidity and higher fill rates while minimizing technological front-running and information detection;
- in the Dark Book, segmentation of active orders from non-long-term investors that leverage speed-based strategies, coupled with a take-take fee structure and a size-time weighted execution priority (after price and broker-preference) to promote reliable liquidity and higher fill rates, while minimizing technological front-running and information detection;
- an integrated approach to trading fees across the various above mentioned Trading Books that will optimize the alignment of interests between the dealers and their long-term investor clients by providing a make-take fee in the Lit Book, where resting orders of long-term investors benefit from an execution priority, and a low take-take fee in both the Neo Book™ and the Dark Book, where liquidity taking orders of long-term investors benefit from more reliable liquidity; and
- a market making program providing committed market makers, currently sidelined by non-long-term investors that leverage speed based strategies, with the ability to benefit from

sufficient trade volume and other incentives to provide reliable liquidity without crowding out the quote.

In each of the above cases, the execution quality of long term trading strategies is expected to be improved as described above.

The following diagram illustrates the design of the Aequitas Neo Exchange market structure:



The rules governing the Aequitas Neo Exchange market structure and the conduct of Members are set out in the Trading Policies, a copy of which has been filed with this Application. Requirements related to market making are set out in the Trading Policies and the Aequitas Neo Exchange Designated Market Maker (“DMM”) Agreement, a copy of which has been filed with this Application.

The following sections provide summary descriptions of selected features of the Aequitas Neo Exchange market structure. All terms used but not defined in the following sections have the meaning given to them in the Trading Policies.

**b. Securities Traded on the Aequitas Neo Exchange**

Listed Securities (securities listed on Aequitas Neo Exchange) and Other Traded Securities (securities not listed on Aequitas Neo Exchange) will be traded on the Aequitas Neo Exchange.

**c. Overview of the Aequitas Neo Exchange Trading Policies**

The Trading Policies are organized into the following sections:

- Part I – Definitions
- Part II – Application of Policies and Authority of the Aequitas Neo Exchange
- Part III – Membership
- Part IV – Access to Trading
- Part V – Overview of Trading Books and Trading on the Aequitas Neo Exchange
- Part VI – Trading in the Lit Book
- Part VII – Trading in the Dark Book
- Part VIII – Trading in the Neo Book™
- Part IX – Printing Trades in the Crossing Book
- Part X – General Provisions Regarding Market Making
- Part XI – Order protection Rule Compliance
- Part XII – Clearing and Settlement
- Part XIII – Application of UMIR
- Part XIV – Appeals
- Part XV – Administration

**d. The Aequitas Neo Exchange Trading Books**

The following sets out key features of the Aequitas Neo Exchange Trading Books.

*(i) Overview of Trading Books – Part V of the Trading Policies*

Part V of the Trading Policies identifies the four Trading Books: Lit Book, Neo Book™, Dark Book and Crossing Book. It also discusses trading halts, price band parameters, trade cancellation, amendment and correction, and order types common to all Trading Books.

**Trading Halts**

Trading can be halted by the Market Regulator (IIROC), a securities regulatory authority such as the Commission, or the Aequitas Neo Exchange. Halting a security is considered a significant act and generally will be done by IIROC or in consultation with IIROC. However, the maintenance of fair markets and recent market events suggest that other options need to be available in the rare circumstances where the harm is obvious and immediate so that there may not be sufficient time to get a response from IIROC. However there will be clear accountability and oversight if such action is taken. If the Aequitas Neo Exchange takes action to halt trading, a report will be prepared and submitted to IIROC and the Commission for their review and follow up.

**Price Band Parameters**

The Aequitas Neo Exchange will have price band parameters to manage clearly erroneous trades, based on the variance from the NLSP and other reference prices. The applicable price bands will

be published by notice to Members.<sup>6</sup> The Aequitas Neo Exchange or the DMM for its Assigned Security may delay the opening or delay the re-opening of a security following a trading halt in the Lit Book, and the Aequitas Neo Exchange may delay the closing of a security, if during the Opening Call, Closing Call or re-opening auction, the price at which the auction would be completed exceeds the price band parameters. Two types of price bands will apply during the Continuous Trading Session in each of the Lit Book and Neo Book™: (i) “Static Price Band”, based on the variance from a reference price, which will be set each day for a security to the Opening Price for the security in the Lit Book and Neo Book™, respectively, or to another reference price; and (ii) “Dynamic Execution Limit”, based on the variance from the NLSP.

### **Novel Order Types**

Section 5.07 of the Trading Policies sets out the order types and modifiers that are common to all Trading Books.<sup>7</sup> Most of the order types and modifiers are currently available on other marketplaces. The following is a description of new order types or functions that are being introduced and are common to all Trading Books:<sup>8</sup>

A Derived Order™ is new functionality that allows a party to have a visible resting order in the Lit Book or Neo Book™ with the ability to also have access to liquidity in other Trading Books without having the risk of double fill.<sup>9</sup> There are precedents for similar order types on other markets, most noticeably “Implied Orders” on the Montreal Exchange which ties together the spread order books with the outright order books.

A Derived Order™ is a Limit Order where the market participant indicates that it would like the order replicated into other Trading Books. The possible variations are:

- A visible resting order entered on the Lit Book which is replicated as a non-visible order on the Dark Book;
- A non-visible resting order entered on the Lit Book which is replicated as a visible order on the Neo Book™ and/or a non-visible order in the Dark Book; or
- A visible resting order entered on the Neo Book™ which is replicated as a non-visible order in the Dark Book.

The main benefits of the Derived Order™ can be summarized as follows:

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<sup>6</sup> The price band parameters will be implemented in a manner consistent with regulatory requirements, including the IIROC market wide circuit breaker and single stock circuit breaker requirements.

<sup>7</sup> Order types and modifiers that are particular to one or more Trading Book (but not all Trading Books) are set out separately in the Trading Policies:

- see section 6.02 of the Trading Policies for additional modifiers available in the Lit Book;
- see section 7.02 of the Trading Policies for additional order types and modifiers available in the Dark Book;
- see section 8.02 of the Trading Policies for additional order types and modifiers available in the Neo Book™; and
- see sections 9.02 and 9.03 of the Trading Policies for cross types and additional cross attributes available in the Crossing Book.

<sup>8</sup> Novel order types and functions that are particular to one or more Trading Book (but not all Trading Books) are included in this Application with the description of the relevant Trading Book.

<sup>9</sup> A Derived Order™ may only have one visible leg, and will not result in the appearance of an order or volume that is not intended to be executable or that gives a false perception of liquidity.

- it provides the market participant with the ability to expose its resting order to active order flow within multiple books simultaneously, and hence benefit from increased liquidity; and
- it ensures that the above mentioned enhanced exposure is not leading to the risk of multiple fills of the same order.

A National Best/Pegged Order is a limit order that is automatically adjusted to changes in the NBB or NBO. A National Best order pegged to an offset within the NBBO will be a non-visible order. A National Best order pegged to the NBB (NBO) or an offset with a worse price relative to the NBB (NBO) may be visible or non-visible depending on (i) the Trading Book on which it is entered and (ii) the security being traded. Generally, less liquid securities will support visible National Best orders, and liquid securities will support non-visible National Best orders. Similar order types already exist on other markets such as Chi-X Canada Pegged Offset orders and TSX/TSXV Dark Limit orders.

The main benefits of the National Best/Pegged Order can be summarized as follows:

- it levels the playing field between market participants with a speed advantage and those who don't have one, by providing the latter with the ability to automatically have their orders adjusted when there is a change in the NBBO;
- it provides market participants with a protection mechanism for orders that would otherwise easily be taken out if someone seeks to technologically front-run them based on a change in the NBBO; and
- it enables liquidity provision with lesser risk exposure.

(ii) *The Lit Book – Part VI of the Trading Policies*

The Lit Book is described in Part VI of the Trading Policies. The following is a summary description of selected features of the Lit Book.

**Trading Sessions**

The Lit Book has the following trading sessions:

- **Opening** – A Pre-Opening, followed by an Opening Call, for Listed Securities; Aequitas Neo Exchange may also designate Other Traded Securities as eligible for the Pre-Opening and Opening Call;
- **Continuous Trading** – for Listed Securities and Other Traded Securities;
- **Closing** – A Pre-Closing, followed by a Closing Call, for Listed Securities; Aequitas Neo Exchange may also designate Other Traded Securities as eligible for the Pre-Closing and Closing Call.
- **Extended Trading** – for Listed Securities; Aequitas Neo Exchange may also designate Other Traded Securities as eligible for the Extended Trading Session.

**Opening**

During the Pre-Opening Session until the Opening Call, orders can be entered, amended or cancelled in the Lit Book. The Opening Call will be initiated by an opening message submitted by

the DMM for the security, at or after 9:30am. Immediately prior to the execution of the Opening Call, the DMM may submit an Imbalance Only<sup>10</sup> order to absorb some or all of the imbalance that may exist. The Aequis Neo Exchange or the DMM may delay the opening of an Opening Call Eligible Security if the COP differs from the previous day's Closing Price by an amount greater than the price band parameters set by Aequis Neo Exchange, or if Aequis Neo Exchange or the DMM determines that it is appropriate due to market conditions or in order to maintain a fair and orderly market. The execution priority in the Opening Call (at the COP) is by: broker preferencing, Neo Trader Orders<sup>TM</sup><sup>11</sup>, and time, as more particularly set out in sections 6.05 of the Trading Policies.

The fee model for transactions executed at the Opening Call is a take-take fee model.

### **Continuous Trading**

The Continuous Trading Session in the Lit Book features full pre-trade and post-trade transparency. The execution priority is by: price, broker preferencing, Neo Trader Orders<sup>TM</sup>, and time. In addition, the DMM for the security is allocated a specified percentage of traded volume (initially set at 15% of traded volume for the security for the day) through the "Market Maker Volume Allocation". The Market Maker Volume Allocation at a given price level exists in parallel with the execution priority, and has been designed to give the DMM a priority while at the same time addressing concerns raised during the RFC regarding the DMM priority "crowding out the quote", and in a way that minimizes the number of fills to fulfill the incoming order.

The fee model for the Continuous Trading Session in the Lit Book is a make-take fee model.

### **Closing and Extended Trading**

The Closing Call will occur at or after 4:00pm, followed by the Extended Trading Session. The execution priority in the Closing Call (at the CCP) is by: broker preferencing, Neo Trader Orders<sup>TM</sup>, and time, as more particularly set out in sections 6.11 of the Trading Policies.

The fee model for transactions executed at the Closing Call is a take-take fee model, and the fee model for the Extended Trading session is a make-take fee model.

### **Odd Lots**

The Lit Book also features an auto-execution Odd Lot Facility.

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<sup>10</sup> An "Imbalance Only" order is an order that may only interact with orders to reduce the imbalance identified in an Message during the Opening Call or Closing Call (or during a re-opening following a halt).

<sup>11</sup> A "Neo Trader Order"<sup>TM</sup> is a Limit or Market Order entered on the Lit Book which originates from a Neo Trader<sup>TM</sup> account. Neo Trader<sup>TM</sup> accounts are discussed in more detail in section III(C)(1)(d)(iv) – "Neo Book<sup>TM</sup> – Part VIII of the Trading Policies."

### **Market Maker Obligations and Benefits**

In the Lit Book, a DMM must trade for its own account in a sufficient degree to assist in the maintenance of a fair and orderly market and achieve reasonable price continuity and liquidity for its Assigned Securities. The DMM is required to meet specific obligations in the Lit Book, which include two-sided quoting requirements, size and spread percentage requirements, NBBO presence requirements and a quoting range requirement.<sup>12</sup>

The DMM also has the following additional obligations in the Lit Book:

- facilitating the opening, delayed opening, and resumption of trading following a trading halt, as specified in the Trading Policies; and
- acting as the Odd Lot dealer to auto-execute Odd Lots.

For Listed Securities, DMMs are also provided with the Market Maker Commitment feature, which is the DMM's non-visible commitment to trade a specified number of shares at specified price points in the Lit Book in reaction to incoming contra side orders. The Market Maker Commitment is modeled after the NYSE "Capital Commitment Schedule" available to NYSE market makers.<sup>13</sup>

For securities of responsibility, trade allocations through the Market Maker Volume Allocation would be the primary incentive offered to DMMs.

DMMs may also be eligible to participate in the performance bonus pool<sup>14</sup> (which utilizes similar concepts to the BATS Competitive Liquidity Provider Program) and, for Listed Securities, the issuer support program<sup>15</sup> (modeled after the NASDAQ Market Quality Program and NYSE Arca ETP Incentive Program), provided they meet or exceed their obligations across all Trading Books.

### **Other Order Types**

There are no novel order types available exclusively in the Lit Book other than those previously discussed in this section (see section 5.07 of the Trading Policies for order types and modifiers

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<sup>12</sup> To assist the DMM in meeting its quoting obligations, the DMM may use the "Market Maker Quote", which is a Limit Order only available to DMMs allowing a one or two sided National Best order with an optional peg offset (of one or more minimum trading increments) outside the NBBO that can be applied to either side of the order. In addition, the DMM will be able to submit batched orders to allow the DMM to manage obligations against a number of securities. This gives them greater efficiency to manage obligations, adjust risk positions and ensure they are conducting fair and orderly markets.

<sup>13</sup> Market Maker Commitment is described in more detail in section III(C)(1)(e) – "Designated Market Making Program – Part X of the Trading Policies".

<sup>14</sup> The Aequitas Neo Exchange will contribute an amount monthly to a performance bonus pool, to be divided proportionately between all eligible DMMs. To be eligible for a performance bonus, DMMs must meet or exceed their obligations in all securities of responsibility for the month.

<sup>15</sup> Listed Issuers may also participate in an issuer support program through which the issuer may make payments to reward its DMM for meeting the obligations set by the Aequitas Neo Exchange for the Assigned Security. The payments will be made to the Aequitas Neo Exchange, which will be responsible for monitoring and confirming that the DMM has met or exceeded its obligations prior to awarding the payment.



available in all Trading Books, and section 6.02 for all additional modifiers available in the Lit Book).<sup>16</sup>

### **Access**

There are no access restrictions in the Lit Book.

#### *(iii) The Dark Book – Part VII of the Trading Policies*

The Dark Book is described in Part VII of the Trading Policies. The following is a summary description of selected features of the Dark Book.

### **Trading Sessions**

The Dark Book has the following trading sessions, each of which is available for Listed Securities and Other Traded Securities:

- Pre-Continuous and Continuous Trading
- Mid-Point Call
- Size-Up Call

### **Pre-Continuous and Continuous Trading**

During the Pre-Continuous and Continuous Trading Sessions, Liquidity Providing Orders<sup>17</sup> submitted to the Dark Book will be booked and will not interact with any other Liquidity Providing Orders resting in the Dark Book. Only Dark Liquidity Taking Orders<sup>18</sup> may execute against Liquidity Providing Orders to take resting liquidity during the Continuous Trading Session.

The execution priority in the Dark Book during the Continuous Trading Session is by: price, broker preferencing, and Size-Time. “Size-Time” is designed to reward participants for posting larger resting orders with a time commitment on the book. Size-Time is an allocation methodology utilized in the Dark Book and Neo Book™ when multiple potential matches have been identified at a given price which applies the following criteria:

- (a) size;
- (b) priority time-stamp;
- (c) time of the last partial fill (of the order); and
- (d) remaining order volume.

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<sup>16</sup> The Lit Book and Dark Book will both support a “Minimum Acceptable Quantity” modifier, which may be applied to a non-visible Limit Order, where the user may specify a minimum size to be filled by a single execution or multiple executions.

<sup>17</sup> A “Liquidity Providing Order” is a resting order booked in the Dark Book or Neo Book.

<sup>18</sup> A “Dark Liquidity Taking Order” is an active Limit or Market FOK or FAK Order entered on the Dark Book which originates from a Neo Trader account. Neo Trader accounts are discussed in more detail in section III(C)(1)(d)(iv) – “Neo Book – Part VIII of the Trading Policies.”

After considering (a), a weighted average of (b), (c) and (d) is then calculated to obtain the “Size-Time” for the order, which determines the priority of the order relative to other resting orders. In the event that two or more orders have the same size and Size-Time, the original entry timestamp of the orders will be used to determine priority.

In addition, the DMM for the security is allocated a specified percentage of traded volume (initially set at 15% of traded volume for the security for the day) through the “Market Maker Volume Allocation”.

The fee model for the Continuous Trading session in the Dark Book is a take-take fee model. In addition, there will be a reduced fee for Dark Liquidity Taking Orders originating from Retail Customer accounts.

### **Mid-Point Call**

In addition to the Continuous Trading Session, Liquidity Providing Orders resting in the Dark Book may be designated as eligible for participation in Mid-Point Calls. Automated Mid-Point Calls occur in the Dark Book at random times every two (2) to five (5) seconds at the mid-point of the NBBO.<sup>19</sup>

The execution priority in the Dark Book during the Mid-Point Call is by: price, broker preferencing, and Size-Time.

In addition, the DMM for the security is allocated a specified percentage of traded volume (initially set at 15% of traded volume for the security for the day) through the “Market Maker Volume Allocation”.

The fee model for the Mid-Point Call session in the Dark Book is a take-take fee model. In addition, there will be a reduced fee for Dark Liquidity Taking Orders originating from Retail Customer accounts.

### **Size-Up Call**

Liquidity Providing Orders resting in the Dark Book may also be designated for participation in a Size-Up Call to promote liquidity and decrease market impact costs. Following the completion of a Mid-Point Call, the Aequitas Neo Exchange Systems will identify eligible Liquidity Providing Orders.<sup>20</sup> If eligible orders exist on both the bid and ask side, each originating Member will be notified of the opportunity to participate in a Size-Up Call. The originating Member may then commit any amount of volume to the Size-Up Call. The Size-Up Call will be executed at the execution price of the Mid-Point Call that triggered the Size-Up Call (the reference price) where

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<sup>19</sup> There are precedents for similar trading sessions on other markets, for example MATCH Now’s automated call executions which occur at randomized 5 second intervals throughout the day.

<sup>20</sup> Provided that a Liquidity Providing Order is designated for participation in Size-Up Calls and meets the minimum dollar value and volume threshold as determined by Aequitas Neo Exchange and specified by Notice, the originating Member who submitted the Liquidity Providing Order will be eligible to receive information about and participate in Size-Up Calls.

the reference price is within the NBBO at the time that the Size-Up Call is concluded. Where the reference price is at or outside the NBBO at the time that the Size-Up Call is concluded, the Size-Up Call will execute at a price that is closest to the reference price which is within the current NBBO.

The execution priority in the Dark Book during a Size-Up Call is by: broker preferencing followed by Size-Time for Liquidity Providing Orders, and then by broker preferencing followed by Size-Time for volume committed during the Size-Up Call.

In addition, the DMM for the security is allocated a specified percentage of traded volume (initially set at 15% of traded volume for the security for the day) through the “Market Maker Volume Allocation” with respect to trades against Liquidity Providing Orders only (but not with respect to the additional volume committed during the Size-Up Call).

The fee model for the Size-Up Call session in the Dark Book is a take-take fee model. In addition, there will be a reduced fee for Dark Liquidity Taking Orders originating from Retail Customer accounts.

### **Market Maker Obligations and Benefits**

Specific obligations are not imposed on DMMs in the Dark Book since quoting obligations must be visible to benefit price discovery, which runs contrary to the purpose of a “dark book”. Furthermore, trading in the Dark Book cannot take place outside of the NBBO, which acts as the true goal posts for this Trading Book, and which the DMM helps to set through the other Trading Books.

Although there are no specific quoting obligations in the Dark Book, it is expected that the DMM will be participating in the Dark Book since participation in each Trading Book is a part of its role to maintain fair and orderly markets for its Assigned Securities.

### **Transparency**

Similar to existing dark pools operating in Canada today, the Dark Book offers no pre-trade transparency. It complies with Canada’s rules regulating dark orders. This means that matching must occur at the mid-point of, or at least one standard price increment from, the NBBO, or at or better than the NBBO for active orders provided they are for at least 50 standard trading units or \$100,000 in value.

### **Other Order Types**

There are no other novel order types available in the Dark Book other than those previously discussed in this section (see section 5.07 of the Trading Policies for order types and modifiers

available in all Trading Books, and section 7.02 for all additional order types and modifiers available in the Dark Book).<sup>21</sup>

### **Access**

Dark Liquidity Taking Orders (i.e. active orders) are limited to Trader IDs that are qualified as acting for Neo Trader™ qualified accounts. This is similar to Alpha Exchange’s IntraSpread, which limits active orders to qualified retail orders.

#### *(iv) The Neo Book™ – Part VIII of the Trading Policies*

The Neo Book™ is described in Part VIII of the Trading Policies. The following is a summary description of features of the Neo Book™.

The Neo Book™ is an innovative type of execution facility where participants are rewarded for posting larger resting orders with a time commitment on the book (via Size-Time weighted matching priority), where liquidity providers are protected from technological front-running and information detection (via a speed bump and fees applied to certain active orders) and where the pre-trade price discovery is aggregated by price level to reduce information leakage. Resting orders do not match with one another and liquidity taking is restricted to FOK and FAK orders. For FOK and FAK orders that originate from a Trader ID that is not qualified as acting for Neo Trader™ qualified accounts, a speed bump and increased fee is applied.

The features of this book (including favorable pricing for retail active flow, combined with a place where liquidity provision is rewarded and protected) will have the impact of creating a book where retail flow, buy side institutional flow and market makers will interact within an environment that levels the playing field between those market participants that have a speed advantage and those who do not, restabilising reliable liquidity and investor confidence.

### **Trading Sessions**

The Neo Book™ only has a Continuous Trading Session, which is available for Listed Securities and Other Traded Securities.

### **Continuous Trading**

During the Continuous Trading Session, Liquidity Providing Orders submitted to the Neo Book™ will be booked and will not interact with any other Liquidity Providing Orders resting in the Neo Book™. Only FOK or FAK orders may execute against Liquidity Providing Orders to take resting

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<sup>21</sup> The Lit Book and Dark Book will both support a “Minimum Acceptable Quantity” modifier, which may be applied to a non-visible Limit Order, where the user may specify a minimum size to be filled by a single execution or multiple executions.

liquidity during the Continuous Trading Session. There will be two FOK/FAK order types: Neo Take Orders<sup>TM22</sup> and LST Take Orders.<sup>23</sup>

The execution priority in the Neo Book<sup>TM</sup> during the Continuous Trading Session is by: price, broker preferencing, and Size-Time. In addition, the DMM for the security is allocated a specified percentage of volume of shares traded (initially set at 15% of traded volume for the security for the day) through the “Market Maker Volume Allocation”.

The Neo Book<sup>TM</sup> fee model is a take/take model, not a maker/taker fee model. In addition, there is a reduced fee for Neo Take Orders<sup>TM</sup> originating from Retail Customer accounts, and, as discussed above, a higher fee will be applied to LST Take Orders.

### **Market Making Obligations and Benefits**

In the Neo Book<sup>TM</sup>, a DMM must trade for its own account in a sufficient degree to assist in the maintenance of a fair and orderly market and achieve reasonable price continuity and liquidity for its Assigned Securities. The DMM is required to meet specific obligations in the Neo Book<sup>TM</sup>, which include two-sided quoting requirements, size and spread percentage requirements, NBBO presence requirements and a quoting range requirement.<sup>24</sup>

For Listed Securities, DMMs are also provided with the Market Maker Commitment feature in the Neo Book<sup>TM</sup>, which is the DMM's non-visible commitment to trade a specified number of shares at specified price points in the Neo Book<sup>TM</sup> in reaction to incoming contra side orders. The Market Maker Commitment is modeled after the NYSE “Capital Commitment Schedule” available to NYSE market makers.<sup>25</sup>

For securities of responsibility, execution allocations through the Market Maker Volume Allocation would be the primary incentive offered to DMMs.

DMMs may also be eligible to participate in the performance bonus pool and, for Listed Securities, the issuer support program.

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<sup>22</sup> A “Neo Take Order”<sup>TM</sup> is an active Limit or Market FOK or FAK Order entered on the Neo Book<sup>TM</sup> which originates from a Neo Trader<sup>TM</sup> account.

<sup>23</sup> An “LST Take Order” is an active Limit or Market FOK or FAK Order entered on the Neo Book<sup>TM</sup> which originates from an LST account.

<sup>24</sup> To assist the DMM in meeting its quoting obligations, the DMM may use the “Market Maker Quote”, which is a Limit Order only available to DMMs allowing a one or two sided National Best order with an optional peg offset (of one or more minimum trading increments) outside the NBBO that can be applied to either side of the order. In addition, the DMM will be able to submit batched orders to allow the DMM to manage obligations against a number of securities. This gives them greater efficiency to manage obligations, adjust risk positions and ensure they are conducting fair and orderly markets.

<sup>25</sup> Market Maker Commitment is described in more detail in section III(C)(1)(e) – “Designated Market Making Program – Part X of the Trading Policies”.

## Transparency

The Neo Book™ is a protected lit book that has both pre-trade and post-trade transparency. The Neo Book™ displays the aggregate size of resting orders at each price level (market by price and not market by order). This information will be available to the approved Information Processor and to all data vendors. In addition, the volume of hidden orders pegged to the mid-point of the NBBO, or to an offset inside the NBBO, will be also be aggregated together with displayed volume at the NBBO. The hidden orders will comply with the Dark Rules.

## Novel Order Types

The following are novel order types available on the Neo Book™ (see section 5.07 of the Trading Policies for order types and modifiers available in all Trading Books, and section 8.02 for all additional order types and modifiers available in the Neo Book™):

- An “LST Take Order” is an active Limit or Market FOK or FAK Order entered on the Neo Book™ which originates from an LST account.
- A “Neo Take Order™” is an active Limit or Market FOK or FAK Order entered on the Neo Book™ which originates from a Neo Trader™ account.

As set out in the Trading Policies, “Neo Trader™” orders are orders that cannot be entered through a Trader ID that sends orders from:

- an arbitrage account;
- the account of a person with Designated Market Maker obligations; or
- an account for which trading strategies are automated and which generally do not carry net long or short overnight positions (i.e. is non-directional or market neutral);

but may be sent from a principal account that has acquired during a trading day a position in a particular security in a transaction with a client that is unwound during the balance of the trading day such that, in the ordinary course, the account does not have, at the end of each trading day, more than a nominal position, whether short or long, in a particular security (a facilitation account).

The definitions have been revised from those included in the RFC so that they do not rely on the “short-marking exempt” (SME) marker. At no time has Aequitas Neo Exchange intended to create definitions that are based solely on predatory trading strategies. Aequitas Neo Exchange has focused on creating a level playing field for those who do, and those who do not have technology advantages who therefore are susceptible and less able to defend against predatory trading strategies. In establishing the definitions, Aequitas Neo Exchange not only took into consideration its business objectives but also the need for implementation and compliance by it and its Members to be practical and cost efficient.

In order to implement the different Neo Trader™ and LST orders and priority, Aequitas Neo Exchange will require that Members certify which Trader IDs are qualified as acting for qualified Neo Trader™ accounts, and that they have policies and procedures to confirm that they have properly identified the Trader IDs. This approach to implementation is consistent with NYSE's approach to the RLP program.

Aequitas Neo Exchange intends to review the behavior of the Trader IDs on a regular basis to confirm that the orders and trades being generated by that Trader ID are consistent with a long term investor's trading strategy.

As indicated in the Trading Policies, Aequitas Neo Exchange will use the following checks:

- the alpha value of trading on specific securities at end of day;
- message rates within our books to see if trading patterns are consistent;
- order to trade ratios within our books;
- inconsistent use of markers (proprietary, market maker, etc.); and
- positions in securities (whether consistently neutral or not).

Aequitas Neo Exchange may also ask to review a Member's policies and procedures if Aequitas Neo Exchange become aware of an issue. Another option available to Aequitas Neo Exchange is to request that Members provide information regarding specific Trader IDs in order to determine that the Trader ID has been properly identified and qualified.

### Access

LST Take Orders will pay a higher fee for executions and will be subject to a "speed bump", which is a randomized delay imposed by Aequitas Neo Exchange before the order is entered into the Neo Book™. The duration of the delay will be determined by Aequitas Neo Exchange and be published by Notice to Members, and is initially set at a randomized duration of between 3 to 9 milliseconds. The objective of the disincentives applied to LST Take Orders is to create a level playing field between those who rely on speed and leverage rebates in other marketplaces.

In its original proposal in the RFC, Aequitas sought to counter certain trading strategies by prohibiting orders of "high frequency traders" (HFT) from taking liquidity in the proposed "Hybrid Book". This approach was based on prohibiting access. Aequitas has since agreed that it could also achieve its objectives by applying meaningful disincentives to orders from trader ids which have speed advantages in the Neo Book™ while, at the same time, subjecting the Neo Book™ to OPR because it will be a protected market. This current approach does not rely on prohibiting access to any group of market participants.

The two disincentives that were considered by Aequitas Neo Exchange and which can effectively deter those trading strategies are: (i) uneconomic transaction fees applied to the targeted trading strategies; and/or (ii) suppression of the speed advantage (speed bump) when executing those strategies. Uneconomic transaction fees discourage HFT strategies that are based on executing numerous transactions for small profits. Likewise, a speed bump allows liquidity providers to react

before an HFT strategy overruns them. These two disincentives will level the playing field and provide protection for long term investors.

In order for a fee disincentive by itself to be effective in deterring the targeted HFT strategies and rebalancing speed advantages, Aequitas Neo Exchange concluded that the active fee for these orders should be at or close to a trading increment. However, due to concerns regarding the precedent this would set for fees in Canadian markets, Aequitas Neo Exchange decided to explore implementing a speed bump to achieve its objectives.

In order for a speed bump disincentive to be effective by itself and allow liquidity providers to react before an HFT or other speed based strategy overruns them, Aequitas Neo Exchange concluded the delay should be approximately 5 seconds based on the estimated time for a manual human response to new information in the market.

In order to avoid unintended consequences resulting from such a delay, Aequitas Neo Exchange proposes combining a “35 mils per share” take fee (tiered fee) and a random 3-9 milliseconds “speed bump” for active LST orders in its Neo Book™. This particular combination of parameters was chosen for the following reasons:

- Take Fee: 35 mils per share is currently the highest active fee applied in the Canadian market (this will be adjusted when the highest active fee, and related passive rebate, in the market is changed);
- Speed Bump Non co-located investors with automated trading strategies require around 5 milliseconds more to react to a market event than co-located HFTs with a speed advantage, based on the following considerations:
  - the time it takes a custom trading system to process market events and generate orders compared to the automated tools that exist within off-the-shelf commercial execution management systems commonly used by investors;
  - the time it takes for data to travel to and from a non-co-located data center in comparison to the time it takes within a co-located data center (considering the current layout of established data centers in the Toronto region);
  - the time it takes a functionally rich order management system, as used by a broker / dealer, to process client orders in comparison to the time it takes a proprietary trading firm to interact with the market without having to go through an intermediary.

In conclusion, the Neo Book™ solution, in contrast to the “Hybrid Book” proposal originally described in the RFC, does not prohibit access for any liquidity takers and does not raise any Fair Access concerns. The proposed solution merely imposes a disincentive on certain order flow seeking to access the Neo Book™. There are many examples of marketplaces using fees and technology services to provide incentives for certain order flow which provide precedent for the



fact that differentiated treatment can be consistent with the basic principle of Fair Access in lit markets.

In addition, the Neo Book™ solution will be a lit book subject to OPR, will set the NBBO, and will display all price levels. In contrast to the Hybrid Book proposal described in the RFC, the Neo Book™ will not raise any Dark Rule concerns.

The proposed Neo Book solution re-establishes a level playing field between market participants benefitting or not from a speed advantage.

(v) *The Crossing Book – Part IX of the Trading Policies*

The Crossing Book is described in Part IX of the Trading Policies. The following is a summary description of selected features of the Crossing Book.

*Sessions*

The Crossing Book will be available to enter intentional crosses and print trades. Marketplace participants will be able to enter Bypass, National and Non-Aequitas Crosses.

The Crossing Book fee model is a single fee (or rebate) by transactions reported.

*Access considerations*

Anyone will be able to enter crosses in the Crossing Book.

e. **Designated Market Making Program – Part X of the Trading Policies**

The Aequitas Neo Exchange market structure includes a robust market making program for both Listed Securities and Other Traded Securities. Aequitas Neo Exchange requires that a DMM be a Member of the Aequitas Neo Exchange and an IIROC dealer-member. The specific obligations and benefits applicable to each book are set out under the sections describing the Trading Books. This section describes the mechanics of how the program works and includes a summary of what is applicable in each of the Trading Books.

The Aequitas Neo Exchange market making program is designed to revive the role of the traditional market maker in the Canadian equity markets, leveraging technology and market structure innovation. The program fosters the provision of true liquidity and quality price discovery by striking the right balance between the market makers obligations and benefits.

A DMM must trade for its own account in a sufficient degree to assist in the maintenance of a fair and orderly market and achieve reasonable price continuity and liquidity for its Assigned Securities in each of the Lit Book, Neo Book™ and Dark Book.

The DMM also has the following obligations for its Assigned Securities:

- two-sided quoting requirements, size and spread percentage requirements, NBBO presence requirements and a quoting range requirement (Lit Book and Neo Book™);
- facilitating the opening, delayed opening, and resumption of trading following a trading halt, as specified in the Trading Policies (Lit Book); and
- acting as the Odd Lot dealer to auto-execute Odd Lots (Lit Book).

For Listed Securities, DMMs are also provided with the Market Maker Commitment (MMC) feature in the Lit Book and the Neo Book™, which is the DMM's non-visible commitment to trade a specified number of shares at specified price points in reaction to incoming contra side orders. The Market Maker Commitment is modeled after the NYSE “Capital Commitment Schedule”<sup>26</sup> available to NYSE market makers.

The MMC is a mechanism where DMM’s, for their Assigned Securities, can specify non-visible volume at different price levels in each of the Lit Book and Neo Book™, respectively. The MMC primarily comes into play in the event there is an incoming active order that would trade through multiple price levels. The system will calculate the completion price of such an order taking into account the visible and non-visible volume (excluding MMC) that exists in the book. MMC volume will participate in the execution at a price level which is better than the completion price and for which there is the most MMC volume. For each incoming active order, MMC may only participate once (at one price level), and the MMC only participates if it provides price improvement.<sup>27</sup>

The main benefits of the Market Maker Commitment function can be summarized as follows:

- it allows DMMs to provide additional liquidity in support of a security;
- it allows for the management of major price swings, in combination with the application of static price bands, like the ones evident during the Flash Crash in 2010;
- it allows the DMM to dampen a price decline or increase; and
- it provides price improvement for the incoming order.

The obligation to maintain fair and orderly markets has an impact on the Lit Book, Neo Book™ and Dark Book. No specific obligations are imposed on DMMs in the Dark Book since quoting obligations must be visible to benefit price discovery, which runs contrary to the purpose of a “dark book”. Furthermore, trading in the Dark Book cannot take place outside of the NBBO, which acts as the true goal posts for this Trading Book, and which the DMM helps to set through the other Trading Books.

See the descriptions in the sections above for additional details regarding DMM obligations in each of the Trading Books.

For securities of responsibility, execution allocations through the Market Maker Volume Allocation would be the primary incentive offered to DMMs. The Market Maker Volume

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<sup>26</sup> [http://nyserules.nyse.com/nyse/rules/nyse-rules/chp\\_1\\_13/default.asp](http://nyserules.nyse.com/nyse/rules/nyse-rules/chp_1_13/default.asp)

<sup>27</sup> MMC may also be available where an active order would be fully filled at or within the NBBO (in which case the MMC volume will participate at or within the NBBO) or where an active order would not be fully filled and the balance would be cancelled or booked (in which case the MMC volume will participate at the worst price before the balance of the order is cancelled or booked). See Section 10.03 of the Trading Policies.

Allocation at a given price level exists in parallel with the execution priorities as defined in each Trading Book, and has been designed to give the DMM a priority while at the same time addressing concerns raised during the RFC regarding the DMM priority “crowding out the quote”, and minimizing the number of fills to fulfill the incoming order. Aequitas Neo Exchange believes that granting priority in the Trading Books will be a valued functional benefit for DMMs, and, importantly, one that does not rely on a financial subsidy based on make-take fees.

DMMs may also be eligible to participate in the performance bonus pool (which utilizes similar concepts to the BATS Competitive Liquidity Provider Program) and in addition, for Listed Securities, the issuer support program (modeled after the NASDAQ Market Quality Program and NYSE Arca ETP Incentive Program).

- For the performance bonus pool, Aequitas Neo Exchange will contribute an amount monthly to a performance bonus pool, to be divided between all eligible DMMs. To be eligible for a performance bonus, DMMs must meet or exceed their obligations in all of its Assigned Securities for the month across all Trading Books.
- For the issuer support program, Listed Issuers may make payments to reward its DMM for meeting the obligations set by Aequitas Neo Exchange for the Assigned Security. The payments will be made to Aequitas Neo Exchange, which will be responsible for monitoring and confirming that the DMM has met or exceeded its obligations prior to awarding the payment.

To assist the DMM in meeting its quoting obligations, the DMM may use the “Market Maker Quote”, which is a Limit Order only available to DMMs allowing a one or two sided National Best order with an optional peg offset (of one or more minimum trading increments) outside the NBBO that can be applied to either side of the order. In addition, the DMM will be able to submit batched orders to allow the DMM to manage obligations against a number of securities. This gives them greater efficiency to manage obligations, adjust risk positions and ensure they are conducting fair and orderly markets.

The benefits and the obligations are properly balanced to provide the appropriate incentives for the market makers to commit capital and resources to this program.

**f. Order Protection Rule (OPR) Compliance – Part XI of the Trading Policies**

In the Lit Book, an order must be designated DAO, Protect and Cancel or Protect and Reprice; Aequitas Neo Exchange will not re-route orders to other marketplaces.

For the Neo Book™, a Liquidity Providing Order (i.e. passive orders) must be designated as DAO, Protect and Cancel or Protect and Reprice; Aequitas Neo Exchange will not re-route orders to other marketplaces.

Active orders in the Neo Book™ (i.e. LST Take Orders and Neo Take Orders™) must be designated DAO or Protect and Cancel; Aequitas Neo Exchange will not re-route orders to other marketplaces. LST Take Orders whether or not marked DAO will be checked for OPR compliance

after the speed bump is applied, and will be rejected if there is a better priced order on another protected marketplace.

## 2. Data

The Aequitas Neo Exchange will be a data contributor to the TSX Inc. Information Processor. In addition, the Aequitas Neo Exchange has multiple arrangements for the distribution of pre-trade and post-trade information and this information will be available to all Members on an equitable basis.

## 3. Listing

The Aequitas Neo Exchange's approach to listing is based on the following principles:

- clear, objective standards that provide consistent and efficient decision making;
- initial listing standards that are equivalent to or more onerous than current Canadian senior listing standards;
- separate listing standards for general (corporate) issuers, closed-end funds, exchange-traded funds and other exchange traded products to acknowledge the different nature and needs of the various types of issuers;
- advance notice requirements of material transactions or where there is significant related person participation to provide Aequitas Neo Exchange with the opportunity to confirm compliance with Aequitas Neo Exchange requirements and review for public interest (market integrity) concerns, Aequitas Neo Exchange approval of transactions is required only in limited circumstances; and
- enhanced corporate governance requirements generally, and shareholder approval requirements for threshold transactions or where there is significant related person participation.

Issuers that meet the criteria set out in the Listing Manual can apply to Aequitas Neo Exchange to qualify their securities for listing, and must thereafter comply with the requirements set out in the Listing Manual. The Listing Manual also sets out various powers to monitor compliance of Listed Issuers, and to discipline, suspend or delist Listed Issuers in circumstances of non-compliance. The topics covered in the Listing Manual are:

- Part I – Definitions, Interpretation and General Discretion
- Part II – Original Listing Requirements
- Part III – Continuous Listing Requirements
- Part IV – Ongoing Requirements and Posting Requirements
- Part V – Timely Disclosure
- Part VI – Dividends and Other Distributions
- Part VII – Corporate Finance and Capital Structure Changes
- Part VIII – Significant Transactions
- Part IX – Reverse Takeover Transactions
- Part X – Corporate Governance and Security Holder Approval
- Part XI – Suspensions, Delisting and Other Remedial Actions
- Part XII – Appeals

A copy of the Listing Manual has been filed with this Application.

**a. Original Listing Standards – Part II of the Listing Manual**

For general (corporate) issuers, the initial listing standards are as follows: Equity Standard, Net Income Standard and the Market Value Standard. The initial listing requirements for general (corporate) issuers are summarized below:

<b>Requirement</b>	<b>Equity Standard</b>	<b>Net Income Standard</b>	<b>Market Value Standard</b>
Shareholders' Equity	\$5 million	\$4 million	\$5 million
Market Value of Public Float	\$15 million	\$5 million	\$15 million
Net Income	-	\$750,000	-
Market Value of Listed Securities	-	-	\$50 million*
Operating History	2 years	-	-
Minimum Price	\$2 per share	\$2 per share	\$2 per share
Public Float	1 million	1 million	1 million
Shareholders - Public, Board Lot	300	300	300
Analyst / Investor Relations Req.	Yes	Yes	Yes

\* must meet the market value requirement for 90 consecutive trading days.

In addition, an investment issuer (an issuer that does not have an operating business) may qualify for listing where the issuer is not an “investment fund” within the meaning of the Act, provided it has adopted an investment policy and satisfies the listing criteria for general (corporate) issuers (provided that the issuer is not required to satisfy the 2 year operating history requirement, if applying under the Equity Standard, nor the analyst coverage / investor relations requirement).

The initial listing requirements for closed-end funds, exchange traded funds, other exchange-traded products and other exchange-traded products that have debt-like characteristics, are summarized below:

<b>Criteria</b>	<b>Closed-End Fund</b>	<b>Exchange-Traded Fund</b>	<b>Other Exchange-Traded Product</b>	<b>Other Exchange-Traded Product - Debt</b>
Distribution	1 million securities and 300 board lot holders	100,000 securities	1 million securities and 300 board lot holders (unless exemption appropriate)	1 million securities and 300 board lot holders (unless exemption appropriate)
Value	NAV of \$20 million	NAV or \$2 million, or NAV of \$1 million and part of family having a NAV of \$10 million	\$4 million (unless exemption appropriate)	\$4 million (unless exemption appropriate)
Size and nature of issuer	-	-	Listed company (or affiliate), or trust company, asset manager or financial institution with substantial capital, surplus and experience, and  Assets in excess of \$100 million	Listed company (or affiliate), or trust company, asset manager or financial institution with substantial capital, surplus and experience, and  Assets in excess of \$100 million, and  Minimum tangible net worth in excess of \$100 million
Net Asset Value (NAV) calculation and dissemination	Daily	Daily	Daily (where appropriate for the product)	Daily (where appropriate for the product)

Criteria	Closed-End Fund	Exchange-Traded Fund	Other Exchange-Traded Product	Other Exchange-Traded Product - Debt
Intra-Day Indicative Value calculation	-	Continuous	Continuous (for the product or the underlying, where appropriate for the product)	Continuous (for the product or the underlying, where appropriate for the product)
Underlying asset criteria	No specific requirement.  Characteristics of underlying generally considered as part of suitability assessment.	No specific requirement.  Characteristics of underlying generally considered as part of suitability assessment.	No specific requirement.  Characteristics of underlying generally considered as part of suitability assessment.	No specific requirement.  Characteristics of underlying generally considered as part of suitability assessment.
Term	-	-	-	Maximum of thirty years

**b. Corporate Governance and Shareholder Approval**

Aequitas Neo Exchange supports strong corporate governance and shareholder approval requirements as a substitute for the exchange’s discretionary merit review of corporate transactions. This reduces the uncertainty regarding results and time associated with discretionary reviews.

For general corporate issuers there must be at least one-third unrelated directors, annual individual election, and a majority voting requirement. The Audit Committees must be constituted consistent with NI 52-110. In addition, the Compensation and Nominating and Corporate Governance Committees must have a majority of unrelated directors.

Security holder approval is required for specified securities offerings and acquisitions. In addition there must be security holder approval of adoption and material amendment of security based compensation arrangements and shareholder rights plans.

**c. Listed Issuers will be treated as “non-venture issuers”**

All issuers listing on the Aequitas Neo Exchange are required to comply with securities laws applicable to “non-venture issuers”.

## D. Rules and Rulemaking

### **Rules and Rulemaking Criteria**

*The Aequitas Neo Exchange must have rules, policies, and other similar instruments that are designed to (i) appropriately govern and regulate the operations and activities of participants and issuers, (ii) ensure a fair and orderly market, and (iii) provide a framework for disciplinary and enforcement actions.*

The Aequitas Neo Exchange has established, or will establish, rules, policies and other similar instruments (“**Rules**”) designed to govern the operations and activities of Members and Listed Issuers and designed to:

- Ensure compliance with securities legislation;
- Prevent fraudulent and manipulative acts and practices;
- Promote just and equitable principles of trade;
- Provide for appropriate sanctions for violations of Aequitas Neo Exchange Rules;
- Ensure a fair and orderly market; and
- Provide a framework for disciplinary and enforcement actions.

The Aequitas Neo Exchange will be executing a Regulatory Services Agreement with IIROC regarding UMIRs.

The Aequitas Neo Exchange will comply with the process for review and approval of Rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in the Recognition Order.

The Regulatory Oversight Committee is responsible for reviewing and deciding, or making recommendations to the Aequitas Neo Exchange Board, on proposed regulation rules that must be submitted to the Commission under Schedule 5 of the Recognition Order, and to periodically, and at least annually, prepare a written report providing details of the Regulatory Oversight Committee’s review of any regulation rules and in particular any issues or concerns that arose with respect to the rules, and provide the report to the Aequitas Neo Exchange Board promptly, and to the Commission within 30 days of providing it to the Aequitas Neo Exchange Board.

## E. Due Process

### **Due Process Criteria**

*For any decision made by the Aequitas Neo Exchange that affects a participant or issuer, or an applicant to be a participant or issuer, including a decision in relation to access, listing, exemptions, or discipline, the Aequitas Neo Exchange must ensure that: (i) parties are given an opportunity to be heard or make representations, and (ii) it keeps a record of, gives reasons for and provides for appeals or reviews of its decisions.*



The Aequitas Neo Exchange's requirements relating to access, listing, exemptions and discipline will be fair and reasonable. For all decisions made by the Aequitas Neo Exchange in the administration of the Trading Policies or the Listing Manual that affect a Member or Listed Issuer, the Aequitas Neo Exchange will keep a record of and provide its reasons, and the affected party will be given an opportunity to appeal to the Regulatory Oversight Committee. In addition, if the affected party wishes to appeal the decision of the Regulatory Oversight Committee, it has the right to pursue either arbitration (if applicable) or its other rights under securities law, including requesting review of the decision by the Commission.

## **F. Clearing and Settlement**

### **Clearing and Settlement Criteria**

*The Aequitas Neo Exchange must have appropriate arrangements for the clearing and settlement of trades.*

The Aequitas Neo Exchange will have appropriate arrangements for enabling the clearing and settlement of transactions, and all trades will be cleared and settled through a recognized clearing agency. The Aequitas Neo Exchange will require all Members to have appropriate clearing arrangements in place.

## **G. Systems and Technology**

### **Systems and Technology, and Information Risk Management Criteria**

*The Aequitas Neo Exchange must have appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.*

The Aequitas Neo Exchange will establish appropriate risk management procedures, including those that handle trading errors, trading halts and circuit breakers. Such operational procedures will be developed in connection with the design and implementation of the Aequitas Neo Exchange's trading platform technology.

In addition the Aequitas Neo Exchange's trading platform will be implemented with full redundancy using both a primary and secondary data center. The trading platform will be available and accessible from both the primary and secondary data center. All systems and technology implemented will have fulfilled industry-specific standards and controls pertaining to development, testing, and deployment of the operational environment.

## **H. Financial Viability and Reporting**

### **Financial Viability Criteria**

*The Aequitas Neo Exchange must have sufficient financial resources for the proper performance of its functions and to meet its responsibilities.*

Aequitas has completed two rounds of financing and intends to complete the Launch Financing concurrent with the commercial launch of the Aequitas Neo Exchange. Some or all of the funds raised by Aequitas will be used to capitalize the Aequitas Neo Exchange for the following purposes:

- implementation of the technology and human capital as determined in the Aequitas Neo Exchange business plans;
- pursuing regulatory approvals;
- Member relationship management and Member on-boarding;
- pilot testing and “go-live” rehearsal;
- commencing operations of the Aequitas Neo Exchange marketplace;
- meet current expenditures; and
- fund the capital and operating plan as determined in the Aequitas Neo Exchange business plans, up to the point of cash flow breakeven.

The Aequitas Neo Exchange will maintain sufficient financial resources for the proper performance of its functions and to meet its responsibilities. On a quarterly basis, the Aequitas Neo Exchange will provide the Commission with unaudited financial statements and a calculation of certain liquidity, debt coverage and financial leverage measures as set out in the Recognition Order.

The Aequitas Neo Exchange will file with the Commission annual audited financial statements within 90 days after the end of each financial year. In addition, the Aequitas Neo Exchange will file with the Commission its financial budget for the year, together with underlying assumptions, as approved by the Aequitas Neo Exchange Board, within 30 days of the commencement of each financial year.

## **I. Fees**

### **Fees Criteria**

*(i) All fees imposed by the Aequitas Neo Exchange must be reasonable and equitably allocated and consistent with the requirements in Ontario securities laws, and (ii) the process for setting fees must be fair and appropriate, and the fee model transparent.*

All fees imposed by the Aequitas Neo Exchange will be equitably allocated and will not have the effect of creating unreasonable barriers to access. The Aequitas Neo Exchange’s process for setting fees will be fair, appropriate and its fees will be fully transparent. In addition, with respect to the execution of an order, the Aequitas Neo Exchange will not impose terms that have the effect of discriminating between orders that are routed to the Aequitas Neo Exchange from other marketplaces and orders that are entered on the Aequitas Neo Exchange.

#### **1. Trading Fees**<sup>28</sup>

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<sup>28</sup> Although the trading fees relevant to each book have been described above, we are restating the fee structure here to provide an overall view.

Consistent with its stated objectives, the Aequitas Neo Exchange's trading fee structure offers a viable alternative to the dominant rebate incentives and make-take pricing model, which the Aequitas Neo Exchange believes have adversely impacted market quality.

The Dark Book and Neo Book™ will each feature a take-take pricing model, where both active and passive executing orders will be charged a fee and no rebate will be available. A lower fee will be charged for lower priced securities. In addition, in the Neo Book™, LST Take Orders will be charged a higher fee than other active orders in the Neo Book™.

The Lit Book will have a make-take model. The Aequitas Neo Exchange intends to benchmark the "take" fees generally to the "higher take" fees in other Canadian marketplaces. A lower fee will be charged for lower priced securities. The Aequitas Neo Exchange's commitment is to lower its fees in tandem with any reduction in take fees in Canada.

Aequitas believes that the combination of the take-take fee model in the Dark Book and the Neo Book™, with the make-take fee model in the Lit Book, will optimize the alignment of interest between broker/dealers and their clients. Furthermore, Aequitas also believes that the make-take model in the Lit Book will not incentivize predatory behaviors by market participants with a speed advantage because of the execution priorities in this book.

In addition to trading fees, the Aequitas Neo Exchange will also charge a fee upon the application of a firm to become a Member.

The specific amount of the trading and other fees will be determined by the Aequitas Neo Exchange at a later date and will be set out in a schedule attached to the Member Agreement.

The Aequitas Neo Exchange's approach to trading fees is an integral part of its overall marketplace solution. The Aequitas Neo Exchange believes that by providing its alternative marketplace solution, along with its commitment to lower fees, it will place pressure on the make-take fee model to evolve to a different fee model for all marketplaces in Canada.

## **2. Data Fees**

Members and other third parties may purchase from the Aequitas Neo Exchange any of a variety of data products for internal consumption or redistribution by entering into a data agreement ("**Data Agreement**") with Aequitas Neo Exchange, or an agreement with an approved data distributor.

The fees charged for data vary depending on the type of data feed subscribed for and the intended use of such feed. The amount of data fees will be determined by the Aequitas Neo Exchange at a later date and will be set out set out in the Data Order Form attached to the Data Agreement.

A copy of the Data Agreement has been filed with this Application.

### 3. Listing Fees

The Aequitas Neo Exchange will charge initial and ongoing listing fees. The amount of listing fees will be determined by the Aequitas Neo Exchange at a later date and will be set out in the Aequitas Neo Exchange Listing Agreement. It is the intent of the Aequitas Neo Exchange to pursue a fee approach which is consistent with its strategy for trading and data fees: competitive fees providing stakeholders with choice.

#### L. **Information Sharing and Regulatory Cooperation**

##### **Information Sharing and Regulatory Cooperation**


*The Aequitas Neo Exchange must have mechanisms in place to enable it to share information and otherwise cooperate with the Commission, recognized self-regulatory organizations, other recognized or exempt exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.*

The Aequitas Neo Exchange will have mechanisms in place to ensure that it is able to cooperate, by sharing information or otherwise, with the Commission, recognized self-regulatory organizations, other recognized or exempt exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies. As part of its operational procedures, the Aequitas Neo Exchange will establish requirements so that information is available in easily accessible formats and locations.

#### **III. Conclusion**

The Aequitas Neo Exchange respectfully submits that, subject to the terms and conditions imposed by the Commission, that the Aequitas Neo Exchange meets the criteria for recognition so that recognition will not be contrary to the public interest.

Sincerely,



Jos Schmitt  
Chief Executive Officer,  
Aequitas Neo Exchange Inc.

Cc: Cindy Petlock  
Head of Legal, Regulatory and Compliance  
Aequitas Neo Exchange Inc.

## APPENDIX A

### Previous Commission Request for Comment and other Public Consultation Initiatives

As part of its feasibility analysis, Aequis engaged in extensive consultation with the Commission to review key aspects of the proposed Aequis Neo Exchange marketplace solution. On August 13, 2013, Commission Staff published for comment a description of the Aequis Neo Exchange proposal's key features entitled "Notice and Request for Comments Regarding Proposed Structure of Trading Facilities for a New Exchange Proposed to be Established by Aequis Innovations Inc." (the "**RFC**"). The RFC requested comments on the following aspects of the Aequis Neo Exchange proposal:

1. Segmentation of order flow in the context of the principles underlying OPR
2. Segmentation of order flow in the context of the principles underlying fair access
3. Market maker priority
4. DEA clients as market makers
5. Potential impact of Hybrid on market quality and market integrity
6. Hybrid as a visible market

The RFC resulted in 39 comment letters from members of the investment community, including dealer representatives, buy-side representatives, an issuer representative and other market participants. The RFC and all comment letters are available on the OSC website.<sup>29</sup>

In addition to, and in parallel with, the RFC, Aequis attempted to encourage dialogue and determine current investor sentiment regarding: (i) issues in today's public equity markets, (ii) the Aequis Neo Exchange proposal, and (iii) technical issues raised in the RFC. Its efforts included an electronic questionnaire, which was available on its web site (the "**Questionnaire**"), and hiring an independent research firm to conduct an Investment Advisor survey to gauge retail sentiment ("**Survey**"). Aequis also made a tool available online for market participants to generally show their support for Aequis and for choice and competition in the exchange landscape (the "**Letters of Support**").

Following the close of the comment period, Aequis prepared a summary of the responses to the RFC, Questionnaire, Survey and Letters of Support, and expressed its views on the relevant issues highlighted by the process (the "**Aequis Neo Exchange Summary of Comments**"). A copy of the Aequis Neo Exchange Summary of Comments has previously been submitted to the Commission.

As set out in the Aequis Neo Exchange Summary of Comments, it is the view of Aequis Neo Exchange and Aequis that the various responses to the RFC, and the parallel comment process undertaken by Aequis, demonstrate clear support for many aspects of the Aequis Neo Exchange proposal, including:

- for innovative solutions that address market quality issues and provide choice;

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<sup>29</sup> [http://www.osc.gov.on.ca/en/Marketplaces\\_pending-applications\\_index.htm](http://www.osc.gov.on.ca/en/Marketplaces_pending-applications_index.htm)

- that the Aequitas Neo Exchange and Aequitas have identified the correct issues facing the capital markets, and that the general market micro-structure which focuses on the needs of speed-driven intermediation is, at least part of, the cause of investor confidence issues;
- for the view that requiring equal treatment of all flow is no longer appropriate, and that fair access should be examined in the context of specific facts, such as addressing market quality concerns.

The Aequitas Neo Exchange has taken into account and revised its proposal in response to some of the comments received and related dialogue with both industry participants and the Commission, which is reflected in the Application.

**AEQUITAS NEO EXCHANGE INC.  
LISTING MANUAL  
(THE “LISTING MANUAL”)**

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## PART I. Definitions, Interpretation and General Discretion

### 1.01 Definitions

- (1) Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in the Exchange Requirements that is defined or interpreted in:
  - (a) Ontario securities law;
  - (b) Universal Market Integrity Rules (“UMIR”);
  - (c) IIROC Rules; or
  - (d) Trading Policies,has the same meaning in this Listing Manual.
- (2) The following terms have the meanings set out when used in this Listing Manual:

“**Accepted Foreign Exchange**” means an exchange that is not located within Canada and for which an issuer listed on such exchange has demonstrated that such exchange and the jurisdiction’s securities laws requirements are substantially similar to that of the Exchange and Ontario securities laws.

“**Average Daily Trading Volume**” means, with respect to a Normal Course Issuer Bid, the trading volume for a listed security on all marketplaces for the six months preceding the date of Posting of a Form 20A (excluding any purchases made under a Normal Course Issuer Bid, all marketplace purchases by the issuer of the listed security, a Person acting jointly or in concert with the issuer, and all purchases made under section 7.19(1)(b)) divided by the number of trading days during that period. If the securities have traded for less than six months, the trading volume on all marketplaces since the first day on which the security traded, which must be at least four weeks prior to the date of Posting Form 20A.

“**Award**” means an award issued under a Security Based Compensation Arrangement, and includes incentive stock options.

“**Board Lot**” means a “standard trading unit” as defined in UMIR.

“**Clearing Corporation**” means CDS Clearing and Depository Services Inc. and any successor corporation or entity recognized as a clearing agency.

“**Closed End Fund**” or “**CEF**” means a “non-redeemable investment fund” within the meaning of the *Securities Act* (Ontario).

“**Common Shares**” means Equity Securities with voting rights that are exercisable in all circumstances irrespective of the number or percentage of securities owned and that are not, on a per share basis, less than the voting rights attached to any other class of shares of the issuer.

“**Control Person**” has the same meaning as its definition in the *Securities Act* (Ontario).

“**Decision**” means any decision, direction, order, ruling, guideline or other determination of the Exchange or of the Market Regulator made in the administration of this Listing Manual.

“**Delist**” means the termination of a security’s listing on the Exchange, which renders it ineligible for trading on the Exchange.

“**Due Bill**” means an instrument used to evidence the transfer of title to any dividend, distribution, interest, security or right to a Listed Security contracted for, or evidencing the obligation of a seller to deliver such dividend, distribution, interest, security or right to a subsequent purchaser.

“**Effective Date**” means the effective date of a change to the constating documents of a Listed Issuer, for example in connection with a name change, certain stock subdivisions, security consolidations and security reclassifications.

“**Emerging Market Issuer**” means an “emerging market issuer” as that term is used in OSC Staff Notice 51-719 – *Emerging Market Issuer Review*.

“**Equity Securities**” means securities of an issuer that carry a residual right to participate in the earnings of the issuer and in the issuer’s assets upon dissolution or liquidation.

“**ETP-Debt Security**” means an ETP that is a debt security.

“**ETP Issuer**” mean an issuer of an ETP.

“**Exchange**” means Aequitas Neo Exchange Inc.

“**Exchange Requirements**” includes the following:

- the Trading Policies;
- the Listing Manual;
- obligations arising out of the Listing Agreement or Member Agreement;
- any forms issued pursuant to the Trading Policies or the Listing Manual, including the listing forms;
- UMIR; and
- applicable securities laws, and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of applicable securities regulatory authorities.

**“Exchange Traded Fund”** or **“ETF”** means a mutual fund for the purposes of Canadian securities laws, the units of which are a listed or quoted security and are in continuous distribution in accordance with applicable Canadian securities laws.

**“Exchange Traded Product”** or **“ETP”** means a financial instrument that has the characteristics of a base instrument (such as a note, warrant or other instrument) with economic exposure to one or more reference asset(s), index(indices), portfolio(s), or combination thereof.

**Commentary:**

*The Exchange is recognized to carry on business as an exchange for the listing and trading of securities. A product may be considered a security if:*

- (1) The offeror receives payment of the purchase price on the delivery of the product (the listed security),*
- (2) The purchaser is under no obligation to make any additional payment beyond the purchase price as a margin deposit, margin, settlement or other such amount during the life of the product or at maturity, and*
- (3) The terms of the product do not include margin requirements based on a market value of its underlying interest.*

*Examples of products that are securities include: notes whose return is linked to the price increase of a reference portfolio or to an index, principal protected equity index-linked notes, and interest coupons and notes without coupons based on debt securities of an issuer. An example of a product which is not a security is a listed option or a futures contract.*

*The Exchange may request the issuer to participate in consultations with the relevant regulators where questions regarding the nature of the product arise.*

**“Foreign Issuer”** means an issuer which, at the time of applying for the listing of a security, is listed and in good standing on an Accepted Foreign Exchange and is not incorporated or organized under the laws of Canada or a Canadian jurisdiction, but does not include an issuer if:

- voting securities carrying more than 50 percent of the votes for the election of directors of the issuer are held by Persons whose last address as shown on the books of the issuer is in Canada, and
- any one or more of the following apply:
  - (i) the majority of the senior officers or directors of the issuer are citizens or residents of Canada,
  - (ii) more than 50 percent of the assets of the issuer are located in Canada, or
  - (iii) the business of the issuer is administered principally in Canada.

Once a Foreign Issuer has listed its securities on the Exchange, the issuer will become a Listed Issuer.

**“IIROC”** means the Investment Industry Regulatory Organization of Canada and any successor entity.

**“IIROC Rules”** means UMIR and IIROC’s dealer member rules.

**“Insider”** means, for a Listed Issuer:

- an officer, director or “insider” (within the meaning of the *Securities Act* (Ontario)) of the Listed Issuer;
- a promoter of the Listed Issuer;
- if the Listed Issuer is an Investment Fund:
  - (i) a director or officer of the investment fund manager of the Listed Issuer, and;
  - (ii) a member of the “independent review committee” (within the meaning of National Instrument 81-107 – *Independent Review Committees for Investment Funds*) of the Listed Issuer;
- if the Insider is not an individual, each director, officer and Control Person of that Insider; and
- such other Person as may be designated from time to time by the Exchange.

**“Intra-day Indicative Value”** or **“IIV”** means the estimated fair value of underlying securities and/or reference assets published by the Reporting Authority.

**“Investment Fund”** means an “investment fund” as defined under the *Securities Act* (Ontario).

**“Listed Issuer”** means an issuer with one or more classes of securities listed in accordance with and subject to the requirements set out in the Listing Manual.

**“Listed Securities”** means any securities of a Listed Issuer that are listed on the Exchange.

**“Market Regulator”** means IIROC and any successor.

**“Material Information”** means any information relating to the business and affairs of an issuer that results in or would reasonably be expected to result in a significant change to the market price or value of any of the issuer’s Listed Securities, and includes a material change or a material fact, in each case within the meaning of the *Securities Act* (Ontario).

**“Maximum Discount to market price”** means the closing market price on the day preceding the date on which the Listed Issuer issues a press release announcing a transaction or files for price reservation, less a discount of 20%.

**“Member”** means a member approved by the Exchange to access the “Exchange Systems” (as such term is defined in the Trading Policies), provided such access has not been terminated.

**“Non-Voting Securities”** means Restricted Securities that do not carry a right to vote except in certain limited circumstances, such as to elect a limited number of directors or to vote where mandated by applicable corporate or securities law.

**“Normal Course Issuer Bid”** or **“NCIB”** means an issuer bid for a class of Listed Securities where the purchases over a 12-month period by the Listed Issuer or Persons acting jointly or in concert with the Listed Issuer and commencing on the date of Posting of the documents required by Exchange Requirements, do not exceed the greater of:

- 10% of the Public Float; or
- 5% of the securities of the class outstanding,

as of the date of Posting of the documents required by Exchange Requirements, excluding purchases under a formal issuer bid.

**“Other Listed Issuers”** means an issuer which, at the time of applying for the listing of a security, is listed on a Canadian recognized exchange other than the Exchange but does not include an Accepted Foreign Exchange. Once an Other Listed Issuer has listed its securities on the Exchange, the issuer will become a Listed Issuer.

**“Person”** includes an individual, corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative.

**“Preference Shares”** means securities which have a genuine and non-specious preference or right over all classes of Equity Securities and are not Equity Securities.

**“Post”** means submitting a Listed Issuer document or a document in prescribed electronic format to the Exchange so that it can be publicly posted on the Listed Issuer’s page on the Exchange’s website, or otherwise made publicly available in electronic format as required by the Exchange.

**“Public Float”** means the number of securities outstanding, less securities known by the Listed Issuer after reasonable enquiry to be:

- beneficially owned or under the control or direction of the Listed Issuer and every non-Public Securityholder of the Listed Issuer, and/or
- subject to restrictions on transfer.

**“Public Securityholder”** means for an issuer, any security holder that is not a director or officer of the issuer and who does not own or control, directly or indirectly, securities carrying more than 10% of the votes attached to all of the outstanding voting securities of the issuer.

**“Qualified Analyst”** means an “analyst” as defined in Rule 3400 of IIROC’s dealer member rules that is a person holding a Chartered Financial Analyst designation administered by the Institute of Chartered Financial Analysts.



**“Record Date”** means the date fixed for the purpose of determining security holders of a Listed Issuer eligible for a distribution or other entitlement.

**“Related Person”** of a Listed Issuer means:

- a “related party”, as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, of the Listed Issuer;
- a promoter of the Listed Issuer, or, where the promoter is not an individual, an officer, director or Control Person of the promoter;
- if the Listed Issuer is an Investment Fund, a “related party” to the Investment Fund determined with reference to section 2.5(1) National Instrument 81-106F1 – *Investment Fund Disclosure – Content of Annual and Interim Management Report on Fund Performance*; and
- such other Person as may be designated from time to time by the Exchange.

**“Reporting Authority”** means, with respect to a particular ETF or ETP, the Exchange, an affiliate of the Exchange, or a Person designated by the Exchange as the official source for calculating and reporting information relating to the ETF or ETP.

**“Restricted Securities”** means Equity Securities that have inferior voting rights to another class of securities of the issuer, and may include Non-Voting Securities, Subordinate Voting Securities and Restricted Voting Securities.

**“Restricted Voting Securities”** means Restricted Securities that carry a right to vote subject to a restriction on the number or percentage of securities that may be voted by a shareholder or combination of shareholders, other than a restriction that is permitted or required by statute that is only applicable to non-residents or non-citizens of Canada.

**“Security Based Compensation Arrangement”** includes:

- stock option plans for the benefit of employees, insiders, directors, officers, consultants or service providers or any one of such groups;
- individual stock options granted to employees, service providers or insiders if not granted pursuant to a plan previously approved by the Listed Issuer's security holders;
- stock purchase plans where the Listed Issuer provides financial assistance or where the Listed Issuer matches the whole or a portion of the securities being purchased;
- stock appreciation rights involving issuances of securities from treasury;
- any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Listed Issuer; and
- security purchases from treasury by an employee, insider or service provider which is financially assisted by the Listed Issuer by any means whatsoever.

**“Subordinate Voting Securities”** means Restricted Securities that carry a right to vote where there is another class of shares outstanding that carry a greater right to vote on a per-security basis.

**“Super-Voting Securities”** means, with respect to any class of Restricted Securities of a Listed Issuer, any class of securities of the Listed Issuer that carry a greater right to vote on a per-security basis.

**“Unrelated Director”** means a director who:

- is independent as defined in National Instrument 52-110 *Audit Committees*;
- is not a supplier or purchaser of the Listed Issuer’s products or services where such relationship is material to the Listed Issuer or could reasonably be considered to affect the director’s independent judgment; and
- has not been a director of the Listed Issuer for 10 years or longer.

## 1.02 Interpretation

- (1) A company is an affiliate of another company if one of them is a subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same Person.
- (2) The division of this Listing Manual into separate parts, divisions, sections, subsections, clauses and commentary, and the provision of a table of contents and headings, is for convenience of reference only and shall not affect the construction or interpretation of the Listing Manual.
- (3) The words “hereof,” “herein,” “hereby,” “hereunder” and similar expressions mean the whole of this Listing Manual and not simply the particular provision in which the term is mentioned, unless the context clearly indicates otherwise.
- (4) The word “or” is not exclusive.
- (5) The word “including,” when following any general statement or term, does not limit the meaning of the general statement or term to the specific matter immediately following the statement or term.
- (6) Unless otherwise specified, any reference to a statute includes that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that supersedes that statute or regulation.
- (7) Unless otherwise specified, any reference to a rule, policy, blanket order or instrument includes all amendments made and in force from time to time, and to any rule, policy, blanket order or instrument that supersedes that rule, policy, blanket order or instrument.
- (8) Grammatical variations of any defined term have the same meaning.

- (9) Any word imputing gender includes the masculine, feminine and neutral genders.
- (10) Any word in the singular includes the plural and vice versa.
- (11) All references to time in the Exchange Requirements are to Eastern Standard Time in Toronto, Ontario unless otherwise stated.
- (12) All references to currency in the Exchange Requirements are to Canadian dollars unless otherwise stated.

### **1.03 General Discretion of the Exchange**

The Exchange Requirements have been put in place to serve as guidelines to issuers seeking and maintaining a listing on the Exchange and their professional advisers. However, the Exchange reserves the right to exercise its discretion in its application of the Exchange Requirements. The Exchange may waive or modify an existing requirement or impose additional requirements in applying its discretion. It may take into consideration the public interest, including market integrity issues, and any facts or situations unique to a particular party or security. Issuers are reminded that listing on the Exchange is a privilege and not a right. The Exchange may grant or deny an application, including an application for listing, notwithstanding that the issuer has met the published the Exchange Requirements.

Without limiting the generality of the foregoing, the Exchange may consider the following factors when exercising its general discretion:

- (a) *Track Record*: Whether the issuer, asset manager or fund sponsor has a history of profitable operations or, if not, significant revenues;
- (b) *Quality of Management*: Whether the issuer's directors, officers and controlling shareholders, or those of the asset manager or fund sponsor, have a regulatory history or reputation that gives rise to concerns that the business of the issuer will not be conducted with integrity or due regard to the interests of shareholders;
- (c) *Liquid Market*: Whether the conditions that promote a liquid and orderly market in the Listed Securities exist;
- (d) *Related Party Involvement*: Whether the involvement of Related Parties in transactions of the issuer gives rise to concerns that the business of the issuer will not be conducted with integrity or due regard to the interests of shareholders;
- (e) *Review of Filings*: Whether a review of public and other filings raise market integrity or public interest concerns, or concerns that the

business of the issuer will not be conducted with integrity or due regard to the interests of shareholders;

- (f) *Characteristics of Underlying Assets of CEFs and ETFs:* For CEFs and ETFs, whether the CEF or ETF is suitable for listing on the Exchange having regard to the liquidity and transparency of the pricing of the underlying assets.
- (g) *Characteristics of Issuer, Type of Security and Underlying Assets of ETPs:* For ETPs, whether the ETP is suitable for listing on the Exchange having regard to the financial size of the ETP Issuer, the nature of the security including whether it is convertible, and the liquidity and transparency of the pricing of the underlying assets.

The Exchange may request any other documentation or information as part of the original and ongoing listing requirements so that it may confirm that the Listed Issuer is suitable for listing and/or meeting Exchange Requirements.

#### **1.04 Compliance with Securities Laws**

A Listed Issuer will be subject to Canadian securities laws as a “non-venture issuer” and must meet those requirements.

## PART II. Original Listing Requirements

### 2.01 General

- (1) This part of the Manual is applicable to issuers seeking to list a class or series of securities on the Exchange.

**Commentary:**

*Listed Issuers that wish to issue additional Listed Securities through a Prospectus or Private Placement Offering should refer to the requirements set out in Part VII.*

*Listed Issuers that wish to substitute a class of Listed Securities with a different class of securities should refer to the requirements set out in Part VII.*

- (2) The Exchange has set out minimum listing standards for:
  - (a) general issuers and investment issuers,
  - (b) CEFs,
  - (c) ETFs, and
  - (d) ETP Issuers.
- (3) The Exchange may in its discretion apply alternative criteria where appropriate (see Section 1.03).

### 2.02 Minimum Listing Standards - General

- (1) *Minimum Distribution* - Public Float of 1,000,000 securities together with a minimum of 300 Public Securityholders each holding at least a Board Lot.
- (2) *Minimum Price* - \$2 per security.
- (3) *Issuer Criteria* - Meet the requirements of at least one of the following categories:
  - (a) Equity Standard:
    - (i) Shareholders' equity of \$5,000,000;
    - (ii) Market value of Public Float of \$15,000,000; and
    - (iii) An operating history of at least 2 years; or
  - (b) Net Income Standard:
    - (i) Shareholders' equity of \$4,000,000; and
    - (ii) Market value of Public Float of \$5,000,000; and

- (iii) Net income from continuing operations in its last fiscal year, or in two of its last three years, of at least \$750,000; or
- (c) Market Value Standard:
  - (i) Shareholders' equity of \$5,000,000;
  - (ii) Market value of securities listed (or to be listed) on the Exchange, another Canadian marketplace or an Accepted Foreign Exchange of \$50,000,000; and
  - (iii) Market value of Public Float of \$15,000,000;

**Commentary:**

*Where the Market Value Standard is used, the market value of the securities must meet the applicable requirements for at least 90 consecutive trading days prior to the listing.*

- (4) *Working Capital and Capital Structure* — Adequate working capital to carry on business and an appropriate capital structure.
- (5) *Analyst Coverage / Investor Relations Requirement* – at least one of the following:
  - (a) The commitment of at least one Qualified Analyst to cover the security for a period of at least one year and to issue one or more research reports (as defined in Rule 3400 of the IIROC dealer-member rules); or
  - (b) An investor relations budget of at least \$25,000 per year for a period of at least one year.

**Commentary:**

*The Exchange will review the proposed plan to allocate the investor relations budget to confirm it is being used to provide information which facilitates knowledgeable investment decisions. Acceptable expenses include: maintaining IR web site, presentations to institutional and retail investors, research, staff compensation, annual reports, news release dissemination and media monitoring.*

- (6) *Investment Issuer* – An issuer that does not have an operating business may qualify for listing on the Exchange where:
  - (a) the issuer is not an Investment Fund;
  - (b) the issuer has adopted an investment policy setting out the issuer's policy in relation to asset allocation and risk diversification which has:
    - (i) been approved by shareholders, and

- (ii) been disclosed in the issuer's Listing Statement or has otherwise been Posted and filed on SEDAR; and
  - (c) the issuer satisfies the listing criteria set out in this section, provided that the issuer is not required to satisfy:
    - (i) the operating history criteria set out in section 2.02(3)(a)(iii), if applying under the Equity Standard; and
    - (ii) the analyst coverage / investor relations requirement set out in section 2.02(5).
- (7) *Supplemental Listings* - A Listed Issuer or an Other Listed Issuer may apply to have a new class or series of securities listed and posted for trading on the Exchange (a supplemental listing). Other than the exceptions set out below, all minimum listing requirements apply to a supplemental listing of securities of a Listed Issuer or an Other Listed Issuer:
- (a) *Warrants* - Warrants issued by a Listed Issuer or an Other Listed Issuer (to purchase securities of its own issue) must have a Public Float of at least 150,000 warrants held by at least 150 Public Securityholders, each holding at least 100 warrants. The minimum price requirement set out in section 2.02(2) does not apply to a supplemental listing of warrants;
  - (b) *Preference Shares* — Preference Shares issued by a Listed Issuer or an Other Listed Issuer must have a Public Float of at least 150,000 shares held by at least 150 Public Securityholders, each holding at least 100 shares; and
  - (c) *Convertible Debentures* – Convertible debentures issued by a Listed Issuer or an Other Listed Issuer (that are convertible into securities of its own issue) must have at least 150 Public Securityholders, each holding at least \$1,000 of convertible debentures. The minimum price requirement set out in section 2.02(2) does not apply to a supplemental listing of convertible debentures.

### **2.03 Minimum Listing Standards for Closed End Funds**

- (1) *Minimum Distribution* - Public Float of 1,000,000 securities together with a minimum of 300 Public Securityholders each holding at least a Board Lot;
- (2) *Net Asset Value* - A CEF must have a net asset value of at least \$20,000,000.

- (3) *Calculation of Net Asset Value* – A CEF must provide the Exchange with a representation that the net asset value will be calculated and made publicly available each business day.

## 2.04 Minimum Listing Standards for Exchange Traded Funds

- (1) *Distribution* – There must be at least 100,000 securities outstanding prior to the commencement of trading on the Exchange;
- (2) *Net Asset Value* - An ETF must have a net asset value of at least \$2,000,000, unless it is an ETF with a net asset value of at least \$1,000,000 and is part of a group of Investment Funds that are managed by the same Investment Fund manager, all of which are listed or are to be listed on the Exchange or another Canadian exchange, and the group has a net asset value of at least \$10,000,000.
- (3) *Calculation of Net Asset Value* – An ETF must provide the Exchange with a representation that the net asset value will be calculated and made publicly available each business day.
- (4) *Intra-day Indicative Value (IIV)*. Unless otherwise provided by the Exchange, the Reporting Authority will disseminate the IIV of an ETF, updated regularly during the Exchange’s regular market session.

### **Commentary:**

*The IIV may be based, for example, upon current information regarding the required deposit of securities and cash amount to permit creation of new securities of the ETF or upon the value of the index underlying the ETF. The IIV may be calculated based on prices obtained from independent market data providers or other pricing sources.*

## 2.05 Minimum Listing Standards for Exchange Traded Products

- (1) *Minimum Distribution* - Public Float of 1,000,000 securities together with a minimum of 300 Public Securityholders each holding at least a Board Lot.
- (2) *Minimum Public Float Value* - \$4,000,000.

### **Commentary:**

*For some ETPs, the distribution or Public Float of the ETP may not be relevant to the Exchange’s review, for example, where the ETP is convertible into the underlying securities or asset, or into cash. In such cases, the Exchange’s review will focus on the ETP Issuer and the liquidity (directly, or in the case of an index or portfolio, indirectly) of the underlying assets and/or securities. The Exchange may consider, among other things, where the underlying assets and/or securities are traded, the transparency of trading prices, distribution, float and trading volume.*



- (3) *Assets of ETP Issuer* - The ETP Issuer must have assets in excess of \$100 million.
- (4) *Other ETP Issuer Criteria* – The ETP Issuer must (i) be, or be an affiliate of, a Listed Issuer, Other Listed Issuer or Foreign Issuer, or (ii) be a trust company, asset manager or financial institution with substantial capital, surplus and experience.
- (5) *Calculation of Net Asset Value* – Where appropriate for the particular ETP, the ETP Issuer must provide the Exchange with a representation that the net asset value will be calculated and made publicly available each business day.
- (6) *Intra-day Indicative Value*. Unless otherwise provided by the Exchange and where appropriate for the particular ETP, the Reporting Authority will disseminate the IIV for the ETP or the underlying reference asset(s), index(indices) or portfolio(s), updated regularly during the Exchange's regular market session.

**Commentary:**

*The IIV may be based, for example, upon current information regarding the underlying securities and/or reference assets, or upon the value of the index underlying the ETP. The IIV may be calculated based on prices obtained from independent market data providers or other pricing sources.*

**2.06 Minimum Listing Standards for ETP-Debt Securities**

- (1) *Minimum Distribution* - Public Float of 1,000,000 securities together with a minimum of 300 Public Securityholders each holding at least a Board Lot, or a minimum of 300 Public Securityholders each holding at least \$1,000 of ETP-Debt Securities.
- (2) *Minimum Public Float Value* - \$4,000,000.

**Commentary:**

*For some ETP-Debt Securities, the distribution or Public Float of the ETP-Debt Security may not be relevant to the Exchange's review, for example, where the ETP-Debt Security is convertible into the underlying securities or asset, or into cash. In such cases, the Exchange's review will focus on the ETP Issuer and the liquidity (directly, or in the case of an index or portfolio, indirectly) of the underlying assets and/or securities. The Exchange may consider, among other things, where the underlying assets and/or securities are traded, the transparency of trading prices, distribution, float and trading volume.*

- (3) *Term* - The issue has a term of not greater than thirty (30) years.

- (4) *Not Convertible Debt* - The issue must not be convertible debt of the ETP Issuer of a type contemplated in Section 2.02(7)(c).
- (5) *Assets of ETP Issuer* - The ETP Issuer must have assets in excess of \$100 million.
- (6) *Tangible Net Worth of ETP Issuer* - The ETP Issuer must have a minimum tangible net worth in excess of \$100 million.
- (7) *Other ETP Issuer Criteria* – The ETP Issuer must (i) be, or be an affiliate of, a Listed Issuer, Other Listed Issuer or Foreign Issuer, or (ii) be a trust company, asset manager or financial institution with substantial capital, surplus and experience.
- (8) *Calculation of Net Asset Value* – Where appropriate for the particular ETP-Debt Security, the ETP Issuer must provide the Exchange with a representation that the net asset value will be calculated and made publicly available each business day.
- (9) *Intra-day Indicative Value*. Unless otherwise provided by the Exchange and where appropriate for the particular ETP-Debt Security, the Reporting Authority will disseminate the IIV for the ETP-Debt Security or the underlying reference asset(s), index(indices) or portfolio(s), updated regularly during the Exchange’s regular market session.

**Commentary:**

*The IIV may be based, for example, upon current information regarding the underlying securities and/or reference assets, or upon the value of the index underlying the ETP-Debt Security. The IIV may be calculated based on prices obtained from independent market data providers or other pricing sources.*

**2.07 Management of Listed Issuers**

- (1) The Exchange considers the quality of management of its Listed Issuers to be an important consideration for investors and important for market confidence.
- (2) Management must act with integrity. The Exchange may review the conduct of any Insider of a Listed Issuer. The Exchange must be satisfied that the business and affairs of the Listed Issuer will be conducted with integrity and in the best interests of security holders, and that the Listed Issuer will comply with the Exchange Requirements and applicable securities and corporate laws, and the constating documents of the Listed Issuer.

**Commentary:**

*In particular, an issuer will not be approved for listing if any Insider has been convicted of fraud, breach of fiduciary duty, violations of securities legislation (other than minor violations that do not give rise to investor protection or market integrity concerns) unless the issuer severs relations with such Person to the satisfaction of the Exchange.*

*An issuer may not be approved for listing if any Insider has entered into a settlement agreement with a securities regulatory authority or is associated with any Person who would disqualify an issuer for listing.*

- (3) Management must have knowledge and expertise relevant to the business of the issuer.

## **2.08 Other Listed Issuers**

- (1) An Other Listed Issuer can apply to list its securities on the Exchange by following the procedures set out in this Part. Upon acceptance, the Other Listed Issuer will become subject to all of the provisions of this Listing Manual unless explicitly exempted by the Exchange and, notwithstanding anything else herein, such issuer must contemporaneously file all documents filed with the Canadian recognized exchange with the Exchange (and Post such documents as required by this Listing Manual).
- (2) The Exchange will consider granting exemptions in respect of provisions of this Listing Manual for Other Listed Issuers.

### **Commentary:**

*An exemption may be granted from this Listing Manual where the Exchange is satisfied that the issuer is subject to substantially similar requirements as those contained in this Listing Manual.*

*Where an exemption has been granted to the Other Listed Issuer by the Canadian recognized exchange on which its securities are listed, the Exchange will not automatically grant a similar exemption. The Exchange will consider granting an exemption upon application by the Other Listed Issuer and upon consideration of the merits of such application.*

## **2.09 Foreign Issuers**

- (1) A Foreign Issuer can apply to list its securities on the Exchange by following the procedures set out in this Part. Upon acceptance, the Foreign Issuer is subject to all of the provisions of this Listing Manual unless explicitly exempted by the Exchange and, notwithstanding anything else herein, such issuer must contemporaneously file all documents filed with the Accepted Foreign Exchange with the Exchange (and Post such documents as required by this Listing Manual), translated if necessary into English and/or French.

- (2) A Foreign Issuer must be able to satisfy all of its reporting and public company obligations in Canada.
- (3) If the Foreign Issuer has its head office outside Canada, as long as it is listed on the Exchange, such issuer must appoint an agent for service of process and maintain an address for service within Canada and must agree to attorn to the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (4) The Exchange will consider granting exemptions in respect of provisions of this Listing Manual for Foreign Issuers.

**Commentary:**

*Foreign Issuers are subject to all applicable Canadian securities laws unless exemptions are obtained from the relevant securities commission(s).*

*An exemption may be granted from the Listing Manual where the Exchange is satisfied that the issuer is subject to a substantially similar regulatory and exchange listing regime as in Canada, as well as similar requirements as those contained in this Listing Manual.*

*The Exchange may require a Foreign Issuer to establish that its original listing jurisdiction has substantially similar requirements to those required by the Exchange Requirements and Ontario securities laws, and may require that the Foreign Issuer provide a legal opinion or other documentation in support of an exemption from the Listing Manual. The Exchange may publish additional guidance concerning the availability of exemptions from the Listing Manual for Foreign Issuers, and may publish a list of Accepted Foreign Exchanges.*

## **2.10 Emerging Market Issuers**

- (1) “Emerging Market Issuer” means, unless otherwise determined by the Exchange, an issuer whose mind and management as well as principal active operations are located in Asia (excluding Japan, Singapore, Australia and New Zealand), Africa, South America and Eastern Europe.
- (2) The Exchange may adopt additional listing requirements or procedures applicable to the listing of securities of Emerging Market Issuers.

**Commentary:**

*The Exchange has not adopted listing requirements or procedures applicable to the listing of securities of Emerging Market Issuers. The Exchange will not accept an application to list securities of an Emerging Market Issuer until such requirements or procedures are adopted and implemented by the Exchange.*

## 2.11 Listing Transactions that do not Involve an Agent, Underwriter or Canadian Securities Regulatory Authority

- (1) In light of the increased risks associated with an application to list securities of an issuer: (i) for which no IIROC dealer or other suitable third party has concurrently conducted due diligence, or (ii) that does not involve a prospectus reviewed by a Canadian securities regulatory authority, the application to list securities on the Exchange will be subject to additional requirements and/or increased scrutiny by the Exchange.

### **Commentary:**

*When assessing whether to impose additional requirements, the Exchange may consider the following factors:*

- (a) whether the issuer is an Emerging Market Issuer;*
- (b) the size, nature and location of the issuer's business or assets;*
- (c) whether the issuer is subject to analogous regulation in its home jurisdiction; and*
- (d) the length of time since due diligence has last been conducted by a third party (ex: by an underwriter) or since the issuer has filed a prospectus.*

- (2) The Exchange may require:
  - (a) additional submissions to be filed by the issuer or other experts, including title and other legal opinions;
  - (b) due diligence or other reports to be prepared by a third party (who may be required to be an IIROC Member); and/or
  - (c) that the issuer file a non-offering prospectus with a Canadian securities regulatory authority.
- (3) Issuers described in this section that are applying to list their securities on the Exchange must arrange a pre-filing meeting with the Exchange to discuss their application and any additional information or other requirements that will be applicable.

## 2.12 Escrow

- (1) An issuer applying for listing in conjunction with an initial public offering must have an escrow agreement with its principals that complies fully with the requirements of National Policy 46-201 - *Escrow for Initial Public Offerings* ("NP 46-201") respecting established issuers. The Exchange will require the issuer to provide a draft of such escrow agreement(s) to the Exchange for review prior to its execution.

**Commentary:**

*The Exchange may grant an exemption to the escrow agreement required if the issuer will be an “exempt issuer” pursuant to section 3.2(b) of NP 46- 201.*

- (2) For escrow agreements required by the Exchange, a Listed Issuer may apply to the Exchange to:
  - (a) amend the terms of existing escrow agreements required by the Exchange;
  - (b) request the transfer of securities within escrow; or
  - (c) request the early release of securities from escrow, if applicable.
- (3) For escrow agreements required under NP 46-201, or required by another exchange or other entity, Listed Issuers must apply to the relevant securities commission, exchange or entity which originally required the escrow agreement for any specific request to amend the terms of the escrow agreement.
- (4) Transfers of Listed Securities escrowed pursuant to Exchange Requirements require the prior written consent of the Exchange. Except as specifically provided in this Manual and in the escrow agreement, securities of principals of a Listed Issuer may only be transferred to new or existing principal of a Listed Issuer in accordance with the following terms and subject to any legal or other restriction on transfer, and with the approval of the Listed Issuer’s board of directors. To apply for a transfer within escrow, the Listed Issuer or owner of the escrowed securities must submit the following documents to the Exchange:
  - (a) a letter requesting transfer within escrow, identifying the registered and beneficial owner of the escrowed securities (including name and address) and the proposed registered and beneficial owner of the escrowed securities after giving effect to the transfer. The letter must confirm that the transferee is a principal of the Issuer or such other permitted transferee;
  - (b) a copy of the escrow security purchase agreement;
  - (c) a document signed by the transferee consenting to be bound by the terms of the escrow agreement; and
  - (d) a letter from the escrow agent confirming the escrow securities currently held in escrow under the escrow agreement, including the

names of the registered owners and the number of securities held by each.

## 2.13 Listing Application — Procedure

- (1) The application for listing must include the following:
  - (a) a completed (initial) Listing Application (Form 1) together with the supporting documentation set out in Appendix A to the Listing Application;
  - (b) a draft Listing Statement (Form 2) (including financial statements approved by the proposed Listed Issuer's Board of Directors and its Audit Committee);

**Commentary:**

*A Foreign Issuer may submit to the Exchange its most recent up-to-date public offering document which is compliant with the securities laws of its jurisdiction and substantially similar to a Listing Statement in lieu of a Listing Statement.*

*Although the Foreign Issuer may use its most recent up-to-date public offering document as a substitute to the Listing Statement, the Foreign Issuer will become reporting issuer under Canadian securities legislation upon the listing of its securities on the Exchange and, as such, will be subject to Canadian continuous disclosure requirements unless specifically exempted therefrom by the applicable Canadian securities regulatory authority.*

- (c) a duly executed Personal Information Form (Form 3) or a Declaration (Form 3A) from each Insider of the proposed Listed Issuer;

**Commentary:**

*An Insider of a proposed Listed Issuer does not have to provide a Personal Information Form (Form 3) to the Exchange if the Insider has submitted a form substantially similar to a Personal Information Form in respect of an Other Listed Issuer to a Canadian exchange other than the Exchange within the past 36 months, but must submit a Declaration (Form 3B), and attach a copy of the personal information form submitted to that other Canadian exchange, upon which the Exchange will conduct its own background checks based on the information provided or such other information as requested by the Exchange.*

*The Personal Information Form requirement is not applicable for a supplemental listing of securities of a Listed Issuer.*

- (d) such other documentation as the Exchange may require to assess the issuer's qualification for listing or to support the disclosures made in the Listing Statement and other documentation filed in connection with the Listing Application; and

**Commentary:**

*The Exchange will require an issuer to file technical reports required to be filed with securities commissions under National Instrument 43-101 and geological reports supporting an issuer's National Instrument 51-101 disclosure, and may require the issuer to provide a summary.*

- (e) the application fee plus applicable taxes.
- (2) The Exchange will use its best efforts to review the application in a timely manner with due regard to any schedule for filing a prospectus.
- (3) Following its review, the Exchange may conditionally approve the issuer, defer or decline the application.
- (4) If an issuer is conditionally approved, it has 90 days in which to file the final documentation set out in section 2.14. If an application is deferred, the issuer has 90 days in which to address the specific issues that caused deferral. If the issues are not addressed during that period to the satisfaction of the Exchange, the application will be declined.
- (5) Subject to a right of appeal, a declined issuer may not submit a new application until six months have elapsed from the date on which it was given notice that the application was declined.
- (6) Ontario securities law prohibits a Person with the intention of effecting a trade in a security from making any representation that a security will be listed on a stock exchange, or that application has been or will be made to list the security on a stock exchange unless (a) application has been made to list the security and other securities issued by the same issuer are already listed on an exchange, or (b) the exchange has granted conditional approval to the listing, or has otherwise consented to the representation. An issuer that has been conditionally approved for listing by the Exchange may use the following language in its final prospectus or offering document, but only in its entirety:

“The Exchange has conditionally approved the listing of these securities. Listing is subject to the Listed Issuer fulfilling all of the Exchange Inc.’s requirements on or before **[date stipulated by the Exchange]**, including minimum distribution requirements.”

**Commentary:**

*The Exchange will also advise the relevant securities commission(s) of the conditional approval.*



## 2.14 Final Documentation

- (1) The issuer must submit the following documentation for final listing approval and posting of its securities for trading on the Exchange:
  - (a) a completed (final) Listing Application (Form 1) together with any additions or amendments to the supporting documentation previously provided, as required by Appendix A to the Listing Application;
  - (b) one originally executed copy of the Listing Statement (Form 2) dated within three business days of the date it is submitted;

**Commentary:**

*A Foreign Issuer may submit to the Exchange its most recent up-to-date public offering document which is compliant with the securities laws of its jurisdiction and substantially similar to a Listing Statement in lieu of a Listing Statement.*

*Although the Foreign Issuer may use its most recent up-to-date public offering document as a substitute to the Listing Statement, the Foreign Issuer will become reporting issuer under Canadian securities legislation upon the listing of its securities on the Exchange and, as such, will be subject to Canadian continuous disclosure requirements unless specifically exempted therefrom by the applicable Canadian securities regulatory authority.*

- (c) two duly executed Listing Agreements (Form 4);

**Commentary:**

*An issuer is not required to submit a Listing Agreement if the issuer has previously submitted a Listing Agreement to the Exchange and such Listing Agreement continues to be effective.*

- (d) an opinion of counsel that the proposed Listed Issuer:
  - (i) is in good standing under and not in default of applicable corporate law (or equivalent in the case of non-corporate issuers);
  - (ii) is (or will be) a reporting issuer or equivalent under the securities legislation of **[state applicable jurisdictions]** and is not in default of any securities law requirement of any jurisdiction in which it is a reporting issuer or equivalent;
  - (iii) has the corporate power and capacity to own its properties and assets, to carry on its business as it is currently being conducted, and to enter into the Listing Agreement and to perform its obligations thereunder (or equivalent in the case of non-corporate issuers);

- (iv) has taken all necessary corporate action to authorize the execution, delivery and performance of the Listing Agreement and that the Listing Agreement has been duly executed and delivered by the proposed Listed Issuer and constitutes a legal, valid and binding obligation of the proposed Listed Issuer, enforceable against the proposed Listed Issuer in accordance with its terms (or equivalent in the case of non-corporate issuers);
  - (e) an opinion of counsel that all proposed Listed Securities that are issued and outstanding or that may be issued upon conversion, exercise or exchange of other issued and outstanding securities are or will be duly issued and are or will be outstanding as fully paid and non-assessable securities (or equivalent in the case of non-corporate issuers);
  - (f) a certificate of the applicable government authority that the proposed Listed Issuer is in good standing under and not in default of applicable corporate law (or equivalent in the case of non-corporate issuers);
  - (g) a copy of the written notice from the Clearing Corporation confirming the CUSIP number assigned to the proposed Listed Security;
  - (h) if the proposed Listed Securities are to be listed upon conclusion of a public offering, a copy of the receipt(s) for the (final) prospectus;
  - (i) a letter from the transfer agent stating the total number of proposed Listed Securities issued and outstanding;
  - (j) a definitive specimen of the security certificate;
  - (k) such other documentation as the Exchange may require; and
  - (l) the balance of the listing fee plus applicable taxes.
- (2) Forthwith following final approval of the listing by the Exchange, the Listed Issuer must Post the following documents:
- (a) the Listing Statement (Form 2); and
  - (b) unless filed on SEDAR, the documents required to be filed by Part 9 of National Instrument 41-101 – *General Prospectus Requirements* or Part 4 of National Instrument 44-101 – *Short Form Prospectus Distributions*, as applicable.

## **2.15 Documents to be Filed on SEDAR**

The final version of the Listed Issuer's Listing Statement (Form 2) must be filed on SEDAR.

### **PART III. Continuous Listing Requirements**

Listed Issuers and Listed Securities must meet the following continuous listing criteria. Failure to meet any of the continuous listing criteria will be processed in accordance with the provisions of Part XI.

#### **3.01 Continuous Listing Requirements – General**

- (1) *Distribution* - Public Float of 500,000 securities together with a minimum of 150 Public Securityholders each holding a Board Lot;
- (2) *Minimum Public Float Value* – \$2,000,000; and
- (3) *Minimum Standards* - at least one of the following criteria must be met:
  - (a) Shareholder's equity of at least \$2,500,000;
  - (b) Net income from continuing operations of at least \$375,000; or
  - (c) Market value of Listed Securities of at least \$25,000,000.
- (4) *Supplemental Listing*:
  - (a) For a supplemental listing of warrants, a Public Float of at least 50,000 warrants, held by at least 50 Public Securityholders, each holding at least 100 warrants;
  - (b) For a supplemental listing of Preference Shares, a minimum Public Float of \$2,000,000 and at least 50,000 Public Securities held by at least 50 Public Securityholders, each holding at least 100 Preference Shares; and
  - (c) For a supplemental listing of convertible debentures, a minimum Public Float of \$2,000,000 and at least 50 Public Securityholders, each holding at least \$1,000 of convertible debentures.

#### **3.02 Continuous Listing Requirements – CEF**

- (1) *Distribution* - Public Float of 500,000 securities together with a minimum of 150 Public Securityholders each holding a Board Lot;
- (2) *Net Asset Value* - a net asset value of at least \$5,000,000; and
- (3) *Calculation of Net Asset Value* – A CEF must be in compliance with its net asset value calculation requirements.

### 3.03 Continuous Listing Requirements – ETF

- (1) *Distribution* – Public Float of 50,000 securities;
- (2) *Net Asset Value* a net asset value of at least \$1,000,000 (or \$500,000 if the Listed Issuer was listed as part of a group of Investment Funds);
- (3) *Calculation of Net Asset Value* – An ETF must be in compliance with its net asset value calculation requirements; and
- (4) *Intra-Day Indicative Value* – The IIV must be able to be calculated and disseminated by the Reporting Authority as contemplated by this Listing Manual.

### 3.04 Continuous Listing Requirements – ETP

- (1) *Distribution* - Public Float of 500,000 securities together with a minimum of 150 Public Securityholders each holding a Board Lot;
- (2) *Minimum Public Float Value* - \$2,000,000;

#### **Commentary:**

*For some ETPs, the distribution or Public Float of the ETP may not be relevant for the purposes of the continuous listing requirements. See the Commentary following section 2.05(2).*

- (3) *ETP Issuer Criteria* – the ETP Issuer must continue to satisfy the requirements set out in sections 2.05(3) and (4).
- (4) *Calculation of Net Asset Value* – the ETP Issuer must be in compliance with its net asset value calculation requirements.
- (5) *Intra-Day Indicative Value* – The IIV must be able to be calculated and disseminated by the Reporting Authority as contemplated by this Listing Manual.

### 3.05 Continuous Listing Requirements – ETP-Debt Security

- (1) *Distribution* - Public Float of 500,000 securities together with a minimum of 150 Public Securityholders each holding a Board Lot;
- (2) *Minimum Public Float Value* - \$2,000,000;

**Commentary:**

*For some ETP-Debt Securities, the distribution or Public Float of the ETP-Debt Security may not be relevant for the purposes of the continuous listing requirements. See the Commentary following section 2.06(2).*

- (3) *ETP Issuer Criteria* – the ETP Issuer must continue to satisfy the requirements set out in sections 2.06(5) and (6) and 2.06(7).
- (4) *Calculation of Net Asset Value* – the ETP Issuer must be in compliance with its net asset value calculation requirements.
- (5) *Intra-Day Indicative Value* – The IIV must be able to be calculated and disseminated by the Reporting Authority as contemplated by this Listing Manual.

## **PART IV. Ongoing Requirements and Posting Requirements**

### **4.01 Changes to Directors, Officers and Independent Review Committee Members**

- (1) Listed Issuers, other than ETP Issuers and issuers of CEFs and ETFs, must Post a Notice of Change of Directors and Officers (Form 5A) upon any change in the directors or officers of the Listed Issuer.
- (2) Listed Issuers that are Investment Funds must Post a Notice of Change of Independent Review Committee Member (Form 5B) upon any change in the members of the independent review committee of the Listed Issuer.

### **4.02 Insiders**

- (1) Every new Insider of a Listed Issuer must submit a Personal Information Form (Form 3) or a Declaration (Form 3A), as applicable, upon their becoming an Insider of a Listed Issuer.
- (2) The Exchange may collect such personal information about the Insider of a Listed Issuer as it sees fit.
- (3) A Listed Issuer must immediately remove, or cause the resignation of, any director or officer who the Exchange determines is not suitable to act as a director or officer of a Listed Issuer. For other unsuitable Insiders of a Listed Issuer, the Listed Issuer must immediately sever relations with such Person to the satisfaction of the Exchange, or, in the case of a shareholder, satisfy the Exchange that the shareholder does not and will not have any role in the governance of the Listed Issuer.
- (4) An Insider of a Listed Issuer does not have to provide a Personal Information Form (Form 3) to the Exchange if that Insider has submitted a form substantially similar to a Personal Information Form in respect of an Other Listed Issuer to a Canadian exchange other than the Exchange within the past 36 months but must submit a Declaration (Form 3B) and attach a copy of the personal information form submitted to that other Canadian exchange, upon which, the Exchange will conduct its own background checks based on the information provided or such other information as requested by the Exchange.

### **4.03 Transfer and Registration of Securities**

- (1) Every Listed Issuer must maintain in good standing transfer and registration facilities in the City of Toronto or elsewhere in Canada, where its Listed Securities must be directly transferable.

- (2) The transfer and registration facilities must be operated by a transfer agent recognized by the Clearing Corporation.
- (3) This section does not apply to a Foreign Issuer to the extent that such Foreign Issuer's registrar and transfer agent can settle trades with the Clearing Corporation.

#### **4.04 Dematerialized Securities**

Issuers must make arrangements acceptable to the Clearing Corporation so that all trades in Listed Securities are cleared and settled on a book-entry only basis.

#### **4.05 Filing Fees**

Upon the occurrence of an event or closing of a transaction for which a filing fee is applicable, the Listed Issuer must submit the applicable filing fee plus applicable taxes. Receipt of the applicable filing fee is a pre-requisite to the listing for trading of any securities issued pursuant to the event or transaction.

#### **4.06 Posting Officer**

- (1) A Listed Issuer must designate at least one individual to act as its Posting officer and at least one backup. The Posting officers are responsible for making all of the Postings required under the Exchange Requirements.
- (2) A Listed Issuer may Post documents through the facilities of a third party service provider approved by the Exchange.

#### **4.07 Postings**

- (1) *Confidentiality* - A Listed Issuer may request from the Exchange that a document or notice required to be Posted be marked as confidential and not accessible for public dissemination or review. If a Listed Issuer requests confidentiality, it must advise the Exchange in writing within 10 days of the filing if it believes that the document or notice should remain confidential and every 10 days thereafter until the document or notice is Posted.
- (2) *General Dissemination of Material Information and Selective Disclosure* - Listed Issuers are reminded that Posting is not equivalent to general dissemination of Material Information. Listed Issuer should take care to ensure that Material Information contained in a Posting is generally disclosed in accordance with applicable securities laws and Part V of this Listing Manual. Where a Posting will contain Material Information, a press release disclosing such Material Information should be generally disclosed in advance of the Posting in compliance with a Listed Issuer's selective disclosure obligations.



#### **4.08 Documents required to be Filed and Posted**

- (1) In addition to filing requirements set out elsewhere in this Listing Manual, every Listed Issuer must promptly file with the Exchange every material document (i) required to be filed with any securities regulatory authority for a jurisdiction in which it is a reporting issuer or equivalent; or (ii) to be delivered to security holders of a Listed Issuer.
- (2) In addition to the Posting requirements set out elsewhere in this Listing Manual, every Listed Issuer must promptly Post the following documents with the Exchange:
  - (a) annual financial statements, together with annual management's discussion and analysis or annual management report on fund performance, as applicable;
  - (b) interim financial statements, together with interim management's discussion and analysis or interim management report on fund performance, as applicable;
  - (c) annual information form; and
  - (d) quarterly updates (Form 6) current as of the last day of the relevant quarter, to be Posted concurrently with a Listed Issuer's annual or interim financial statement.
- (3) A Listed Issuer must promptly file or Post such other documentation as the Exchange may request from time to time in its discretion, in each case in connection with the maintenance of the listing of the Listed Securities on the Exchange.

#### **4.09 Issuer Website**

A Listed Issuer must maintain a website. Any information regarding the issuer disclosed on its website must be up-to-date and accurate, and the issuer must promptly correct or update any incorrect or obsolete information.

## PART V. Timely Disclosure

### A. Obligation to Disclose Material Information

#### 5.01 Introduction

- (1) This Manual is not an exhaustive statement of the timely and continuous disclosure requirements applicable to Listed Issuers. Listed Issuers must comply with all applicable requirements of securities legislation. In particular, mining issuers must comply with the additional disclosure requirements of National Policy 43-101- *Standards of Disclosure for Mineral Projects*. Oil and gas issuers must comply with the additional disclosure requirements of National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. All Listed Issuers must comply with National Policy 51-201 – *Disclosure Standards* and, if applicable, section 11.2 of NI 81-106 - *Investment Fund Continuous Disclosure*.

**Commentary:**

*Listed Issuers should establish a clear written disclosure policy and insider trading policy to help it and its directors, officers and employees comply with their obligations under both securities laws and the Listing Manual.*

*Listed Issuers should consult Part 6 of National Policy 51-201 when implementing a disclosure policy and insider trading policy. Such policies should be reviewed and adopted by the board of directors of the issuer, distributed to its officers and employees, and periodically reviewed and updated as necessary. Directors, officers and employees should be trained so that they understand and can apply the policies.*

- (2) Each Listed Issuer must determine Material Information in the context of its own affairs. Material Information varies from one issuer to another, and will be influenced by factors such as the issuer's profitability, assets, capitalization, and the nature of its operations.

**Commentary:**

*Given the element of judgment involved, Listed Issuers are encouraged to review applicable securities laws, as well as consult with the Market Regulator, on a confidential basis at an early stage to determine whether a particular event gives rise to Material Information.*

#### 5.02 Disclosable Events

- (1) Listed Issuers are required to make immediate public disclosure of all Material Information. They are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development will have or has had a direct effect on their business and affairs that is both material and uncharacteristic of the effect

generally experienced as a result of such development by other companies engaged in the same business or industry, Listed Issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most companies in a particular industry does not require an announcement, but if it affects only one or a few companies in a material way, an announcement should be made.

- (2) A reasonable investor's investment decision may be affected by factors relating directly to the securities themselves as well as by information concerning the Listed Issuer's business and affairs. For example, changes in a Listed Issuer's issued capital, stock splits, redemptions and dividend decisions may all have an impact upon the reasonable investor's investment decision.
- (3) Actual or proposed developments that are likely to require immediate disclosure include, but are not limited to, the following:
  - (a) changes in security ownership that may affect control of the Listed Issuer;
  - (b) changes in corporate structure, such as reorganizations, amalgamations, etc.;
  - (c) take-over bids or issuer bids;
  - (d) major corporate acquisitions or dispositions;
  - (e) changes in capital structure;
  - (f) borrowing of a significant amount of funds;
  - (g) public or private sale of additional securities;
  - (h) development of new products and developments affecting the Listed Issuer's resources, technology, products or market;
  - (i) significant discoveries or exploration results, both positive and negative, by resource companies;
  - (j) entering into or loss of significant contracts;
  - (k) firm evidence of significant increases or decreases in near-term earnings prospects;
  - (l) changes in capital investment plans or corporate objectives;

- (m) significant changes in management;
- (n) significant litigation;
- (o) major labour disputes or disputes with major contractors or suppliers;
- (p) events of default under financing or other agreements; or
- (q) any other developments relating to the business and affairs of the issuer that might reasonably be expected to influence or change an investment decision of a reasonable investor.

**Commentary:**

*Disclosure is only required where a development is material. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been made to proceed with it by the Listed Issuer's board of directors or by senior management with the expectation of concurrence from the board of directors. However, a corporate development in respect of which no firm decision has yet been made but that is reflected in the market price may require prompt disclosure.*

*Forecasts of earnings and other financial forecasts need not be disclosed, but where a significant increase or decrease in earnings is indicated in the near future, such as in the next fiscal quarter, this fact must be disclosed. Forecasts should not be provided on a selective basis to certain investors not involved in the management of the affairs of the company. If disclosed, they should be generally disclosed. Reference should be made to National Instrument 51-102 with respect to disclosure of forward looking information, including future-oriented financial information and financial outlooks.*

- (4) If a pending transaction has been announced but has not closed, updates should be provided at least every 30 days, unless the original announcement specifies a specific date on which an update will be given. Any change that is material to the pending transaction as announced must be disclosed promptly.

### **5.03 Rumours and Unusual Trading Activity**

- (1) Rumours and unusual trading activity may influence or change the investment decision of a reasonable investor and/or the trading price of an issuer's securities. It is impractical to expect management to be aware of, and comment on, all rumours or unusual trading activity. However, when either rumours or unusual trading activity occur, the Market Regulator may request that the Listed Issuer make a clarifying statement. A trading halt may be imposed pending release of a "no corporate developments" statement.

- (2) If a rumour is correct in whole or in part, or if it appears that the unusual trading activity reflects illicit trading on non-disclosed Material Information, the Market Regulator will require the Listed Issuer to make immediate disclosure of the relevant Material Information, and a trading halt may be imposed pending release and dissemination of that information.

#### 5.04 Timing of Disclosure and Pre-Notification of the Market Regulator

- (1) A Listed Issuer must disclose Material Information forthwith upon the information becoming known to management, or in the case of information previously known, forthwith upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk that Persons with access to that information will act upon undisclosed information.
- (2) The policy of immediate disclosure frequently requires that press releases be issued during trading hours, especially when an important corporate development has occurred. When this occurs, the Listed Issuer must notify the Market Regulator *prior* to the issuance of a press release and must not disseminate the press release until instructed by the Market Regulator. The Market Regulator will determine whether trading in the Listed Issuer's securities should be temporarily halted. The Market Regulator will also review the proposed wording of the press release to ensure it is complete and balanced.
- (3) Where a release is issued after the close of trading, the Market Regulator should be advised prior to the opening of trading the following trading day.

#### 5.05 Dissemination and Posting of Material Information

- (1) When disseminating Material Information, the news release must be transmitted to the media by the quickest possible method, and by a method that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, a wire service (or combination of services) must be used which provides national and simultaneous coverage.
- (2) Dissemination of news is essential to ensure that all investors have equal and timely information. Listed Issuers must ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this policy and shall be grounds for suspension or Delisting of the Listed Issuer's securities. In particular, the Exchange will not consider relieving a Listed Issuer from its obligation to disseminate news properly because of cost factors.

**Commentary:**

*The Exchange accepts the use of any news services that meet the following criteria:*

1. *Dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;*
2. *Dissemination to all Members; and*
3. *Dissemination to all relevant regulatory bodies.*

- (3) A Listed Issuer must Post all news releases (and other Material Information that is disseminated) and may also file them on its own website. This is not, however, an acceptable means of general dissemination. Listed Issuers must be careful they do not publish their press release on a website before it has been generally disseminated by a full-text service.
- (4) If a Listed Issuer chooses to publish news releases or other documents required to be filed by the Exchange or by securities regulatory authorities on its website, it must publish all of them. It cannot publish only favourable information. Similarly, news releases and other filings must be clearly distinguished from marketing material that may also be on the website so that a viewer will not confuse the two.

#### **5.06 Content of News Releases**

- (1) Announcements of Material Information should be factual and balanced. Unfavourable news must be disclosed just as promptly and completely as favourable news.
- (2) News releases must contain sufficient detail to enable investors to assess the importance of the information to allow them to make informed investment decisions.
- (3) Listed Issuers should communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary.
- (4) News releases must not be misleading.

***Commentary:***

*For example, a Listed Issuer must not announce an intention to enter into a transaction if it lacks the ability to complete the transaction or if no corporate decision has been made to proceed with the transaction.*

- (5) Investors and the media may wish to obtain further information concerning the announcement. All news releases must include the name of an officer or director of the Listed Issuer who is responsible for the announcement, together with the Listed Issuer's telephone number. The Listed Issuer is

encouraged to also include the name and telephone number of an additional contact person.

## **5.07 Trading Halts for the Dissemination of Information**

- (1) Trading may be halted by the Market Regulator during trading hours to allow Material Information to be disseminated and allow market participants to decide if they want to change their buy or sell orders. The Decision to halt trading is the Market Regulator's, and it will not routinely halt trading for all press releases, even at the request of the Listed Issuer. It is not appropriate for a Listed Issuer to request a trading halt if it is not prepared to make an announcement forthwith.
- (2) The Market Regulator may also halt trading to obtain a statement from a Listed Issuer clarifying a rumour or unusual trading that is having an effect on the market for the issuer's securities.
- (3) A trading halt does not reflect on the reputation of the issuer or its management. Trading is halted for positive developments as well as negative ones.
- (4) The Market Regulator will determine the time required to disseminate the news release and consequently the length of any quotation and trading halt. A trading halt will not normally last more than two hours.
- (5) A trading halt will not continue for more than 24 hours unless the Market Regulator determines that re-opening trading will have a significant negative impact on market integrity.
- (6) A Listed Issuer is expected to issue the news release promptly following the initiation of a trading halt. If an announcement is not forthcoming, the Market Regulator will make any determination with respect to maintaining the halt or resuming trading. In either case, the Listed Issuer should be prepared to issue a statement explaining why trading was halted and why it is not able to make an announcement.

## **B. When Confidentiality May Be Maintained**

### **5.08 When Information May be Kept Confidential**

- (1) In restricted circumstances, disclosure of Material Information concerning the business and affairs of a Listed Issuer may be delayed and kept confidential temporarily, where immediate release of the information would be unduly detrimental to the interests of the Listed Issuer. The withholding of Material Information on this basis should be infrequent and can only be justified where the potential harm to the Listed Issuer or to investors caused

by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure.

- (2) In addition, section 75(3) of the *Securities Act* (Ontario), as supplemented by National Policy 51-102 and National Instrument 81-106, provides that where, in the opinion of the reporting issuer, the public disclosure of a material change would be unduly detrimental to the interests of the reporting issuer, or where the material change consists of a decision to implement a change made by senior management of the Listed Issuer who believe that confirmation of the decision by the board of directors is probable, the Listed Issuer may file a report disclosing a material change on a confidential basis. Non-disclosure of information filed with the Ontario Securities Commission is also provided for in section 140(2) of the *Securities Act* (Ontario).
- (3) When a Listed Issuer requests that a material change be kept confidential, then pursuant to section 75(4) of the *Securities Act* (Ontario), it must advise the Ontario Securities Commission in writing within 10 days if it wishes that the information continue to be held on a confidential basis, and every 10 days thereafter until the material change is generally disclosed. The Ontario Securities Commission takes the view that it can require the Listed Issuer to disclose a confidential material change when, in its view, the benefit from public disclosure would outweigh the harm to the issuer resulting from disclosure.
- (4) Listed Issuers should be guided by applicable securities legislation in determining whether a material change can be filed on a confidential basis with a securities regulatory authority.
- (5) Where a decision is made to keep Material Information confidential, the Market Regulator must be immediately notified of the Listed Issuer's decision to do so. The Market Regulator must be provided with a copy of all submissions to the securities regulatory authority relating to a request to make or to continue confidential disclosure. The Market Regulator must be kept fully apprised of the nature of any discussions between the Listed Issuer and the securities regulatory authority relevant thereto, and any decision of the securities regulatory authority with respect to the ability of the Listed Issuer to make or continue confidential disclosure, or requiring the Listed Issuer to make general disclosure.
- (6) Listed Issuers that are reporting issuers or equivalent in jurisdictions other than Ontario must ensure that they comply with all applicable laws in addition to this Part.

## 5.09 Maintaining Confidentiality



- (1) Where disclosure of Material Information is delayed, the Listed Issuer must maintain complete confidentiality. In the event that such confidential information, or rumours respecting the confidential information, is divulged in any manner (other than in the necessary course of business), the Listed Issuer is required to make an immediate announcement on the matter. The Market Regulator must be notified of the announcement, in advance, in the usual manner. Any unusual market activity may mean that news of the matter is being disclosed and that certain Persons are taking advantage of it. In such a case, the Market Regulator should be advised immediately and a halt in trading will be imposed until the Listed Issuer has made disclosure of the Material Information.
- (2) At any time when Material Information is being withheld from the public, the Listed Issuer is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any of the Listed Issuer's officers, employees or advisers, except in the necessary course of business. The directors, officers and employees of a Listed Issuer should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed.

#### **5.10 Insider Trading**

- (1) Listed Issuers should make Insiders and others who have access to Material Information about the Listed Issuer, before it is generally disclosed, aware that trading in securities of the issuer (or securities whose market price or value varies materially with the securities of the reporting issuer), while in possession of undisclosed Material Information or tipping such information, is prohibited under applicable securities legislation and may give rise to administrative, civil and/or criminal liability.
- (2) In any situation where Material Information is being kept confidential, management is under a duty to take every possible precaution to ensure that no trading whatsoever takes place by any Insiders or persons in a "special relationship" with the Listed Issuer in which use is made of such information before it is generally disclosed to the public.
- (3) In the event that the Market Regulator is of the opinion that insider or improper trading may have occurred before Material Information has been disclosed and disseminated, the Market Regulator may require that an immediate announcement be made disclosing such Material Information. The Market Regulator will refer the matter to the appropriate securities regulatory authority for enforcement action.

#### **5.11 No Selective Disclosure**

- (1) Disclosure of Material Information must not be made on a selective basis. The disclosure of Material Information should not occur except by means that ensure that all investors have access to the information on an equal footing. The Exchange recognizes that good corporate governance involves actively communicating with investors, brokers, analysts, and other interested parties with respect to the corporation's business and affairs, through private meetings, formal or informal conferences, or by other means. However, when communications of any nature occur other than widely disseminated press releases in accordance with this rule, Listed Issuers may not, under any circumstances, communicate Material Information to anyone, other than in the necessary course of business, in which case the party receiving the information must be instructed to keep it confidential and not to trade the Listed Issuer's securities.
- (2) The board of directors of a Listed Issuer should put in place policies and procedures that will ensure that those responsible for dealing with shareholders, brokers, analysts, and other external parties are aware of their, and the Listed Issuer's, obligations with respect to the disclosure of Material Information.
- (3) Should Material Information be disclosed, whether deliberately or inadvertently, other than through a widely disseminated press release in accordance with the rule, the Listed Issuer must immediately contact the Market Regulator and request a trading halt pending the widespread dissemination of the information.

## **PART VI. Dividends or Other Distributions**

### **6.01 Dividends or Other Distributions**

- (1) In addition to any other requirements of this Listing Manual, Listed Issuers must notify the Exchange of any dividend or other distribution (whether regular or special) to holders of Listed Securities at least seven trading days prior to the Record Date for the distribution by way of a Notice of Stock Dividend (Form 7), if the dividend is in the form of Listed Securities, or by way of a Notice of Cash Dividend (Form 7A) for the distribution of cash or other assets. The Listed Issuer must Post the Form 7 or 7A at least seven trading days prior to the Record Date for the distribution to allow the Exchange to establish “ex” trading dates with respect to the distribution.
- (2) The Exchange may use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., two trading days before the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date. See Section 6.03.
- (3) Listed Issuers must notify the Exchange any decision to omit or defer a dividend if the omission or deferral constitutes a departure from the issuer’s dividend policy.

### **6.02 Due Bill Trading**

- (1) For the purposes of this section, “distribution” means any dividend, distribution, interest, security or right to which holders of listed securities have an entitlement, based on a specific Record Date.

Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence two trading days prior to the Record Date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the listed securities during this period can realize the full value of the listed securities they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the listed securities.

When Due Bills are used, ex-distribution trading usually commences at the opening on the first trading day after the payment date. In the event that the

Exchange receives late notification of the payment date and the payment date has passed, ex-distribution trading will generally commence on the first trading day following such notification.

The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., two trading days before the Record Date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.

Listed Issuers should contact the Exchange to discuss the use of Due Bills well in advance of any contemplated Record Date for a distribution.

## **PART VII. Corporate Finance and Capital Structure Changes**

### **7.01 Compliance with Disclosure Obligations**

- (1) Every transaction, except as noted below, governed by this Part is deemed to be “Material Information” that must be disclosed immediately under the Exchange’s Timely Disclosure Policy, even if the Market Regulator determines not to halt trading for dissemination. Listed Issuers must ensure they issue a press release prior to Posting any documents required by this Part.

**Commentary:**

*A grant of an Award under a Security Based Compensation Plan in the normal course is not necessarily Material Information. Listed Issuers must make a determination on a case-by-case basis.*

- (2) A Listed Issuer must give the Exchange prior notice of any issuance or potential issuance of securities of a class of Listed Securities as provided in this Part.
- (3) In addition to any other requirements of this Listing Manual, Listed Issuers must notify the Exchange of any corporate action that may affect holders of Listed Securities at least seven trading days prior to the Record Date for the corporate action. These actions include, but are not limited to, changes of transfer agent and registrar, change in general Listed Issuer information, change in the jurisdiction of organization of the Listed Issuer, change in the Listed Issuer’s fiscal year end, change in the Listed Issuer’s interlisted status and full or partial redemptions, retractions or cancellation of a Listed Security. The Exchange will set an “ex” trading date for the corporate action, if applicable.

### **7.02 Compliance with Shareholder Approval Requirements**

- (1) Transactions subject to this Part of the Manual may also be subject to prior shareholder approval required in Part X of this Listing Manual.

#### **A. Corporate Finance Transactions**

### **7.03 Prospectus Offerings**

- (1) A Listed Issuer that proposes to issue securities of a class or series of Listed Securities (or securities that are convertible, exercisable or exchangeable into a class or series of Listed Securities) pursuant to a prospectus must promptly file:

- (a) a preliminary Notice of Prospectus Offering (Form 8);
  - (b) a copy of the preliminary prospectus;
  - (c) a copy of the receipt(s) for the preliminary prospectus; and
  - (d) any document required to be filed on SEDAR in connection with the filing of the preliminary prospectus.
- (2) The pricing rules for private placements in section 7.04 of this Listing Manual and the shareholder approval requirements for securities offerings in section 10.10 of this Listing Manual also apply to issuances of securities by prospectus. Section 7.05 also applies to the issuance of securities that are convertible, exercisable or exchangeable into Listed Securities. Section 7.06 also applies to supplemental listings of securities of a Listed Issuer that are not Listed Securities.
- (3) Upon closing of the offering, the Listed Issuer must file:
- (a) a final Notice of Prospectus Offering (Form 8);
  - (b) a copy of the final prospectus;
  - (c) a copy of the receipt(s) for the final prospectus;
  - (d) any document required to be filed on SEDAR in connection with the filing of the final prospectus;
  - (e) if applicable, a certified copy of the resolution of shareholders or the minutes of the shareholder meeting approving the offering containing the exact wording of the resolution and confirming that it was adopted by a majority of shareholders other than those excluded from voting by Exchange Requirements, corporate or securities law or the constating documents of the Listed Issuer; and
  - (f) an opinion of counsel that the securities to be issued pursuant to the offering (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable (or equivalent in the case of non-corporate issuers).
- (4) Upon closing of the offering, the Listed Issuer must Post:
- (a) a final Notice of Prospectus Offering (Form 8); and
  - (b) a copy of the final prospectus.

- (5) Listed Securities will normally be posted for trading upon closing of the offering. At the request of the Listed Issuer, the Exchange may establish an “if, as and when issued” market prior to the closing of the offering. No such market will be established prior to the issuance of a receipt for the final prospectus.

#### 7.04 Private Placement Offerings

- (1) A Listed Issuer that proposes to issue securities of a class or series of Listed Securities (or securities that are convertible, exercisable or exchangeable into a class or series of Listed Securities) on a “private placement” basis must comply with the following requirements.
- (2) The Exchange considers an issuance of securities from treasury for cash or to settle a *bona fide* debt (including securities for services rendered) in reliance on an exemption from the prospectus requirements in applicable securities legislation to be a “private placement”.
- (3) Subject to section 10.10 of this Listing Manual, the private placement must not be priced lower than the Maximum Discount to market price.
- (4) The closing market price must be adjusted for any stock splits or consolidations and must not be influenced by the Listed Issuer, any director or officer of the Listed Issuer or any party with knowledge of the private placement.
- (5) If debt is to be exchanged for securities, the issue price is the face value of the debt divided by the number of securities to be issued. If the private placement is of special warrants, the issue price is the total proceeds to the Listed Issuer (before payment of any agent’s or other fees) divided by the maximum number of securities that may be issued, assuming any penalty provisions are triggered. If warrants or other convertible securities are to be issued, the Listed Issuer must also comply with Section 7.05.
- (6) The price reservation and any price reserved by way of press release expires if the transaction has not closed 45 days after the date on which it is given.
- (7) A Listed Issuer that proposes to issue securities pursuant to a private placement must promptly file a preliminary Notice of Private Placement (Form 9) at least 5 trading days prior the close of the private placement.
- (8) Upon closing of the placement the Listed Issuer must file:
  - (a) a Notice of Private Placement (Form 9);

- (b) a letter from the Listed Issuer confirming receipt of proceeds;
  - (c) if applicable, a certified copy of the resolution of shareholders or the minutes of the shareholder meeting approving the placement containing the exact wording of the resolution and confirming that it was adopted by a majority of shareholders other than those excluded from voting by Exchange Requirements, corporate or securities law or the constating documents of the Listed Issuer; and
  - (d) an opinion of counsel that the securities to be issued pursuant to the offering (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable (or equivalent in the case of non-corporate issuers).
- (9) Upon closing of the placement the Listed Issuer must Post the final Notice of Private Placement (Form 9).

#### **7.05 Warrants and other Convertible, Exercisable and Exchangeable Securities**

- (1) Warrants (to purchase securities of an issuer's own issue) may not be issued for nil consideration except as "sweeteners" in conjunction with a private placement or public offering of Listed Securities (or securities that are convertible, exercisable or exchangeable into a class or series of Listed Securities), in which case: (i) securities issuable on exercise of the warrants must not be issuable at less than the market price on the trading day prior to the day on which the price of the private placement was reserved, and; (ii) the number of securities issuable upon exercise of the warrants cannot exceed the number of Listed Securities initially placed or offered (or, in the case of the placement or offering of securities that are convertible, exercisable or exchangeable into a class or series of Listed Securities, the number of Listed Securities that are issuable).
- (2) Notwithstanding the foregoing, securities issuable upon exercise of warrants issued as compensation to brokers or finders in connection with a private placement or public offering (commonly known as broker warrants or compensation options) may be priced at the offering price for the private placement or public offering.
- (3) Convertible, exercisable or exchangeable securities must be subject to standard anti-dilution provisions.
- (4) Non-material changes to the conversion, exercise or exchange characteristics of the security are permitted, subject to the prior approval of a majority of Unrelated Directors of the Listed Issuer. Any material changes must be approved by security holders other than security holders who are advantaged by the proposed amendment. A Listed Issuer must Post a



notice (Form 9B) at least 5 trading days prior to such proposed amendments.

**Commentary:**

*Materiality is a matter of judgment in the particular circumstance; a Listed Issuer's board of directors must determine materiality. A "material" amendment to the terms of an option, warrant and convertible security include (but are not limited to), the following:*

- *a material extension of the term of the convertible security (for example: an extension of a term of a grant by 10% or less may be immaterial but becomes material if the amended term extends the grant past a date when an expected release of information is to occur, or the exercise price is lower than the prevailing market price); or*
- *a re-pricing of any grant (where "re-pricing" means any of the following or any other action that has the same effect: (i) lowering of an conversion/exercise price of an option, warrant or convertible security after it is granted; (ii) any other action that is treated as a re-pricing under generally accepted accounting principles; or (iii) cancelling an option, warrant or convertible security at a time when its conversion/exercise price exceeds the fair market value of the underlying security, in exchange for another security, unless the cancellation and exchange occurs in connection with an amalgamation, acquisition, spin-off or other similar corporate transaction*

## **7.06 Supplemental Listings Relating to a New Class or Series**

- (1) A Listed Issuer or an Other Listed Issuer may apply to have a new class or series of securities listed and posted for trading on the Exchange (a supplemental listing).
- (2) All minimum listing requirements apply to a supplemental listing, other than those supplemented by subsection 2.02(7).

## **B. Other Transactions Involving the Issuance of Listed Securities**

### **7.07 Acquisitions**

- (1) Securities may be issued as full or partial consideration at not less than the Maximum Discount to market price. Management of the Listed Issuer is responsible for ensuring that the consideration received is reasonable and must retain copies of evidence of value including confirmation of out-of-pocket costs or replacement costs, fairness options, geological reports, financial statements or valuations. This documentation must be made available to the Exchange upon request.

- (2) A Listed Issuer that proposes to issue securities in consideration for an acquisition must promptly file a preliminary Notice of Acquisition (Form 10), at least 5 trading days prior the close of the acquisition.
- (3) Upon closing of the acquisition the Listed Issuer must file:
  - (a) a final Notice of Acquisition (Form 10);
  - (b) a letter from the Listed Issuer confirming closing of the transaction and receipt of the assets, transfer of title of the assets or other evidence of receipt of consideration for the issuance of the securities;
  - (c) if applicable, a certified copy of the resolution of shareholders or the minutes of the shareholder meeting approving the acquisition containing the exact wording of the resolution and confirming that it was adopted by a majority of shareholders other than those excluded from voting by Exchange Requirements, corporate or securities law or the constating documents of the Listed Issuer; and
  - (d) an opinion of counsel that the securities to be issued pursuant to the offering (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable (or equivalent in the case of non-corporate issuers).
- (4) Upon closing of the acquisition, the Listed Issuer must Post the final Notice of Acquisition (Form 10).

#### **7.08 Security Based Compensation Arrangements and Awards**

- (1) This section governs the issuance of Awards under Security Based Compensation Arrangements, including stock options that are used as incentives or compensation mechanisms for employees, directors, officers, consultants and other Persons who provide services for Listed Issuers.
- (2) All issuances of Awards under Security Based Compensation Arrangements and issuances of securities underlying an Award must be made in compliance with applicable securities laws.
- (3) Awards may not have an exercise price or issue price, as applicable, lower than the closing market prices of the underlying securities on the trading day prior to the date of grant of the Award.
- (4) Listed Issuers should not price an Award where the market price does not reflect undisclosed Material Information.

- (5) A Listed Issuer's Security Based Compensation Arrangement must state a maximum number of securities issuable pursuant to such plan either as a fixed number or percentage of the Listed Issuer's outstanding securities.
- (6) Awards issued under a Security Based Compensation Arrangement must be non-transferable.
- (7) A Listed Issuer that has instituted a Security Based Compensation Arrangement must file the following concurrent with the first grant under the plan:
  - (a) a copy of the Security Based Compensation Arrangement;
  - (b) if applicable, a certified copy of the resolution of shareholders or the minutes of the shareholder meeting approving the plan containing the exact wording of the resolution and confirming that it was adopted by a majority of shareholders other than those excluded from voting by Exchange Requirements, corporate or securities law or the constating documents of the Listed Issuer;
  - (c) an opinion of counsel that any securities to be issued pursuant to the Security Based Compensation Arrangement will be duly issued and will be fully paid and non-assessable (or equivalent in the case of non-corporate issuers).
- (8) Unless filed on SEDAR, a Listed Issuer must Post a copy of the Security Based Compensation Arrangement concurrent with the first grant under the plan.
- (9) Immediately following each Award grant or amendment, the Listed Issuer must Post a Notice of Security Based Compensation Arrangement Award or Amendment (Form 11).
- (10) A Listed Issuer that has amended a Security Based Compensation Arrangement must file the following forthwith after the amendment:
  - (a) a copy of the Security Based Compensation Arrangement;
  - (b) if applicable, a certified copy of the minutes of the board of directors' meeting or a certified copy of the resolution of shareholders or the minutes of the shareholder meeting approving the amendment containing the exact wording of the resolution and confirming that it was adopted by a majority of directors or shareholders other than those excluded from voting by Exchange Requirements, corporate or securities law or the constating documents of the Listed Issuer; and

- (c) where the amendment relates to the number or kind of securities issuable under the Security Based Compensation Arrangement, an opinion of counsel that any securities to be issued pursuant to the Security Based Compensation Arrangement will be duly issued and will be fully paid and non-assessable (or equivalent in the case of non-corporate issuers).
- (11) Unless filed on SEDAR, a Listed Issuer that has amended a Security Based Compensation Arrangement must Post a copy of the Security Based Compensation Arrangement forthwith after the amendment.
- (12) A Security Based Compensation Arrangement that existed prior to the issuer becoming listed on the Exchange must comply with the requirements of this section 7.08.

## **7.09 Rights Offerings**

- (1) A Listed Issuer intending to complete a rights offering must inform the Exchange immediately. Notice may be on a confidential basis if the terms of the rights offering have not been finalized.
- (2) Subject to section 10.14, securities offered by way of rights offering are expected to be offered at a "significant discount" to market price at the time of pricing of the offering, which is expected to be at the time of filing of the (final) circular. A significant discount would be equal to at least the Maximum Discount to market price.
- (3) The rights offering can be conditional. Rights must be transferable and freely tradeable, and will be posted for trading on the Exchange. Rights can be issued to purchase shares of a reporting issuer in Canada, listed on a Canadian exchange and categorized as a "non-venture" issuer. Shareholders must receive at least one right for each share held.
- (4) A Listed Issuer must finalize the terms of the rights offering and obtain clearance from all applicable securities regulatory authorities at least seven trading days prior to the Record Date for a rights offering. "Ex" trading will begin two trading days prior to the Record Date, meaning purchasers on and after that date will not be entitled to obtain rights certificates. Trading in the rights will begin on the first day of "ex" trading in the Listed Securities. If insufficient notice is given, the Exchange will require the Listed Issuer to delay the Record Date. Due Bill trading may be used in certain circumstances for conditional rights offerings as determined at the discretion of the Exchange. See Section 6.03.

- (5) At least seven trading days prior to the Record Date the Listed Issuer must file the following:
- (a) a Notice of Rights Offering (Form 12);
  - (b) a copy of the final rights circular or prospectus as approved by the applicable securities regulatory authority;
  - (c) a specimen copy of the rights certificate;
  - (d) a written statement as the date on which the offering circular and rights certificates will be mailed to shareholders (which must be as soon as practicable following the Record Date);
  - (e) where the securities of the issuer underlying the rights are listed on another exchange, the Exchange will require evidence of a conditional approval letter approving such transaction; and
  - (f) an opinion of counsel that the securities to be issued on exercise of the rights will be duly issued and will be fully paid and non-assessable (or equivalent in the case of non-corporate issuers).
- (6) At least seven trading days prior to the Record Date the Listed Issuer must Post the following:
- (a) a Notice of Rights Offering (Form 12); and
  - (b) unless filed on SEDAR, a copy of the final rights circular or prospectus as approved by the applicable securities regulatory authority.
- (7) The rights offering must be open for a minimum of 21 days following the date that the rights circular or prospectus is sent to security holders. Once the rights offering has commenced, there may be no amendments to its terms except as permitted by the Exchange in extremely exceptional circumstances, such as an unanticipated postal strike that makes timely delivery of the circular and certificates impossible. Notwithstanding the foregoing, any amendment to the rights offering must comply with applicable securities laws.
- (8) If the offering provides a rounding mechanism whereby rights holders holding less rights than are needed to buy one share can have their entitlement adjusted, arrangements must be made to ensure beneficial holders will be afforded the same treatment as if they were registered holders.

## 7.10 Take-Over Bids

- (1) A Listed Issuer undertaking a take-over bid must file the following documentation:
  - (a) a Notice of Take-Over Bid (Form 13) within one trading day following announcement of the bid;
  - (b) a copy of the take-over bid circular; and
  - (c) an opinion of counsel that any securities to be issued (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable as soon as practicable (or equivalent in the case of non-corporate issuers).
- (2) A Listed Issuer undertaking a take-over bid must Post the following documentation:
  - (a) a Notice of Take-Over Bid (Form 13) within one trading day following announcement of the bid; and
  - (b) unless filed on SEDAR, a copy of the take-over bid circular.
- (3) If the Listed Issuer is offering a new class of securities as payment under the bid and wishes to list those securities, the provisions of section 7.06 (supplemental listings) and PART X.C (restricted securities) will apply.
- (4) Section 10.11 applies to a take-over bid, since a take-over bid is an acquisition.

## 7.11 Additional Listings or Cancellations for Other Purposes

- (1) A Listed Issuer that wishes to issue securities of a class of Listed Securities for any purpose not otherwise contemplated by this Listing Manual (for example bonus shares) must file the following documentation within seven trading days (subject to any other timing requirements of the Manual) prior to issuing the securities:
  - (a) a Notice of Additional Listing (Form 14A);
  - (b) copies of all relevant agreements; and
  - (c) an opinion of counsel that the securities to be issued (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable.

- (2) A Listed Issuer must Post the Notice of Additional Listing (Form 14A).
- (3) A Listed Issuer that wishes to cancel securities of a class of Listed Securities for any purpose not otherwise contemplated by this Listing Manual must file the following documentation within seven trading days (subject to any other timing requirements of the Manual) prior to cancelling the securities:
  - (a) a Notice of Cancellation of Securities (Form 14B); and
  - (b) copies of all relevant agreements.
- (4) A Listed Issuer must Post the Notice of Cancellation of Securities (Form 14B).

## 7.12 Sales from Control Person through the Facilities of the Exchange

- (1) *Responsibility of Participating Organization and Seller.* It is the responsibility of both the selling security holder and Member acting on their behalf to ensure compliance with Exchange Requirements and applicable securities laws. In particular, Members and selling security holders should familiarize themselves with the procedures and requirements set out in Part 2 of National Instrument 45-102 – *Resale of Securities* (“**NI 45-102**”).

### **Commentary:**

*If securities are to be sold from a Control Person pursuant to an order made under section 74 of the Securities Act (Ontario) or an exemption contained in subsection 73(1) of the Securities Act (Ontario) or Part 2 of OSC Rule 45-501, the securities acquired by the purchaser may be subject to a hold period in accordance with the provisions of the Securities Act (Ontario) or NI 45-102. Sales of securities subject to a hold period are special terms trades and will normally be permitted to take place on the Exchange without interference.*

- (2) General Rules for Control Person Sales on the Exchange.
  - (a) *Posting.* The seller shall Post a Form 45-102F1 - *Notice of Intention to Distribute Securities* under subsection 2.8 of NI 45-102 with the Exchange at least seven days prior to the first trade made to carry out the distribution.
  - (b) *Notification of Appointment of Participating Organization.* The seller must notify the Exchange of the name of the Member, which will act on behalf of the seller. The seller shall not change the Member without prior notice to the Exchange.
  - (c) *Acknowledgement of Participating Organization.* The Member acting as agent for the seller shall give notice to the Exchange of its

intention to act on the sale from control before the first sale commences.

- (d) *Report of Sales.* Within three days after the completion of any trade, the seller shall file a report with the Exchange containing substantially the same information as an insider report required to be filed in accordance with applicable securities laws. The Member shall report in writing to the Exchange within five days after the end of each month, the total number of securities sold by the seller during the month, and, if and when all of the securities have been sold, the Member shall so report forthwith in writing to the Exchange.
- (e) *Term.* The Posting of Form 45-102F1 expires on the earlier of:
  - (i) thirty days after the date the Form 45-102F1 was filed, and
  - (ii) the date the selling security holder, or the lender, pledgee, mortgagee or other encumbrancer, files the last of the insider reports reflecting the sale of all securities referred to in the Form 45-102F1.
- (f) *First Sale.* The first sale cannot be made until at least seven days after the Posting of Form 45-102F1.

**Commentary:**

*The Exchange may, in circumstances it considers appropriate, require that special conditions be met with respect to any sales. Possible conditions include, but are not limited to, the requirement that the seller not makes a sale below the price of the last sale of a Board Lot of the security on the Exchange, which is made by another Person or company acting independently.*

- (3) Restrictions on Control Person Sales on the Exchange.
  - (a) *Private Agreements.* A Member is not permitted to participate in sales from a Control Person by private agreement transactions.
  - (b) *Normal Course Issuer Bids.* If the Listed Issuer of the securities which are the subject of the sale from Control Person is undertaking a Normal Course Issuer Bid in accordance with Sections 7.19 to 7.21 of this Listing Manual, the Normal Course Issuer Bid and the sale from Control Person will be permitted on the condition that:
    - (i) the Member acting for the Listed Issuer confirms in writing to the Exchange that it will not bid for securities on behalf of the Listed Issuer at a time when securities are being offered on behalf of the Control Person seller;
    - (ii) the Member acting for the Control Person seller confirms in writing to the Exchange that it will not offer securities on behalf



- of the Control Person seller at a time when securities are being bid for under the Normal Course Issuer Bid; and
- (iii) transactions in which the Listed Issuer is on one side and the Control Person seller on the other are not permitted.

- (c) *Price Guarantees.* The price at which the sales are to be made cannot be established or guaranteed prior to the seventh day after the Posting of Form 45-102F1 with the Exchange.

### **7.13 ETF Creations and Redemptions**

- (1) An ETF must Post a Notice of Creation or Redemption (Form 15) following the creation or redemption any of the ETF's Listed Securities.

## **C. Substitutional Listings Related to Corporate Actions**

### **7.14 Name Change**

- (1) A Listed Issuer that changes its name must file the following at least seven trading days prior to the Effective Date in order to be listed under the new name:
  - (a) a Notice of Name Change (Form 16), which shall specify the Effective Date and the date that the Certificate of Amendment or equivalent giving effect to the name change will be filed;
  - (b) confirmation of the new CUSIP number or that the CUSIP number is unchanged; and
  - (c) a definitive specimen of the new security certificate.
- (2) A Listed Issuer must Post the Notice of Name Change (Form 16) at least seven trading days prior to the Effective Date;
- (3) A Listed Issuer that changes its name must ensure that the Certificate of Amendment (or equivalent) giving effect to the name change is filed and effective as of the commencement of trading on the Effective Date, and must file and Post a copy of the Certificate of Amendment (or equivalent) no later than the Effective Date.
- (4) The Exchange may assign a new stock symbol. The Listed Issuer should submit any requests in this regard in advance of the name change becoming effective.

### **7.15 Stock Subdivisions (Stock Splits)**

- (1) For a stock subdivision accomplished by stock dividend, the Listed Issuer must file the following documentation at least seven trading days prior to the Record Date:
  - (a) a Notice of Stock Subdivision (Form 17);
  - (b) written confirmation of the Record Date;
  - (c) an opinion of counsel that all necessary steps have been taken to effect the subdivision and that the securities to be issued will be duly issued and will be fully paid and non-assessable (or equivalent in the case of non-corporate issuers); and
  - (d) if the security split is part of a reclassification, confirmation of the new CUSIP number.
- (2) A Listed Issuer must Post the Notice of Stock Subdivision (Form 17) least seven trading days prior to the Record Date;
- (3) Subject to Section 7.15(4), the securities will begin trading on a split basis two trading days prior to the Record Date for a stock subdivision accomplished by stock dividend.
- (4) Due Bill trading may be used in certain circumstances for a stock subdivision accomplished by stock dividend as determined at the discretion of the Exchange. See Section 6.03.
- (5) For a stock subdivision accomplished by amendment to the constating documents, the Listed Issuer must file the following documentation at least seven trading days prior to the Effective Date:
  - (a) a Notice of Stock Subdivision (Form 17), which shall specify the Effective Date and the date that the Certificate of Amendment or equivalent giving effect to the stock split will be filed;
  - (b) a certified copy of the minutes of the security holder meeting approving the stock split;
  - (c) an opinion of counsel that all necessary steps have been taken to effect the subdivision and that the securities to be issued will be duly issued and will be fully paid and non-assessable (or equivalent in the case of non-corporate issuers); and
  - (d) confirmation of the new CUSIP number, if applicable;
  - (e) a definitive specimen of the new security certificate, if applicable

- (f) a copy of the letter of transmittal for the stock split, if applicable.
- (6) A Listed Issuer must Post the Notice of Stock Subdivision (Form 17) least seven trading days prior to the Effective Date;
- (7) A Listed Issuer that effects a stock subdivision by amendment to its constating documents must ensure that the Certificate of Amendment (or equivalent) giving effect to the stock subdivision is filed and effective as of the commencement of trading on the Effective Date, and must file and Post a copy of the Certificate of Amendment (or equivalent) no later than the Effective Date.
- (8) For a stock subdivision accomplished by amendment to the constating documents, the securities will begin trading on a split basis two or three trading days following the filing and Posting of all required documents, or as otherwise provided by the Exchange.

#### **7.16 Security Consolidations**

- (1) A new CUSIP number must be obtained for the consolidated securities.
- (2) A Listed Issuer may not consolidate its securities if the total securities outstanding and number of Board Lot holders following the consolidation would be less than the minimums for continued listing set out in Part III.
- (3) To give effect to a security consolidation, the Listed Issuer must file the following documentation at least seven trading days prior to the Effective Date:
  - (a) a Notice of Security Consolidation (Form 18), which shall specify the Effective Date and the date that the Certificate of Amendment or equivalent giving effect to the consolidation will be filed;
  - (b) a confirmation of distribution requirements (Form 18A);
  - (c) a certified copy of the minutes of the security holder meeting approving the consolidation;
  - (d) an opinion of counsel that all necessary steps have been taken to effect the consolidation;
  - (e) confirmation of the new CUSIP number, if applicable;
  - (f) a definitive specimen of the new security certificate, if applicable; and

- (g) a copy of the letter of transmittal for the consolidation, if applicable.
- (4) the Listed Issuer must Post the Notice of Security Consolidation (Form 18) at least seven trading days prior to the Effective Date;
- (5) A Listed Issuer that effects a consolidation must ensure that the Certificate of Amendment (or equivalent), giving effect to the consolidation, is filed and effective as of the commencement of trading on the Effective Date and must file and Post a copy of the Certificate of Amendment (or equivalent) no later than the Effective Date;
- (6) The securities will begin trading on a consolidated basis two or three trading days following the filing and Posting of all required documents, or as otherwise provided by the Exchange.
- (7) The Exchange will assign a new stock symbol when the securities begin trading on a consolidated basis. The Listed Issuer should submit any requests in this regard in advance of the consolidation becoming effective.

#### 7.17 Security Reclassifications

- (1) A Listed Issuer wishing to effect a security reclassification into one or more classes of securities or other change to its capital structure must consult the Exchange. The requirements to give effect to the reclassification will be tailored to the Listed Issuer's particular situation.

##### **Commentary:**

*The Exchange will consider transactions that change the nature of an Investment Fund to be a security reclassification. Such transactions may include a conversion of:*

- A CEF into an ETF;
- An ETF into a CEF; or
- Any transaction where an Investment Fund is restructured as a non-Investment Fund.

*The Listed Issuer should consider whether such reclassification will trigger a requirement under securities laws to seek security holder approval, including in the case of an Investment Fund, whether the reclassification will result in a fundamental change to the investment objective of the Investment Fund.*

- (2) To give effect to a security restructuring, the Listed Issuer must file the following documentation at least seven trading days prior to the Effective Date:
  - (a) a Notice of Security Restructuring (Form 19) which shall specify the Effective Date and the date that the Certificate of Amendment or equivalent giving effect to the reclassification will be filed;

- (b) a certified copy of the minutes of the security holder meeting approving the reclassification;
  - (c) an opinion of counsel that all necessary steps have been taken to effect the reclassification, and that the new securities are or will be duly authorized and are or will be fully-paid and non-assessable (or equivalent in the case of non-corporate issuers);
  - (d) confirmation of the new CUSIP number(s);
  - (e) a definitive specimen of the new security certificate, if applicable; and
  - (f) a copy of the letter of transmittal for the reclassification, if applicable.
- (3) The Listed Issuer must Post the Notice of Security Restructuring (Form 19) at least seven trading days prior to the Effective Date;
- (4) A Listed Issuer that effects a reclassification must ensure that the Certificate of Amendment (or equivalent) giving effect to the reclassification is filed and effective as of the commencement of trading on the Effective Date, and must file and Post, no later than the Effective Date, a copy of the Certificate of Amendment (or equivalent) giving effect to the reclassification;
- (5) The securities will begin trading on a post-reclassification basis two or three trading days following the filing and Posting of all required documents, or as otherwise provided by the Exchange.
- (6) The Exchange may assign a new stock symbol to the new securities. The Listed Issuer should submit any requests in this regard in advance of the restructuring becoming effective.

## D. Issuer Bids Through the Exchange's Facilities

### 7.18 Issuer Bids

- (1) A Listed Issuer undertaking a formal issuer bid for a class of Listed Securities must file the following documentation:
  - (a) a Notice of Formal Issuer Bid (Form 20) within one trading day following announcement of the bid; and
  - (b) a copy of the issuer bid circular required by applicable securities legislation as soon as practicable.
- (2) A Listed Issuer undertaking a formal issuer bid for a class of Listed Securities must Post the following documentation:
  - (a) a Notice of Formal Issuer Bid (Form 20) within one trading day following announcement of the bid; and
  - (b) unless filed on SEDAR, a copy of the issuer bid circular required by applicable securities legislation.

### 7.19 Normal Course Issuer Bids – Procedure

- (1) Sections 7.19 through 7.21 apply
  - (a) to all Normal Course Issuer Bids by Listed Issuers; and
  - (b) to all purchases of Listed Securities by a trustee or other agent for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or securities holders of a Listed Issuer may participate if:
    - (i) the trustee or agent is an employee, director, associate or affiliate of the Listed Issuer; or
    - (ii) the Listed Issuer directly or indirectly controls the time, price, amount or manner of purchases or directly or indirectly influences the choice of the broker through which purchases are made.

**Commentary:**

*These sections do not apply if the purchases are made on the specific instruction of the employee or security holder who will be the beneficial owner of the securities purchased.*

- (2) A Listed Issuer must not announce a Normal Course Issuer Bid or Post any documentation in connection with a Normal Course Issuer Bid, if it does not have a present intention to purchase securities.
- (3) The maximum number of securities to be purchased under a Normal Course Issuer Bid cannot be a number that would make that class of securities ineligible for continued listing on the Exchange, assuming all the securities are purchased.
- (4) A Listed Issuer intending to make a Normal Course Issuer Bid for a class of Listed Securities must file a draft Notice of Normal Course Issuer Bid (Form 20A), which states the maximum number of securities the issuer intends to purchase under the bid, seven trading days prior to issuing a news release announcing the details of the bid; the final Form 20A must be Posted when the news release is disseminated.

**Commentary:**

*An issuer may make a bid for less than the maximum number of securities permitted by the definition of Normal Course Issuer Bid. If so, the Form 20A must contain the number of securities the issuer intends to purchase rather than simply stating the maximum number. Subsection (7) allows a Listed Issuer to increase the maximum number of securities that are the subject of the bid.*

*The Exchange will review the Form 20A to determine if the NCIB is acceptable based on market integrity concerns.*

*The news release announcing the bid must contain a summary of the information in Form 20A, including the maximum number of shares to be purchased, the reason for the bid, any restrictions on purchase and the number of shares purchased in the preceding twelve months.*

- (5) A Normal Course Issuer Bid expires on the earlier of:
  - (a) one year from the date of Posting of the Form 20A commencing the NCIB (without reference to the date of filing of any amended Form 20A); and
  - (b) any earlier date specified in the Form 20A.

**Commentary:**

*An issuer wishing to continue a bid for more than one year must file a new Form 20A no later than the expiry date of the current form.*

- (6) The maximum number of securities that can be purchased under the bid must be adjusted for stock splits, stock dividends and stock consolidations. The Listed Issuer must Post an amended Form 20A reflecting the

adjustment at the same time as it Posts the documentation required for the subdivision or consolidation.

- (7) If:
- (a) the original Form 20A specified purchases of less than the maximum number permitted under the definition of Normal Course Issuer Bid, a Listed Issuer may Post a revised Form 20A permitting the purchase of up to the greater of 10% of the Public Float or 5% of the outstanding securities as of the date of the Posting of the original Form 20A; and
  - (b) the number of securities outstanding of the class that is the subject of the Normal Course Issuer Bid has increased by more than 25% from the date of Posting of the original Form 20A, a Listed Issuer may Post a revised Form 20A permitting the purchase of up to the greater of 10% of the Public Float or 5% of the outstanding securities as of the date of the Posting of the amended Form 20A.
- (8) A Listed Issuer must Post a revised Form 20A in the event of any material change in the information in the current Form 20A, as soon as practicable, following the material change.

**Commentary:**

*A change in the number of shares outstanding is not a material change requiring filing of an amended form unless the issuer is increasing the number of shares it intends to purchase pursuant to subsection (7). A decrease in the number of shares the issuer intends to purchase is a material change.*

- (9) A Listed Issuer must issue a news release prior to or concurrently with the filing of any amended Form 20A containing full details of the amendment.
- (10) Within 10 days of the end of each calendar month, the Listed Issuer, trustee or agent must Post a completed Form 20B indicating the number of securities purchased in the previous month (on the Exchange or otherwise), including the volume weighted average price paid.

**7.20 Normal Course Issuer Bids — Restrictions on Purchases**

- (1) A Listed Issuer, trustee or agent must appoint one (and only one) Member at any one time to make purchases under the bid. The Listed Issuer must notify the Market Regulator and the Exchange of the name of the Member and the registered representative responsible for the bid. To assist the Exchange in its surveillance function, the Listed Issuer is required to provide written notice to the Exchange before it intends to change its purchasing Member. The purchasing Member shall be provided with a copy of Form



20A and be instructed to make purchases in accordance with the provisions herein and the terms of such notice.

- (2) Normal course issuer bid purchases may not be made by intentional crosses, prearranged trades or private agreements, except for purchases under the block purchase exemption in subsection 7.21(5).
- (3) If a Normal Course Issuer Bid is outstanding at the time a sale from a Control Person under Part 2 of National instrument 45-102 - *Resale of Securities* is underway, the Member making purchases under the bid must ensure that it is not bidding for securities at the same time securities are offered under the sale from control.
- (4) A Listed Issuer must not purchase securities under a Normal Course Issuer Bid, while a formal issuer bid for the same securities is outstanding. This restriction does not apply to a trustee or agent making purchases for a plan in which employees, or security holders, participate.
- (5) If a Listed Issuer has a securities exchange take-over bid outstanding at the same time as a Normal Course Issuer Bid is outstanding for the offered securities, the Listed Issuer may only make purchases under the Normal Course Issuer Bid permitted by OSC Rule 48- 501 - *Trading During Distributions, Formal Bids and Stock Exchange Transactions*.
- (6) A Listed Issuer, trustee or agent may not make any purchases under a Normal Course Issuer Bid while in possession of any Material Information that has not been disseminated under Part V of this Listing Manual.
- (7) Failure of a Member making purchases pursuant to a Normal Course Issuer Bid to comply with any requirement herein may result in the suspension of the bid.

## **7.21 Normal Course Issuer Bids — Limits on Price and Volume**

- (1) Normal Course Issuer Bid purchases may not begin until two trading days after the later of:
  - (a) the Posting of a Form 20A or amended Form 20A in connection with the bid; and
  - (b) the issuance of a news release containing details of the Form 20A or amended Form 20A.
- (2) It is inappropriate for a Listed Issuer making a Normal Course Issuer Bid to abnormally influence the market price of its securities. Normal Course Issuer Bid purchases must be made at or below the price of the last independent trade of the security (on any marketplace) at the time of

purchase. Notwithstanding the foregoing, a violation to the preceding rule will not occur where: (i) the independent trade occurred no more than one second before the Normal Course Issuer Bid purchase that created the uptick; (ii) the independent trade is a down tick to the previous trade and the Normal Course Issuer Bid purchase would not have created an uptick to the trade prior to the last independent trade; and (iii) the price difference between the independent trade and the Normal Course Issuer Bid purchase was not more than \$0.02.

**Commentary:**

*The following are not considered independent trades, whether made directly or indirectly:*

- *trades for the account or an Insider of the Listed Issuer or for an account under the direction of an Insider;*
- *trades for the account of the Member making purchases under the bid or under the direction of the Member;*
- *trades solicited by the Member making purchases under the bid; and*
- *trades made by the Member making purchases for the bid in order to facilitate a subsequent block purchase by the Listed Issuer.*

*The Exchange will not consider this section to be violated by an inadvertent uptick caused by a change in the last sale price that occurred immediately prior to the entry of the purchase order.*

- (3) Normal course issuer bid purchases may not be made at the opening of trading or during the 30 minutes prior to the scheduled closing of the continuous trading session. Orders may be entered in the closing call notwithstanding the price restriction in subsection (2).
- (4) Except as provided in subsection (5), a Listed Issuer that is not an Investment Fund must not make a purchase that, when aggregated with all other purchases during the same trading day, exceeds the greater of:
  - (a) 25% of the Average Daily Trading Volume of the security; and
  - (b) 1,000 of such securities.
- (5) Notwithstanding the restriction in subsection (4), a Listed Issuer may make a purchase of a block of securities that:
  - (a) has a purchase price of at least \$200,000;
  - (b) is at least 5,000 securities with an aggregate purchase price of at least \$50,000; or

- (c) is at least 20 Board Lots and is greater than 150% of the Average Daily Trading Volume of the security, provided that:
- (d) the block is naturally occurring, and does not consist of a combination of orders for the purpose of artificially creating a block to rely on this section;
- (e) the block is not beneficially owned by, or is not under the control or direction of, a Related Person of a Listed Issuer;
- (f) the Listed Issuer makes no more than one purchase under this subsection in a calendar week; and
- (g) after making a block purchase, the Listed Issuer makes no further purchases during that trading day.

**Commentary:**

*The block purchase exemption is only an exemption from the daily purchase restrictions. Listed Issuers cannot make a block purchase that would result in more shares purchased than permitted under the Form 20A filed in connection with the bid.*

- (6) A Listed Issuer that is an Investment Fund must not make a purchase that, when aggregated with all other purchases during the preceding 30 days, exceeds 2% of the securities of that class outstanding as of the date of filing of the Form 20A in connection with the bid.

## E. Shareholder Rights Plans

### 7.22 Shareholder Rights Plans – Procedure

- (1) This section applies to any shareholder rights plan, commonly known as a “poison pill,” adopted by a Listed Issuer, whether or not the rights entitle a shareholder to purchase a Listed Security.

**Commentary:**

*The Exchange does not endorse or prohibit the adoption of poison pills, whether or not in connection with a potential take-over bid. Poison pills are subject to review by the applicable securities commissions under National Policy 62-202 – Take-Over Bids — Defensive Tactics.*

- (2) A Listed Issuer must file the following documentation as soon as practicable after issuing a news release with details of the plan:
  - (a) a Notice of Shareholder Rights Plan (Form 21); and
  - (b) a copy of the shareholder rights plan.

- (3) A Listed Issuer must Post the following documentation as soon as practicable after issuing a news release with details of the plan:
  - (a) a Notice of Shareholder Rights Plan (Form 21); and
  - (b) unless filed on SEDAR, a copy of the shareholder rights plan.
- (4) A shareholder rights plan may not exempt any security holders from the operation of the plan, except that, where minority shareholder approval is obtained, a shareholder rights plan may provide exemptions to grandfather existing security holders.

**Commentary:**

*Minority shareholder approval means the approval of security holders who are not exempted from the plan.*

- (5) A shareholder rights plan may not have a triggering threshold of less than 20% unless shareholder approval is obtained.
- (6) Security holders of the Listed Issuer must ratify the shareholder rights plan no later than six months following the adoption of or any material amendments to the plan. If security holder ratification is not obtained within this time period, the plan must be cancelled.
- (7) The Listed Issuer must issue a news release immediately upon the occurrence of an event causing the rights to separate from Listed Security.

## PART VIII. Significant Transactions

### 8.01 Notification

- (1) A Listed Issuer must give notice to the Exchange of significant transactions that do not involve the issuance of securities. The Exchange considers the following to be significant transactions:
  - (a) any transaction or series of transactions with a Related Person of a Listed Issuer with an aggregate value greater than 10% of the Listed Issuer's market capitalization on a pre-transactional basis;
  - (b) any transaction or series of transactions by a Listed Issuer having an aggregate value greater than 25% of the Listed Issuer's market capitalization on a pre-transactional basis;
  - (c) any loan to a Listed Issuer other than by a financial intermediary (as defined in OSC Rule 14-501 - *Definitions*);
  - (d) any loan by a Listed Issuer unless such loan is in the ordinary course of business;
  - (e) any payment of a bonus, finder's fee, commission or other similar payment in connection with an issuance of securities; or
  - (f) where the Listed Issuer is the subject of a take-over bid.

**Commentary:**

*The Listed Issuer is required to provide notice of significant transactions that are outside of the ordinary course of business that may raise market integrity issues. Listed Issuer's should interpret this obligation broadly and err on the side of disclosure if it is uncertain whether a transaction would trigger the notification requirement. The above list details what transactions the Exchange will consider to be outside of the ordinary course of business, however, the Exchange, in its discretion, may deem other transactions to be significant transactions requiring compliance with this Part.*

- (2) In addition, a Listed Issuer must provide additional details of any transaction or development it is obliged to disclose under the Exchange's Timely Disclosure Policy.

**Commentary:**

*The Exchange expects that a Listed Issuer will provide updates to the market when changes that are material occur in respect of a significant transaction. A Listed Issuer must provide sufficient details of any such developments to provide the market with a meaningful update. Examples of such changes include, but are not limited to: changes in the closing date of an acquisition or disposition; changes in consideration offered; creation of a new Insider of a Listed Issuer; and any risks involved in an acquisition or disposition.*

- (3) A transaction that results in a change of business may be subject to the reverse takeover rules contained in Part IX of this Listing Manual. Significant related party transactions may also be subject to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions.
- (4) Listed Issuers intending to undertake a transaction for which notice is required must:
  - (a) for all transactions that have an aggregate value greater than 10% of the Listed Issuer's market capitalization on a pre-transactional basis, file a Notice of Significant Transaction (Form 22) seven trading days prior to the public announcement of the transaction, and Post the Form 22 not more than one trading day following the public announcement of the transaction; and
  - (b) for all other transactions, Post a Notice of Significant Transaction (Form 22) one trading day following the public announcement of the transaction.

All notices filed with the Exchange will be held in confidence until the public announcement is made.

- (5) The Listed Issuer must notify the Exchange when the transaction has closed.

## PART IX. Reverse Takeover Transactions

### 9.01 Definition

- (1) A “reverse takeover” transaction means a “reverse takeover” within the meaning of National Instrument 51-102. The Exchange also considers a significant acquisition by a Listed Issuer accompanied or preceded by a change of control to be a “reverse takeover”. The Exchange has discretion to deem any transaction or series of transactions to be a reverse takeover transaction.

#### **Commentary:**

*A significant acquisition is any transaction, whether by asset purchase, take-over bid, amalgamation, arrangement, merger or otherwise that substantially change's the Listed Issuer's business. A business is considered to be substantially changed if more than 50% of the issuer's assets or 50% of its revenues following the change are from the assets, business or other interest that is the subject of the significant acquisition.*

*A change of control results when a Listed Issuer issues securities (calculated on a fully diluted basis) equal to more than 100% of the number of outstanding equity securities (calculated on a non-diluted basis) in connection with the significant acquisition (including an offering to raise money to be able to make a cash acquisition) or where there is a substantial change in management or the board of directors of the Listed Issuer.*

*As an example, if the number of securities issued or issuable by an Investment Fund in payment of the purchase price for an acquisition of another fund exceeds 100% of the number of securities outstanding of the Investment Fund, which is a Listed Issuer, on a non-diluted basis, it will be considered a reverse takeover transaction.*

*A “reverse takeover” will also be deemed to have occurred where a Listed Issuer becomes an Investment Issuer.*

- (2) A Listed Issuer completing a reverse takeover transaction must comply with all of the original listing requirements detailed in Part II. Listed Issuers are urged to consult with the Exchange at an early stage when contemplating any transaction that might be considered a reverse takeover transaction.

### 9.02 Exception

- (1) Reverse takeover transaction are subject to additional regulation because the business of the Listed Issuer has fundamentally changed such that the Listed Issuer's past disclosure is not as relevant to the entity resulting from the significant acquisition. A transaction involving two or more Listed Issuers does not give rise to these concerns and will not be considered a reverse takeover transaction, except in exceptional cases; however, such Listed Issuers should consult with the Exchange prior to undertaking a reverse takeover transaction.

- (2) Notwithstanding anything else in this Listing Manual, the exemption in Section 9.02(1) does not apply to a reverse takeover of an Investment Fund.

### 9.03 Procedure

- (1) A Listed Issuer undergoing a reverse takeover transaction must meet the standards and follow the procedures outlined for an original listing. In addition, it must obtain security holder approval for the significant acquisition. For this purpose, holders of Restricted Securities must be entitled to vote with the holders of any class of securities of the Listed Issuer, which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the Listed Issuer.
- (2) The information circular must contain prospectus level disclosure in accordance with National Instrument 51-102F5, Section 14.2, and for the purposes thereof, the reverse takeover transaction is deemed to be a “restructuring transaction” within the meaning of National Instrument 51-102F5. The information circular may be used as the listing statement for the listing of the resulting company. The Exchange will require the Listed Issuer to file a draft of the information circular with the Exchange, for review, at least 20 trading days before it intends to send the circular to security holders.
- (3) The Listed Issuer must submit the application filing fee plus applicable taxes at the time that the draft information circular is delivered.
- (4) Principals of the resulting company must enter into an escrow agreement with the Exchange that complies with the requirements of NP 46-201. The Exchange will require the Listed Issuer to provide a draft of such escrow agreement(s) to the Exchange for review at least 10 trading days prior to its execution. The terms of the escrow agreement must be drafted as if the Listed Issuer were an “established issuer” pursuant to the terms of NP 46-201.

**Commentary:**

*The Exchange may grant an exemption to the escrow agreement required if the resulting issuer will be an “exempt issuer” pursuant to section 3.2(b) of NP 46-201.*

- (5) Securities issued pursuant to a reverse takeover transaction will be subject to the Maximum Discount to market price, minimum pricing and other requirements detailed in sections 7.04 and 7.05 of this Listing Manual.



- (6) Following the security holder approval, the Listed Issuer must, in addition to any documents that must be filed or Posted in accordance with Part II of this Listing Manual, file the following documents with the Exchange:
  - (a) a certified copy of the scrutineer's report which details the results of the vote on the resolution to approve the reverse takeover transaction. If applicable, the report must confirm that security holder approval was obtained on any other matters in respect of which it was required;
  - (b) an original or notarial certified copy of any escrow agreement(s) required to be entered into pursuant to section 9.03(4); and
  - (c) a legal opinion or officer's certificate confirming that all closing conditions have been satisfied.
- (7) Following the security holder approval, the Listed Issuer must submit the balance of the filing fee plus applicable taxes.

## PART X. Corporate Governance and Security Holder Approval

### A. Corporate Governance

#### 10.01 Application

- (1) Sections 10.02, 10.03, 10.04 and 10.05 do not apply to Listed Issuers that are ETP Issuers or issuers of CEFs and ETFs.
- (2) Section 10.06 applies to Listed Issuers that are Investment Funds.

#### 10.02 Governance of Listed Issuers

- (1) A Listed Issuer must have a board of directors that includes at least two Unrelated Directors or, when the board of directors consists of six or more members, must be composed of at least one-third Unrelated Directors.

##### **Commentary:**

*A Listed Issuer with sufficient financial resources would be expected to have a board of directors composed of at least a majority of Unrelated Directors.*

*The Unrelated Directors should hold regularly scheduled meetings (or in camera sessions) at which non-Unrelated Directors and members of management are not in attendance.*

- (2) A Listed Issuer must have a Chief Executive Officer, a Chief Financial Officer who cannot be the Chief Executive Officer, and a secretary.
- (3) At each annual meeting of holders of listed securities, the board of directors must permit security holders of each class or series to vote on the election of all directors to be elected by such class or series.
- (4) Materials sent to security holders in connection with a meeting of security holders, at which directors are being elected, must provide for voting on each individual director.
- (5) Each director of a listed issuer must be elected by a majority (50% +1 vote) of the votes cast with respect to his or her election other than at contested meetings ("**Majority Voting Requirement**").

##### **Commentary:**

*A "contested meeting" is defined as a meeting at which the number of directors nominated for election is greater than the number of seats available on the board.*

A Listed Issuer must implement the Majority Voting Requirement by adopting a written policy, or by otherwise including it in its articles, by-laws or other similar instruments. The Majority Voting Requirement must substantially provide for the following:

- (a) any director must immediately tender his or her resignation to the board of directors if he or she is not elected by at least a majority (50% +1 vote) of the votes cast with respect to his or her election;
- (b) the board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting. The board shall accept the resignation absent exceptional circumstances;
- (c) the resignation will be effective when accepted by the board;
- (d) a director who tenders a resignation pursuant to the Majority Voting Requirement will not participate in any portion of the meeting of the board or any sub-committee of the board at which the resignation is considered; and
- (e) the issuer shall promptly issue a news release with the board's decision, a copy of which must be filed with the Exchange. If the board determines not to accept a resignation, the news release must fully state the reasons for that decision.

The Listed Issuer must fully describe the Majority Voting Requirement on an annual basis, in its materials sent to holders of listed securities in connection with a meeting at which directors are being elected.

Listed Issuers that are majority controlled are exempted from the Majority Voting Requirement. Listed Issuers with more than one class of listed voting securities may only rely on this exemption with respect to the majority controlled class or classes of securities that vote together for the election of directors. A Listed Issuer relying on this exemption must disclose, on an annual basis in its materials sent to holders of listed securities in connection with a meeting at which directors are being elected, its reliance on this exemption and its reasons for not adopting majority voting.

**Commentary:**

*“Majority controlled” is defined as a security holder or company that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50 percent or more of the voting rights for the election of directors, as of the record date for the meeting.*

- (6) Following each meeting of security holders at which there is a vote on the election of directors at an uncontested meeting, each Listed Issuer must promptly disclose by press release the detailed voting results for the election of each director.

**Commentary:**

*The disclosure is intended to provide the reader with insight into the level of support received for each director. Accordingly, the disclosure should disclose the percentage and/or number of votes received 'for' and 'withheld' for each director.*

*If no formal count has occurred that would meaningfully represent the level of support received by each director, for example when a vote is conducted by a show of hands, the Listed Issuer should disclose the percentage and/or number of votes represented by proxy that were voted 'for' and 'withheld' for each director.*

**Commentary:**

*A Listed Issuer with sufficient financial resources would also be expected to monitor and consider adopting additional corporate governance best practices.*

### 10.03 Audit Committee

- (1) A Listed Issuer must have an audit committee that complies with the requirements of National Instrument 52-110 - *Audit Committees*.

### 10.04 Compensation Committee

- (1) A Listed Issuer must have a compensation committee composed of a majority Unrelated Directors that:
- (a) reviews and approves goals and objectives relevant to the Chief Executive Officer's compensation;
  - (b) evaluates the Chief Executive Officer's performance with respect to those goals and objectives;
  - (c) determines the Chief Executive Officer's compensation (both cash-based and equity-based);
  - (d) reviews and approves incentive compensation plans and equity-based plans and determines whether security holder approval should be obtained; and
  - (e) makes recommendations to the board with respect to compensation of other senior officers and directors.

- (2) A Listed Issuer does not have to establish a compensation committee if the matters discussed in section 10.04, other than section 10.04(1)(e), are approved by Unrelated Directors constituting a majority of the Board's Unrelated Directors in a vote in which only Unrelated Directors participate.

### **10.05 Nominating and Corporate Governance Committee**

- (1) A Listed Issuer must have a nominating and corporate governance committee composed of a majority Unrelated Directors that is responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of shareholders. In making its recommendations, the nominating and corporate governance committee should consider:
  - (a) the competencies and skills that the board considers to be necessary for the board, as a whole, to possess;
  - (b) the competencies and skills that the board considers each existing director to possess; and
  - (c) the competencies and skills each new nominee will bring to the boardroom.

The nominating and corporate governance committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a board member.

- (2) A Listed Issuer does not have to establish a nominating and corporate governance committee if the matters discussed in section 10.05 are approved by Unrelated Directors constituting a majority of the Board's Unrelated Directors in a vote in which only Unrelated Directors participate.

### **10.06 Independent Review Committee**

- (1) A Listed Issuer that is an Investment Fund must have an independent review committee that complies with the requirements of National Instrument 81-107 – *Independent Review Committee For Investment Funds*.

### **10.07 Quorum Requirements**

The quorum for a meeting of security holders of a Listed Issuer shall be no less than 33 1/3% of security holders eligible to vote at the meeting.

## **B. Security Holder Approval**

### **10.08 No Derogation from Corporate or Securities Law or Constatng Documents**

- (1) The provisions of this Part are in addition to any requirement for security holder approval or minority security holder approval in corporate or securities law of the constating documents of a Listed Issuer.

### **10.09 General Requirements**

- (1) Any Related Party of a Listed Issuer that has a material interest in a transaction that: (i) differs from the interests of shareholders generally, and; (ii) would materially affect the Listed Issuer, may not vote on any resolution to approve that transaction.
- (2) An Exchange Requirement for security holder approval may be satisfied by obtaining a written resolution signed by holders of at least 50% of the holders entitled to vote thereon, and specifically excluding holders who are excluded from voting by Exchange Requirements, corporate or securities law or the constating documents of the Listed Issuer. Listed Issuers using this exemption will be required to issue a press release at least seven trading days in advance of the closing of the transaction, which shall disclose the material terms of the transaction and that the Listed Issuer has relied upon this exemption.
- (3) Notwithstanding the foregoing, any security holder approval requirement contained in corporate or securities laws or the constating documents of the Listed Issuer must be obtained in accordance with those sources of law.
- (4) The security holder approval requirements apply to transactions involving the issuance or potential issuance of listed Non-Voting Securities.
- (5) Where a transaction will affect the rights of holders of different classes of securities, the security holder approval requirements will apply on a class-by-class basis.
- (6) Where a transaction involves the issuance of Restricted Securities or Super-Voting Securities, the provisions of Part X.C shall apply.
- (7) Materials sent to security holders in connection with the vote for approval must contain information in sufficient detail to allow a security holder to make a fully-informed decision. The Exchange will require the Listed Issuer to file a draft of the information circular with the Exchange for review of market integrity issues before it sends the circular to security holders in respect of a transaction that requires the Listed Issuer to Post any Form or otherwise provide notice to the Exchange.

- (8) In addition to any specific requirement for security holder approval, the Exchange will generally require security holder approval if in the opinion of the Exchange the transaction materially affects control of the Listed Issuer.

**Commentary:**

*The Exchange takes the view that “materially affects control” means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. This ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new Control Person will be considered to materially affect control, unless the circumstances indicate otherwise.*

**10.10 Securities Offering**

- (1) Subject to section 10.10(2), security holders must approve a proposed securities offering (by way of prospectus or by private placement) if:
- (a) the number of securities issuable in the offering (calculated on a fully diluted basis) is more than 25% of the total number of securities or votes outstanding (calculated on a non-diluted basis) and the price of the offering is less than the closing price of the security on the day preceding the date on which the Listed Issuer announced the offering, but not less than the Maximum Discount to market price;
  - (b) the price is less than the Maximum Discount to market price, regardless of the number of shares to be issued; or
  - (c) the number of securities issuable to Related Persons of a Listed Issuer in the offering, when added to the number of securities issued to such Related Persons of a Listed Issuer in private placements or acquisitions in the preceding twelve months (in each case, calculated on a fully-diluted basis), is more than 10% of the total number of securities or votes outstanding (calculated on a non-diluted basis), regardless of the price of the offering.

**Commentary:**

*In determining whether the 25% threshold has been crossed, all securities issuable in the offering are counted, whether or not convertible securities are out of the money, and no other issued convertible securities are counted, whether or not they are in the money.*

*For example, ABC has 10,000,000 common shares outstanding and has outstanding securities convertible into 5,000,000 common shares at \$10.00. The market price of ABC’s common shares is \$15.00. If ABC were to complete a private placement of 1,500,000 common shares at \$14.75*

*with a sweetener of warrants convertible into a further 1,500,000 common shares at \$20.00, shareholder approval would be required as the maximum number of shares issuable (3,000,000) is more than 25% of the 10,000,000 shares outstanding. The securities convertible into common shares at \$10.00 are not counted.*

*If the offering was completed at \$15.00 or higher, there would be no requirement for shareholder approval unless the provisions for approval of transactions with Related Persons apply.*

*In calculating the number of shares issued to Related Persons to the Listed Issuer in the previous twelve months, do not include shares that were issued in a transaction approved by shareholders.*

- (2) Security holder approval of an offering is not required if:
- (a) the Listed Issuer is in serious financial difficulty;
  - (b) the Listed Issuer has reached an agreement to complete the offering;
  - (c) no Related Person of a Listed Issuer is participating in the offering;  
and
  - (d) the
    - (i) audit committee, if comprised solely of Unrelated Directors; or
    - (ii) Unrelated Directors constituting a majority of the Board's Unrelated Directors in a vote in which only Unrelated Directors participate,have determined that the offering is in the best interests of the Listed Issuer, is reasonable in the circumstances and that it is not feasible to obtain security holder approval or complete a rights offering to existing security holders on the same terms.
- (3) A Listed Issuer taking advantage of the exemption in section 10.10(2) must forthwith issue a news release stating it will not hold a security holder vote and fully explaining how it qualifies for the exemption.

### **10.11 Acquisitions**

- (1) Security holders must approve an acquisition if:
- (a) a Related Person of a Listed Issuer or a group of Related Persons of a Listed Issuer has a 10% or greater interest in the assets to be acquired and the total number of securities issuable (calculated on a fully diluted basis) are more than 5% of the total number of securities or votes of the Listed Issuer outstanding (calculated on a non-diluted basis); or



- (b) for Listed Issuers that are not Investment Funds, the total number of securities issuable (calculated on a fully diluted basis) is more than 25% of the total number of securities or votes of the Listed Issuer outstanding (calculated on a non-diluted basis);

where,

- (c) the term “total number of securities issuable” includes securities issuable pursuant to:
  - (i) the acquisition agreement;
  - (ii) (X) any Security Based Compensation Arrangement of the target entity assumed by the Listed Issuer, (Y) Awards issued by the Listed Issuer as a replacement for Awards issued by the target entity, and (Z) Security Based Compensation Arrangements created for employees of the target entity as a result of the acquisition; and
  - (iii) any concurrent private placement upon which the acquisition is contingent or otherwise linked.
- (2) For a Listed Issuer that is an Investment Fund, security holder approval is required for the acquisition of another Investment Fund (the “target fund”), unless all of the following conditions are met:
  - (a) the target fund calculates and publishes its net asset value at least once a month;
  - (b) the consideration offered does not exceed the net asset value of the target fund;
  - (c) the Listed Issuer and the target fund are managed by the same investment fund manager or investment fund managers that are affiliates;
  - (d) the investment fund manager of the Listed Issuer has determined that assets acquired are consistent with the Listed Issuer’s investment objectives, and has referred the transaction to the Listed Issuer’s independent review committee;
  - (e) the independent review committee of the Listed Issuer has approved the acquisition;
  - (f) the Listed Issuer and the target fund bear none of the costs and expenses associated with the transaction; and
  - (g) the transaction is not a reverse takeover transaction.

## 10.12 Acquisitions and Reorganizations of Listed Investment Funds

- (1) For a Listed Issuer that is an Investment Fund, security holder approval is required for:
- (a) an acquisition of the Listed Issuer by an Investment Fund (the “acquiring fund”); or
  - (b) any reorganization or transfer of the Listed Issuer’s assets to an acquiring fund that results in the Listed Issuer ceasing to exist after the reorganization or transfer of assets and the Listed Issuer’s security holders becoming security holders of the acquiring fund,

unless all of the following conditions are met:

- (c) the Listed Issuer has a permitted merger clause in its constating documents that permits the acquisition of the Listed Issuer without security holder approval;
- (d) the consideration offered to security holders of the Listed Issuer for the acquisition has a value that is not less than its net asset value;
- (e) the Listed Issuer and the acquiring fund are managed by the same investment fund manager or investment fund managers that are affiliates;
- (f) the investment fund manager of the Listed Issuer has determined that the investment objectives, valuation procedures and fee structure of the Listed Issuer and the acquiring fund are substantially the same, and has referred the transaction to the Listed Issuer’s independent review committee;
- (g) the independent review committee of the Listed Issuer has approved the acquisition;
- (h) the Listed Issuer and the acquiring fund bear none of the costs and expenses associated with the transaction; and
- (i) the Listed Issuer provides its security holders with a redemption right for cash proceeds, which are not less than its net asset value, together with a minimum of 20 business days’ prior notice and description of such redemption right and the acquisition.

**Commentary:**

Notice may be made by means of a news release describing the transaction and the redemption right.

### 10.13 Security Based Compensation

- (1) This section governs the adoption of, and issuance of Awards under, Security Based Compensation Arrangements.
- (2) The adoption of a Security Based Compensation Arrangement and the issuance of Awards thereunder must be made in compliance with applicable securities laws and/or exemptions from prospectus requirements, including (if required) compliance with section 2.24 of National Instrument 45-106 – *Prospectus and Registration Exemptions*.
- (3) When instituted all Security Based Compensation Arrangements must be approved by:
  - (a) a majority of the Listed Issuer's directors; and
  - (b) the Listed Issuer's security holders.
- (4) Within three years after institution and within every three years thereafter, a Listed Issuer must obtain security holder approval for an evergreen plan (also known as a rolling plan) in order to continue to grant Awards. Evergreen plans contain provisions so that the Awards replenish upon the exercise of options or other entitlements, and such provisions must be properly disclosed and approved by security holders. Security holders must pass a resolution specifically approving unallocated entitlements under the evergreen plan. Security holder approval relating to other types of amendments to an evergreen plan must not be accepted as implicit approval to continue granting Awards under an evergreen plan. In addition, the resolution should include the next date by which the Listed Issuer must seek security holder approval, such date being no later than three years from the date such resolution was approved. If security holder approval is not obtained within three years of either the institution of an evergreen plan or subsequent approval, as the case may be, all unallocated entitlements must be cancelled and the Listed Issuer must not be permitted to grant further entitlements under the evergreen plan, until such time as security holder approval is obtained. However, all allocated Awards under an evergreen plan, such as options that have been granted but not yet exercised, can continue unaffected. If security holders fail to approve the resolution for the renewal of a plan, the Listed Issuer must forthwith stop granting Awards under such plan, even if such renewal approval was sought prior to the end of the three-year period.

- (5) Subject to subsections 10.13(6) and 10.13(7), an amendment to a material term of a Security Based Compensation Arrangement or Award must be approved by:
- (a) a majority of the Listed Issuer's directors; and
  - (b) the Listed Issuer's security holders.

**Commentary:**

*The Exchange considers material terms of an Award or Security Based Compensation Arrangement to include provisions such as: an increase to the maximum number of securities issuable, who is an eligible optionee pursuant to a plan; the duration in which a grant expires after the grantee leaves the issuer or dies; or changes to fixed vesting schedules.*

*Amendments of a housekeeping nature do not require any particular director or shareholder approvals.*

- (6) A Security Based Compensation Arrangement may provide discretion to the Listed Issuer's Board of Directors to make amendments to specified material terms of the Security Based Compensation Arrangement or an Award without obtaining approval of the Listed Issuer's security holders. Where a the Security Based Compensation Arrangement provides such discretion, such amendments may be made with the approval of the Listed Issuer's Board of Directors, other than directors that would receive, or would be eligible to receive, a material benefit resulting from the amendment. If the Board of Directors is unable to approve an amendment because of the restrictions on eligibility to vote, the amendment to the material terms of a Security Based Compensation Arrangement or an Award must be approved by security holders, other than security holders that would receive, or would be eligible to receive, a material benefit resulting from such amendment.
- (7) Notwithstanding subsection 10.13(6), security holder approval, excluding security holders that would receive, or would be eligible to receive, a material benefit resulting from the following actions, is required for any of the following:
- (a) an increase to the maximum number of securities issuable where, following the increase, the total number of securities issuable under all Security Based Compensation Plans of the Listed Issuer is equal to or greater than 10% of the securities of the Listed Issuer (calculated on a non-diluted basis) outstanding as of the date the Security Based Compensation Arrangement was last approved by security holders;
  - (b) a re-pricing of an Award benefiting a Related Person of a Listed Issuer;

- (c) an extension of the term of an Award benefiting a Related Person of a Listed Issuer;
  - (d) an extension of the term of an Award, where the exercise price is lower than the prevailing market price;
  - (e) any amendment to remove or to exceed the limits set out in a Security Based Compensation Arrangement on Awards available to Related Persons of the Listed Issuer; or
  - (f) amendments to an amending provision within a Security Based Compensation Arrangement.
- (8) Subsection 10.13(3) is not applicable in respect of a grant of securities to any Person not previously employed by and not previously a Related Party of the Listed Issuer, provided that:
- (a) such grant is intended as an inducement to enter into, and the Person enters into, a full-time contract of employment as an officer of the Listed Issuer; and
  - (b) the securities issued or issuable pursuant to this subsection 10.13(7) during any twelve-month period do not exceed 2% of the total number of securities or votes of the Listed Issuer (calculated on a non-diluted basis) outstanding as of the date that this exemption is first used during such twelve-month period.
- (9) Subsection 10.13(3) is not applicable to a Security Based Compensation Arrangement where an acquisition of a target entity by a Listed Issuer includes:
- (a) the assumption of the Security Based Compensation Arrangement from the target entity, if the number of assumed Awards (and their exercise or subscription price, if applicable) is adjusted in accordance with the price per acquired security payable by the Listed Issuer; and
  - (b) the creation of a Security Based Compensation Arrangement for employees of the target entity, if the aggregate number of Awards issuable does not exceed 2% of the total number of securities or votes of the Listed Issuer (calculated on a non-diluted basis) outstanding prior to the date of closing of the transaction, and such employees are not Related Persons or employees of the Listed Issuer prior to the acquisition.

- (10) Where a Security Based Compensation Arrangement requires security holder approval, a Listed Issuer may grant Awards (which are exercisable into Listed Securities) under the Security Based Compensation Arrangement prior to obtaining security holder approval, provided that no exercise of such Awards may occur until security holder approval is obtained. Security holder approval must be sought and obtained at the next meeting of security holders, otherwise the Awards must be cancelled.
- (11) Security holder approval required for a Security Based Compensation Arrangement must be by way of a duly called meeting.
- (12) Where security holder approval is required, a Listed Issuer should submit the circular for the meeting of security holders to the Exchange at least 10 trading days prior to its distribution to security holders so that the Exchange may review it for market integrity issues and to ensure it complies with Exchange Requirements. The circular for the meeting must contain sufficient detail to permit security holders to form a reasoned judgment concerning the Security Based Compensation Arrangement.

**Commentary:**

*The following are examples of information that should be included in the information circular:*

- *the eligibility of employees, executive officers, directors, service providers and consultants to be issued or granted securities as compensation or under the plan;*
- *the maximum number of securities that may be issued, or in the case of options, the number of securities that may be issued on exercise of the options, as compensation or under the plan;*
- *the maximum number of securities that may be issued to Related Persons of a Listed Issuer, or in the case of options, the number of securities that may be issued on exercise of the options to Related Persons of a Listed Issuer, as compensation or under the plan;*
- *particulars relating to any financial assistance or support agreement to be provided to participants by the Listed Issuer or any related entity of the Listed Issuer to facilitate the purchase of securities as compensation or under the plan, including whether the assistance or support is to be provided on a full-, part-, or non-recourse basis;*
- *in the case of options, the maximum term and the basis for the determination of the exercise price;*
- *particulars relating to the options or other entitlements to be granted as compensation or under the plan, including transferability;*
- *the procedure for amending the Security Based Compensation Arrangement and Awards granted thereunder, including whether discretion is granted to the Listed Issuer's Board of Directors to make amendments to specified material terms without obtaining security holder approval;*
- *the number of votes attaching to securities that, to the Listed Issuer's knowledge at the time the information is provided, will not be included for the purpose of determining whether security holder approval has been obtained.*

- (13) A Listed Issuer must disclose on an annual basis, in its information circular, or other annual disclosure document:

- (a) the terms of its Security Based Compensation Arrangements, and any amendments that have been adopted since the beginning of the Listed Issuer's last fiscal year;
- (b) the procedure for amending each Security Based Compensation Arrangement and Awards granted thereunder, including whether discretion is granted to the Listed Issuer's Board of Directors to make amendments to specified material terms without obtaining security holder approval; and
- (c) whether or not security holder approval was obtained (and if not, the reasons why shareholder approval was not obtained) for: (i) the adoption of, or amendment to, any Security Based Compensation Arrangement adopted or amended since the beginning of the Listed Issuer's last fiscal year, and (ii) for the amendment of any Award since the beginning of the Listed Issuer's last fiscal year.

#### 10.14 Rights Offering

- (1) Subject to section 10.14(2), security holder approval is required where securities offered by way of rights offering are offered at a price greater than the Maximum Discount to market price.
- (2) Security holder approval for a rights offering is not required where:
  - (i) the audit committee, if comprised solely of Unrelated Directors; or
  - (ii) a majority of the Unrelated Directors in a vote in which only Unrelated Directors participate,

have determined that the rights offering, including the pricing thereof, is in the best interests of the Listed Issuer, and is reasonable in the circumstances.

**Commentary:**

*Where a stand-by commitment may result in the acquisition of shares in the rights offering that "materially affects control" if the Listed Issuer, security holder approval may be required. See section 10.09(8) of the Listing Manual.*

- (3) A Listed Issuer taking advantage of the exemption in section 10.14(2) must forthwith issue a news release stating it will not hold a security holder vote and fully explaining how it qualifies for the exemption.

#### 10.15 Shareholder Rights Plans

- (1) Security holders must ratify the adoption of, or amendments to, a shareholder rights plan as provided in subsection 7.22(6).

### 10.16 Related Party Transactions

- (1) A Listed Issuer undertaking any transaction subject to Multilateral Instrument 61-101 - *Protection of Minority Holders in Special Transactions* (“MI 61-101”) must comply with any requirements for formal valuations and minority security holder approval.

**Commentary:**

*Listed Issuers may take advantage of exemptions from MI 61-101 requirements if applicable but may not take advantage of exemptions that are only available to “venture issuers”.*

### 10.17 Investment Issuer

- (1) Security holder approval is required where an Investment Issuer adopts or amends its investment policy.
- (2) Where the Investment Issuer has not deployed at least 50% of its capital in accordance with its investment policy within 18 months of becoming an Investment Issuer, the investment policy must be re-approved by security holders, and re-approved annually thereafter until the Investment Issuer has deployed at least 50% of its capital.

## C. Restricted Securities

### 10.18 Restricted Securities

- (1) Part X.C of this Listing Manual is applicable to Listed Issuers with outstanding listed Restricted Securities or intending to list Restricted Securities. This section is to be read in conjunction with OSC Rule 56-501 – *Restricted Shares*.
- (2) Restricted Securities must be identified as such in the Listed Issuer’s constating documents and will be identified by the Exchange as such in market data displays prepared for the financial press.
- (3) A class of shares may not be designated as ‘common’ unless the shares are Common Shares.
- (4) A class of shares may not be designated as ‘preference’ or ‘preferred’ securities unless the shares are Preference Shares.
- (5) An issuer’s constating documents must give Restricted Security holders the same right to receive notice of, attend and speak at all shareholder



meetings as holders of Super-Voting Securities and to receive all disclosure documents and other information sent to holders of Super-Voting Securities.

- (6) A Listed Issuer with outstanding listed Restricted Securities or intending to list Restricted Securities must include in its Listing Statement the disclosure required by Part 2 of OSC Rule 56-501 - *Restricted Shares*.

### **10.19 Coattail Provisions**

- (1) The Exchange will not list Restricted Securities unless the issuer's constating documents provide that if a take-over bid is made to Super-Voting Securities, whether or not the Super-Voting Securities are listed, the Restricted Securities will automatically convert to Super-Voting Securities unless an identical offer (in terms of price per share, percentage of shares to be taken up exclusive of shares already owned by the offeror and its associates and all other material conditions) is concurrently made to Restricted Shareholders.
- (2) The conversion right or identical offer described in subsection (1) may contain appropriate modifications to account for any material difference between the equity interests of the Restricted Securities and Super-Voting Securities.
- (3) The foregoing coattail provisions are designed to ensure that holders of Restricted Securities are able to participate in a take-over bid together with holders of Super-Voting Securities, proportionate to their equity interests in the Listed Issuer. The Exchange may intervene in a take-over bid that has been structured to circumvent the coattail provisions.

### **10.20 Issuance of Restricted Securities and Super-Voting Securities**

- (1) A Listed Issuer may not distribute any Super-Voting Securities (including by way of prospectus or private placement offering, transaction or capital reorganization) unless the distribution has been approved by the disinterested holders of the Restricted Securities.
- (2) For the purposes of shareholder approval, the votes of security holders that have, or that will have, an interest in the Super-Voting Securities shall be excluded.
- (3) The Exchange will consider exemptions from the security holder approval requirement on a case-by-case basis where the Listed Issuer can demonstrate that the distribution does not reduce the voting power of holders of Restricted Securities.

**Commentary:**

*For example, a distribution of Super-Voting Securities by way of stock dividend payable on all classes of Equity Securities may be exempted where the Listed Issuer can demonstrate that the distribution does not reduce the voting power of holders of Restricted Securities.*

## **PART XI. Suspensions, Delisting and Other Remedial Actions**

### **11.01 General**

- (1) The Exchange or the Market Regulator may halt or suspend trading in a Listed Security at any time without notice if such halt or suspension is in the public interest.

### **11.02 Halts**

- (1) The Exchange or the Market Regulator may order a halt to trading and order entry in a Listed Security to permit the dissemination of material news concerning the Listed Issuer. The Exchange may also halt trading and order entry in a Listed Security if a Listed Issuer violates Exchange Requirements or is conducting a reverse takeover transaction.

### **11.03 Suspensions and Continuous Listing Criteria**

- (1) Without limiting the general power to suspend trading, the Head of Listings or his or her delegate may suspend trading of a Listed Security where:
  - (a) the Listed Issuer has become insolvent or bankrupt or has made an assignment to creditors;
  - (b) the Listed Issuer has ceased to carry on business or a significant portion of its business or has announced its intention to cease to carry on business or a significant portion of its business;
  - (c) in the case of an Investment Issuer, the Listed Issuer has not complied with section 10.17;
  - (d) the Listed Issuer's financial statements or the auditor's report thereon state that the Listed Issuer may not be able to continue as a going concern;
  - (e) the Listed Issuer is in violation of its listing agreement or Exchange Requirements;
  - (f) the continuous listing criteria set out in Part III are not met for Listed Security or the Listed Issuer;
  - (g) the Listed Issuer is not in compliance with applicable securities or corporate law or its constating documents;
  - (h) the Listed Issuer has not paid applicable fees to the Exchange when due;

- (i) The Listed Issuer or any of its securities have been suspended or delisted from an Accepted Foreign Exchange or other Canadian exchange on which they are listed;
  - (j) The Exchange considers a suspension to be in the public interest or in the interest of a fair and orderly market.
- (2) Unless the public interest or the interest of a fair and orderly market warrants otherwise, the Exchange will give the Listed Issuer prior notice of its intention to suspend the trading of its securities and allow the issuer an opportunity to be heard. At the same time the Listed Issuer is notified, the Exchange may issue a public notice, which may include a press release, indicating it is considering a suspension.

**Commentary:**

*A Decision to suspend trading of Listed Securities may be appealed as provided in Part XI of this Listing Manual.*

- (3) During a suspension, the Listed Issuer remains a Listed Issuer and must comply with all applicable Exchange Requirements.
- (4) In order to have a suspension lifted, the Listed Issuer must meet the requirements for continued listing and meet such other conditions as the Exchange may establish.

#### **11.04 Declaration of Non-Compliance**

- (1) If a Listed Issuer has failed to comply with Exchange Requirements or applicable securities or corporate law, or its constating documents, or has failed to pay applicable fees, the Head of Listings may publicly identify the Listed Issuer as non-compliant if, in his or her opinion, suspension of trading of the Listed Issuer's securities would not be an appropriate remedy for the failure to comply.

**Commentary:**

*A declaration of non-compliance is a discretionary mechanism used by the Exchange indicating that a Listed Issuer is not in compliance with Exchange Requirements. The declaration will be made public. The reason for the breach (including whether the breach was intentional or not) is not taken into account by the Exchange when considering whether to issue a declaration of non-compliance.*

## 11.05 Public Reprimand

- (1) If a Listed Issuer has failed to comply with Part V, Part VI, or Part X of this Listing Manual, the Head of Listings may publicly reprimand the Listed Issuer if suspension of trading of the Listed Issuer's securities would not be an appropriate remedy for the failure to comply.

**Commentary:**

*In making a determination to issue a public reprimand, the Head of Listings will consider whether the failure to comply:*

- a. was advertent;*
- b. materially affected shareholders' interests;*
- c. was rectified by the Listed Issuer;*
- d. resulted from reliance on the advice of an independent advisor; and*
- e. was one of a series of similar failures.*

*A public reprimand is a censure of conduct that the Exchange considers inappropriate for a Listed Issuer. It does not necessarily involve a breach of Exchange Requirements. The Exchange will not issue a reprimand for an innocent breach, but would for negligence or incompetence. The reprimand would be issued where the conduct is serious enough to warrant a regulatory response, but not so serious as to justify a suspension or a finding that a Person is unfit to be an Insider of the Listed Issuer. For example, where financial statements are filed late by one day, it may not be an appropriate regulatory response for the Exchange to suspend trading for the inadvertent late filing, but a public reprimand may be appropriate.*

- (2) The Exchange will give the Listed Issuer prior notice of its intention to issue a reprimand.

**Commentary:**

*A Decision to issue a reprimand may be appealed as provided in Part XII of this Listing Manual. Issuance of the reprimand will be stayed pending the outcome of the appeal.*

## 11.06 Delisting

- (1) If within 150 days of the date of suspension, or earlier, if a date has been specified in the notice of suspension: (a) a Listed Issuer whose securities are suspended fails to meet the continuous listing requirements; or (b) the suspension has not been lifted, the securities of the Listed Issuer shall be automatically Delisted without further notice. Notwithstanding the foregoing, the securities of a Listed Issuer may be Delisted at such earlier time upon notice of Delisting from the Exchange.
- (2) A Listed Issuer may voluntarily request that all or a class of its Listed Securities be Delisted. Such request must be in writing, set out the reasons for the request and be accompanied by a certified copy of a resolution of

the Listed Issuer's board of directors (or equivalent) authorizing the request. The Exchange may not Delist the Listed Securities of an issuer unless a satisfactory alternative market exists.

- (3) Notwithstanding the foregoing, if two-thirds of disinterested shareholders approve the Delisting without an alternative market then the Exchange will comply with the request to Delist.

#### **11.07 Posting**

- (1) A Listed Issuer must post forthwith on its own website any notices from the Exchange in respect of a public reprimand, suspension or Delisting

## PART XII. Appeals

### 12.01 Appeals of Decision

- (1) A Listed Issuer or any other Person adversely affected by a Decision may appeal a Decision of the Exchange to the Board of Directors of the Exchange (or a committee of the Board of Directors designated by the Exchange), other than:
  - (a) a Decision of the Market Regulator, including a Decision to temporarily halt or suspend trading pursuant to sections 11.01 or 11.02 made by a Market Regulator; or
  - (b) a Decision of the Board of Directors of the Exchange.

**Commentary:**

*Decisions of the Market Regulator are subject to the Market Regulator's appeal procedures.*

- (2) Appeals will be conducted according to the procedures established by the Board of Directors of the Exchange (or the committee of the Board of Directors designated by the Exchange).
- (3) A Listed Issuer or any other Person adversely affected by an appeal Decision may seek a review of such Decision with the applicable securities regulatory authority.

**FORM 1A  
LISTING APPLICATION  
GENERAL ISSUERS**

**Initial Form**

**Final Form**

**Date:** \_\_\_\_\_

*(Instructions: For an Initial Listing Application, complete this form on a pro-forma basis assuming completion of all pre-listing transactions and securities offerings.)*

**1. LISTING CATEGORY**

Select the appropriate listing category:

General

**2. APPLICANT INFORMATION**

\_\_\_\_\_  
Legal name of applicant (the "Applicant")

\_\_\_\_\_  
Address of registered office

\_\_\_\_\_  
Address of head office

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Facsimile

\_\_\_\_\_  
Email address

\_\_\_\_\_  
Website address

(i) Jurisdiction of organization: \_\_\_\_\_

(ii) Jurisdiction(s) in which the Applicant is a reporting issuer or equivalent: \_\_\_\_\_

(iii) North American Industrial Classification System Code (NAICS): \_\_\_\_\_

(iv) Provide a brief description of the Applicant's business: \_\_\_\_\_

(v) Is the Applicant an "Emerging Market Issuer", and/or is the listing application: (y) not subject to a concurrent due diligence review conducted by an IIROC dealer or other suitable third party, \_\_\_\_\_



or (z) not involve a prospectus reviewed by a Canadian securities regulatory authority?<sup>1</sup> If so, please provide all relevant details: \_\_\_\_\_

(vi) Where securities of the applicant are listed or quoted on any other exchange or board, complete the table below for each listing and quotation:

<b>Listing or Quotation Venue</b>	<b>Class</b>	<b>CUSIP</b>	<b>Total Issued and Outstanding (A)</b>	<b>Total Reserved for Issuance<sup>2</sup> (B)</b>	<b>Total Issued and Outstanding and Reserved for Issuance (A+B)</b>

### 3. APPLICANT CONTACT INFORMATION

	<b>Company Contact</b>	<b>Outside Legal Counsel</b>	<b>Other</b>
<b>Firm Name</b>			
<b>Contact Name</b>			
<b>Title / Position</b>			
<b>Telephone</b>			
<b>Email</b>			
<b>Primary Contact</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 4. INSIDERS

Provide the following information for all Insiders of the Applicant.

\_\_\_\_\_  
Name Relationship to Applicant

\_\_\_\_\_  
Telephone Email

\_\_\_\_\_  
Name Relationship to Applicant

\_\_\_\_\_  
Telephone Email

<sup>1</sup> See Sections 2.10 and 2.11 of the Listing Manual.

<sup>2</sup> Include securities reserved for issuance under any options, convertible securities, over-allotment options and any other securities reserved for issuance.

**5. INFORMATION CONCERNING SECURITIES TO BE LISTED**

(i) Describe and provide details of material features of securities to be listed:

---

(ii) Provide desired symbols (please provide three options per security to be listed):

---

(iii) Complete the following tables for each security to be listed:

A. Securities to be Listed

Class	CUSIP	Total Authorized	Total Issued and Outstanding (A)	Total Reserved For Issuance (B) <sup>3</sup>	Total to be Listed (A+B)

B. Securities Reserved for Issuance<sup>4</sup>

Security or Instrument Name	Number and Class of Securities Reserved	Exercise or Conversion Price (if applicable)	Expiry Date (if applicable)

C. Information Concerning Securities With Transfer Restrictions

Security or Instrument Name	Total Restricted	Type of Restriction <sup>5</sup>	Release Schedule

(iv) Provide additional details in relation to securities with transfer restrictions. In the absence of restrictions, confirm that the securities will be freely tradeable in Canada:

---

<sup>3</sup> Include securities reserved for issuance under any options, convertible securities, over-allotment options and any other securities reserved for issuance.

<sup>4</sup> Disclose securities reserved for issuance under any options, convertible securities, over-allotment options and any other securities reserved for issuance.

<sup>5</sup> Provide details of the transfer restriction, ex: restriction due to an escrow agreement, pooling agreement, legend or any other restrictions on transfer.

(v) Describe any shareholder rights plan of the Applicant:

---

(vi) In the case of Restricted Securities, describe any "coattail" provisions:

---

## 6. MINIMUM LISTING STANDARDS

Complete the following table (please refer to Part II of the Listing Manual for guidance):

Public Float <sup>6</sup> :	_____
Public Securityholders holding a Board Lot <sup>7</sup> :	_____
Price per Security:	_____
Complete at least one of the following:	_____
<input type="checkbox"/> Equity Standard	Shareholders' Equity: _____
	Market Value of Public Float: _____
	Operating History (years): _____
<input type="checkbox"/> Net Income Standard	Shareholders' Equity: _____
	Market Value of Public Float: _____
	Net Income from Continuing Operations: _____
<input type="checkbox"/> Market Value Standard	Shareholders' Equity: _____

---

<sup>6</sup> Complete Appendix "B".

<sup>7</sup> Complete Appendix "B".

Market Value of  
Listed Securities:

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Market Value of  
Public Float:

---

Working Capital:

---

Analyst Coverage or Investor Relations  
Budget Requirement (describe):

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If the Applicant will be an "Investment  
Issuer":

(i) Confirm that the Applicant is not (or, as of the time of listing, will not be) an Investment Fund:

(ii) Confirm that the Applicant has (or, as of the time of listing, will have) adopted an investment policy that is compliant with the requirements of the Listing Manual:

**7. GOVERNANCE INFORMATION**

(i) Provide the name of each board member and indicate the board member's committee participation and whether the member is "independent" within the meaning of National Instrument 52-110 - Audit Committees or an "Unrelated Director" within the meaning of the Listing Manual.

Name of Board Member	Committee Membership	Independent Director (Y/N)	Unrelated Director (Y/N)

- Total Directors/Unrelated Directors: 0/0
- Total Directors/Unrelated Directors on the Audit Committee: 0/0
- Total Directors/Unrelated Directors on the Compensation Committee (if applicable): 0/0
- Total Directors/Unrelated Directors on the Nominating and Corporate Governance Committee (if applicable): 0/0

(ii) Does the applicant comply with the corporate governance requirements set out in Sections 10.02, 10.03, 10.04 and 10.05 of the Listing Manual: Yes No

(iii) Explain how corporate governance requirements set out in Sections 10.02, 10.03, 10.04 and 10.05 of the Listing Manual are met:

---

(iv) Provide the quorum requirement for a meeting of securityholders set out in Section 10.07 of the Listing Manual:

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## 8. TRANSFER AGENT AND REGISTRAR INFORMATION

---

Registrar and Transfer Agent Name	Address
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Cities in which transfer facilities are maintained

## 9. HISTORICAL INFORMATION

**Has the Applicant (or any of its predecessors) ever applied to have its securities traded on another market and been denied?** Yes No

If yes, provide the name of the market(s), the date(s) and the reason(s):

---

**Has the Applicant or any predecessor ever had trading in its securities halted by a marketplace or been suspended from trading or delisted by a marketplace?** Yes No

If yes, provide details. Be specific (do not simply state "failure to meet exchange requirements") and state whether the halt or suspension was remedied. If the delisting was at the issuer's request, state if the reason was to avoid compliance with a marketplace requirement (e.g. to issue securities at a price the marketplace would not accept). Do not include routine halts for dissemination of information, halts due to system problems in the marketplace or market-wide halts not specific to the issuer (e.g. circuit breakers).

---

**Has the Applicant or any predecessor ever been in default of its obligations as a reporting issuer or equivalent in any jurisdiction?** Yes No

If yes, provide details, including details of any cease trade orders or management cease trade orders issued.

---

**10. DESIGNATED MARKET MAKER**

The Exchange will assign a Designated Market Maker for the securities to be listed.

**11. OTHER INFORMATION**

Attach copies of all documents listed in Schedule "A" of this Application.

## 12. CERTIFICATE

After having received approval from its Board of Directors, the Applicant applies to list the securities designated in this application with the Exchange.

AUTHORIZATION AND CONSENT: THE APPLICANT HEREBY AUTHORIZED AND CONSENTS TO THE COLLECTION BY AEQUITAS CANADIAN EXCHANGE INC., ITS SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS OF ANY INFORMATION WHATSOEVER (WHICH MAY INCLUDE PERSONAL, CREDIT OR OTHER INFORMATION) FROM ANY SOURCE, INCLUDING WITHOUT LIMITATION AN INVESTIGATIVE AGENCY OR RETAIL CREDIT AGENCY, AS PERMITTED BY LAW IN ANY JURISDICTION IN CANADA OR ELSEWHERE. THE APPLICANT ACKNOWLEDGES AND AGREES THAT ANY SUCH INFORMATION MAY BE SHARED BY AEQUITAS CANADIAN EXCHANGE INC., ITS SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS INDEFINITELY.

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Signature of Authorized Person	Name
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Position	Date
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Signature of Authorized Person	Name
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Position	Date
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**APPENDIX "A"**

1. Certified copies of all constating documents, including Articles of Incorporation, Articles of Amendment, Articles of Continuance, Articles of Amalgamation, by-laws, partnership agreements, trust indentures, declarations of trust, limited partnership agreements or equivalent documents;
2. Copies of all material contracts (including any coattail trust agreements);
3. Copies of all stock option or Security Based Compensation Arrangements and of any other agreement pursuant to which listed or voting securities may be issued;
4. Copies of any agreements under which securities are held in escrow, pooled, or under a similar arrangement;
5. A letter from the transfer agent stating that it has been duly appointed by the issuer and is in a position to make transfers and make prompt delivery of share certificates;
6. An undertaking to each of the Canadian Securities Regulators to comply with the requirements applicable to non-venture issuers;
7. A list of all directors and officers for the past three years; and
8. Where the Applicant is applying as an Investment Issuer, the investment policy of the Applicant and a certified copy of the resolution of shareholders or the minutes of the shareholder meeting approving the investment policy.



**APPENDIX “B”**

A. Securities Held by non-Public Securityholder / Public Float

<b>Class of Security:</b> _____			
<b>Number of Securities Issued and Outstanding (A)</b> _____	<b>Number of Securities (without transfer restrictions)</b>	<b>Number of Securities (with transfer restrictions)</b>	<b>% of Issued and Outstanding Securities</b>
<b>Securities Held By The Applicant And Each Non-Public Securityholder (B)<sup>8</sup></b>			
<b>Total (without transfer restrictions) (C)</b>		-	
<b>Total (with transfer restrictions) (D)</b>	-		
<b>Other Securities Subject To Transfer Restriction<sup>9</sup></b>	-		
<b>Total Other Securities Subject To Transfer Restriction (E)</b>	-		
<b>Public Float (A-C-D-E)</b>			

<sup>8</sup> Disclose separately the holdings (if any) of the Applicant and, to the knowledge of the Applicant, of each non-Public Securityholder. Disclose separately securities that are, or are not, subject to restrictions on transfer.

<sup>9</sup> Disclose separately the holdings of each person whose securities are, to the knowledge of the Applicant, subject to transfer restrictions. Do not include securities that have already been included in item (C) or (D).

B. Public Securityholders<sup>10</sup>

<b>CLASS OF SECURITY:</b>		
<b>SIZE OF HOLDING</b>	<b>NUMBER OF PUBLIC SECURITYHOLDERS</b>	<b>TOTAL NUMBER OF SECURITIES</b>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Unable to confirm	<b>N/A</b>	
<b>Total</b>		
<b>Total Board Lot Holders</b>		

---

<sup>10</sup> Complete this table for Public Securityholders only. For the purposes of this report, "Public Securityholders" are persons other than persons enumerated in section (B) of the previous chart.

**FORM 1B  
LISTING APPLICATION –  
CEF / ETF / ETP ISSUERS**

**Initial Form**

**Final Form**

**Date:** \_\_\_\_\_

*(Instructions: For an Initial Listing Application, complete this form on a pro-forma basis assuming completion of all pre-listing transactions and securities offerings.)*

**1. LISTING CATEGORY**

Please select the appropriate listing category:

Closed-End Fund

Exchange Traded Fund

Exchange Traded Product

Exchange Traded Product - Debt

**2. APPLICANT INFORMATION**

\_\_\_\_\_

Legal name of applicant (the "Applicant")

\_\_\_\_\_

Address of registered office

\_\_\_\_\_

Address of head office

\_\_\_\_\_

Telephone

\_\_\_\_\_

Facsimile

\_\_\_\_\_

Email address

\_\_\_\_\_

Website address

(i) Jurisdiction of organization: \_\_\_\_\_

(ii) Jurisdiction(s) in which the Applicant is a reporting issuer or equivalent: \_\_\_\_\_

(iii) North American Industrial Classification System Code (NAICS): \_\_\_\_\_

(iv) Fund family name (if applicable): \_\_\_\_\_

(v) Provide a brief description of the Applicant's business: \_\_\_\_\_

(vi) Is the Applicant an “Emerging Market Issuer”, and/or is the listing application: (y) not subject to a concurrent due diligence review conducted by an IIROC dealer or other suitable third party, or (z) not involve a prospectus reviewed by a Canadian securities regulatory authority?<sup>11</sup> If so, please provide all relevant details: \_\_\_\_\_

(vii) Where securities of the applicant are listed or quoted on any other exchange or board, complete the table below for each listing and quotation:

<b>Listing or Quotation Venue</b>	<b>Class</b>	<b>CUSIP</b>	<b>Total Issued and Outstanding (A)</b>	<b>Total Reserved for Issuance<sup>12</sup> (B)</b>	<b>Total Issued and Outstanding and Reserved for Issuance (A+B)</b>

### 3. APPLICANT CONTACT INFORMATION

	<b>Company / Sponsor Contact</b>	<b>Outside Legal Counsel</b>	<b>Other</b>
<b>Firm Name</b>			
<b>Contact Name</b>			
<b>Title / Position</b>			
<b>Telephone</b>			
<b>Email</b>			
<b>Primary Contact</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 4. FUND MANAGER / MANAGING TRUSTEE (if applicable)

<b>Firm Name</b>	
<b>Contact Name</b>	
<b>Title / Position</b>	
<b>Telephone</b>	
<b>Email</b>	
<b>Primary Contact</b>	<input type="checkbox"/>

<sup>11</sup> See Sections 2.10 and 2.11 of the Listing Manual.

<sup>12</sup> Include securities reserved for issuance under any options, convertible securities, over-allotment options and any other securities reserved for issuance.

**5. INSIDERS**

Provide the following information for all Insiders of the Applicant.

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Name	Relationship to Applicant
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Telephone	Email
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Name	Relationship to Applicant
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Telephone	Email
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**6. INFORMATION CONCERNING SECURITIES TO BE LISTED**

(i) Describe and provide details of material features of securities to be listed:

---

(ii) Provide desired symbols (please provide three options per security to be listed):

---

(iii) Complete the following tables for each security to be listed:

A. Securities to be Listed

Class	CUSIP	Total Authorized	Total Issued and Outstanding (A)	Total Reserved For Issuance (B) <sup>13</sup>	Total to be Listed (A+B)

B. Securities Reserved for Issuance<sup>14</sup>

Security or Instrument Name	Number and Class of Securities Reserved	Exercise or Conversion Price (if applicable)	Expiry Date (if applicable)

<sup>13</sup> Include securities reserved for issuance under any options, convertible securities, over-allotment options and any other securities reserved for issuance.

<sup>14</sup> Disclose securities reserved for issuance under any options, convertible securities, over-allotment options and any other securities reserved for issuance.

C. Information Concerning Securities With Transfer Restrictions

Security or Instrument Name	Total Restricted	Type of Restriction <sup>15</sup>	Release Schedule

(iv) Provide additional details in relation to securities with transfer restrictions. In the absence of restrictions, confirm that the securities will be freely tradeable in Canada:

---

(v) If applicable, provide a description of the underlying index /indices, commodity or currency, including name, symbol, provider and components:

---

(vi) Describe any shareholder rights plan of the Applicant:

---

(vii) In the case of Restricted Securities, describe any "coattail" provisions:

---

**6. MINIMUM LISTING STANDARDS**

Please complete the following table (please refer to Part II of the Listing Manual for guidance):

**[Fields applicable to CEFs]**

Public Float<sup>16</sup>: \_\_\_\_\_

Public Securityholders holding a Board Lot<sup>17</sup>: \_\_\_\_\_

Net Asset Value: \_\_\_\_\_

---

<sup>15</sup> Provide details of the transfer restriction, ex: restriction due to an escrow agreement, pooling agreement, legend or any other restrictions on transfer.

<sup>16</sup> Complete Appendix "B".

<sup>17</sup> Complete Appendix "B".

Confirm that the net asset value of the CEF will be calculated and made publicly available each business day.

Where net asset value confirmation is not given, explain:

\_\_\_\_\_

**[Fields applicable to ETFs]**

Public Float<sup>18</sup>:

\_\_\_\_\_

Net Asset Value:

\_\_\_\_\_

Net Asset Value of group of Investment Funds that are managed by the same Investment Fund manager (if applicable):

\_\_\_\_\_

Confirm that the net asset value of the ETF will be calculated and made publicly available each business day.

Where net asset value confirmation is not given, explain:

\_\_\_\_\_

IIV Requirements will be assessed by the Exchange following receipt of this Application.

**[Fields applicable to ETPs]**

Public Float<sup>19</sup>:

\_\_\_\_\_

Public Securityholders holding a Board Lot<sup>20</sup>:

\_\_\_\_\_

Public Float Value:

\_\_\_\_\_

Value of assets of the ETP Issuer:

The ETP Issuer is:

an Listed Issuer, Other Listed Issuer or Foreign Issuer;

an affiliate of an Listed Issuer, Other Listed Issuer or Foreign Issuer; or

a trust company, asset manager or financial institution with substantial capital, surplus and experience

<sup>18</sup> Complete Appendix "B".

<sup>19</sup> Complete Appendix "B".

<sup>20</sup> Complete Appendix "B".

Confirm that the net asset value of the ETP will be calculated and made publicly available each business day.

Where net asset value confirmation is not given, explain:

---

IIV Requirements will be assessed by the Exchange following receipt of this Application.

**[Fields applicable to ETP - Debt]**

Public Float<sup>21</sup>:

---

Public Securityholders holding a Board Lot<sup>22</sup>:

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Public Float Value:

---

Term to maturity:

---

Value of assets of the ETP Issuer:

---

Tangible net worth of the ETP Issuer:

---

The ETP Issuer is:

- an Listed Issuer, Other Listed Issuer or Foreign Issuer;
- an affiliate of an Listed Issuer, Other Listed Issuer or Foreign Issuer; or
- a trust company, asset manager or financial institution with substantial capital, surplus and experience

Confirm that the net asset value of the ETP will be calculated and made publicly available each business day.

Where net asset value confirmation is not given, explain:

---

IIV Requirements will be assessed by the Exchange following receipt of this Application.

---

<sup>21</sup> Complete Appendix "B".

<sup>22</sup> Complete Appendix "B".



**7. GOVERNANCE INFORMATION (Investment Funds Only)**

(i) Provide the name of each member of the Independent Review Committee and whether the member is “independent” within the meaning of National Instrument 81-107 – *Independent Review Committee For Investment Funds*.

Name of Member	Independent (Y/N)

- Total Independent Review Committee Members: 0

(ii) Does the applicant comply with the corporate governance requirements set out in Section 10.06 of the Listing Manual: Yes No

(iv) Explain how corporate governance requirements set out in Section 10.06 of the Listing Manual are met:

---

(v) Provide the quorum requirement for a meeting of securityholders set out in Section 10.07 of the Listing Manual:

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**8. TRANSFER AGENT AND REGISTRAR INFORMATION**

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Registrar and Transfer Agent Name	Address
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Cities in which transfer facilities are maintained

**9. HISTORICAL INFORMATION**

Has the applicant (or its investment fund manager, as applicable) or any of its predecessors ever applied to have its securities traded on another market and been denied? Yes No

If yes, provide the name of the market(s), the date(s) and the reason(s):

---

**Has the Applicant (or its investment fund manager, as applicable) or any of its predecessors ever had trading in its securities halted by a marketplace or been suspended from trading or delisted by a marketplace?** Yes No

If yes, provide details. Be specific (do not simply state “failure to meet exchange requirements”) and state whether the halt or suspension was remedied. If the delisting was at the issuer’s request, state if the reason was to avoid compliance with a marketplace requirement (e.g. to issue securities at a price the marketplace would not accept). Do not include routine halts for dissemination of information, halts due to system problems in the marketplace or market-wide halts not specific to the issuer (e.g. circuit breakers).

---

**Has the Applicant (or its investment fund manager, as applicable) or any of its predecessors ever been in default of its obligations as a reporting issuer or equivalent in any jurisdiction?** Yes No

If yes, provide details, including details of any cease trade orders or management cease trade orders issued.

---

## **10. DESIGNATED MARKET MAKERS**

The Exchange will assign a Designated Market Maker for the securities to be listed.

## **11. OTHER INFORMATION**

Attach copies of all documents listed in Schedule “A” of this Application.

## 12. CERTIFICATE

After having received approval from its Board of Directors, the Applicant applies to list the securities designated in this application with the Exchange.

AUTHORIZATION AND CONSENT: THE APPLICANT HEREBY AUTHORIZES AND CONSENTS TO THE COLLECTION BY AEQUITAS CANADIAN EXCHANGE INC., ITS SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS OF ANY INFORMATION WHATSOEVER (WHICH MAY INCLUDE PERSONAL, CREDIT OR OTHER INFORMATION) FROM ANY SOURCE, INCLUDING WITHOUT LIMITATION AN INVESTIGATIVE AGENCY OR RETAIL CREDIT AGENCY, AS PERMITTED BY LAW IN ANY JURISDICTION IN CANADA OR ELSEWHERE. THE APPLICANT ACKNOWLEDGES AND AGREES THAT ANY SUCH INFORMATION MAY BE SHARED BY AEQUITAS CANADIAN EXCHANGE INC., ITS SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS INDEFINITELY.

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Signature of Authorized Person	Name
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Position	Date
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Signature of Authorized Person	Name
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---

Position	Date
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**APPENDIX "A"**

1. Certified copies of all constating documents, including Articles of Incorporation, Articles of Amendment, Articles of Continuance, Articles of Amalgamation, by-laws, partnership agreements, trust indentures, declarations of trust, limited partnership agreements or equivalent documents.
2. Where the applicant is an investment fund, (i) any agreement of the investment fund or the trustee with the manager of the investment fund, (ii) any agreement of the investment fund, the manager or trustee with the portfolio advisers of the investment fund, (iii) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund, and (iv) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund;
3. Copies of all material contracts (including any coattail trust agreements);
4. Copies of all stock option or security purchase plans and of any other agreement pursuant to which listed or voting securities may be issued;
5. Copies of any agreements under which securities are held in escrow, pooled, or under a similar arrangement;
6. A letter from the transfer agent stating that it has been duly appointed by the issuer and is in a position to make transfers and make prompt delivery of share certificates;
7. An undertaking to each of the Canadian Securities Regulators to comply with the requirements applicable to non-venture issuers; and
8. A list of all directors and officers for the past three years.

**APPENDIX “B”**

A. Securities Held by non-Public Securityholders / Public Float

Class of Security:				
Number of Securities Issued and Outstanding (A)		Number of Securities (without transfer restrictions)	Number of Securities (with transfer restrictions)	% of Issued and Outstanding Securities
<b>Securities Held By The Applicant And Each Non-Public Securityholder (B)<sup>23</sup></b>				
<b>Total (without transfer restrictions) (C)</b>			-	
<b>Total (with transfer restrictions) (D)</b>		-		
<b>Other Securities Subject To Transfer Restriction<sup>24</sup></b>		-		
<b>Total (E)</b>		-		
<b>Public Float (A-C-D-E)</b>				

<sup>23</sup> Disclose separately the holdings (if any) of the Applicant and, to the knowledge of the Applicant, of each non-Public Securityholder. Disclose separately securities that are, or are not, subject to restrictions on transfer.

<sup>24</sup> Disclose separately the holdings of each person whose securities are, to the knowledge of the Applicant, subject to transfer restrictions. Do not include securities that have already been included in item (C) or (D).

B. Public Securityholders<sup>25</sup>

<b>CLASS OF SECURITY:</b>		
<b>SIZE OF HOLDING</b>	<b>NUMBER OF PUBLIC SECURITYHOLDERS</b>	<b>TOTAL NUMBER OF SECURITIES</b>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Unable to confirm	<b>N/A</b>	
<b>Total</b>		
<b>Total Board Lot Holders</b>		

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<sup>25</sup> Complete this table for Public Securityholders only. For the purposes of this report, "Public Securityholders" are persons other than persons enumerated in section (B) of the previous chart.

**FORM 2**  
**LISTING STATEMENT**

**INSTRUCTIONS**

- 1. The applicant must provide a Listing Statement which includes all disclosure required to be provided for the company, business or entity (including financial statements) prescribed under securities legislation and described in the form of prospectus that the company, business or entity, respectively, would be eligible to use immediately prior to the completion of the Listing Statement for a distribution of the listed securities in the jurisdiction.*
- 2. The Listing Statement must contain the certificate(s) prescribed under securities legislation for a prospectus that the company, business or entity, respectively, would be eligible to use immediately prior to the completion of the Listing Statement for a distribution of the listed securities in the jurisdiction.*
- 3. The Listing Statement must be current as of a date that is not more than three days from the date it is submitted.*
- 4. An issuer that has filed a prospectus with respect to the listed securities within 180 days of the date of the listing may provide, in lieu of the Listing Statement, the prospectus together with all documents incorporated by reference into the prospectus (if any) and all information and filings required to make the prospectus current to a date that is not more than three days from the date it is submitted.*

## FORM 3 PERSONAL INFORMATION FORM

### GENERAL INSTRUCTIONS:

#### Completing the Personal Information Form

1. This Personal Information Form is to be completed by:
  - (a) every individual who is or proposed to become a Insider of an Listed Issuer; and
  - (b) any person required by Aequitas Neo Exchange Inc. (the “**Exchange**”) to complete this form.
2. If you have submitted a completed Personal Information Form to the Exchange within the past 36 months and the information on the previously submitted form has not changed, you may provide a sworn declaration (Form 3A) to that effect in lieu of completing a new Personal Information Form.
3. If you have submitted a form substantially similar to a Personal Information Form to another Canadian exchange in respect of an Other Listed Issuer within the past 36 months, and the information on the previously submitted form has not changed, you may provide a copy of that form and a sworn declaration (Form 3B) in lieu of completing a new Personal Information Form.
4. Persons submitting a Personal Information Form who have resided outside of Canada may be required to complete and submit additional forms and information if requested by the Exchange.

#### Responses

5. All questions must have a response. The response of “N/A” or “Not Applicable” will not be accepted for any questions, except Questions 1B, 2(iii), (v) and 5.
6. Please place a checkmark (✓) in the appropriate space provided. If your answer to any of questions 6 to 10 is “YES”, you must, in an attachment, provide complete details, including the circumstances, relevant dates, names of the parties involved and final disposition, if known. Any attachment must be initialled by the person completing this Form. Responses must consider all time periods.

#### Statutory Declaration

7. This Personal Information Form must be sworn before a notary public in the jurisdiction in which it is sworn. If the jurisdiction does not have notary publics, it must be sworn before a person who meets the requirements of the *Canada Evidence Act*. All attachments must be initialled by you and the notary public.
8. The Exchange will only accept originally-executed copies of this Personal Information Form.
9. An individual who makes a false statement by statutory declaration commits an offence under applicable securities legislation and an indictable offence under the *Criminal Code* (Canada). The Exchange may verify the information contained in this form, including verification of any previous criminal record. If incomplete or misleading information is provided, the Exchange may disqualify the individual from association with the issuer and/or other issuers.



**Exhibits**

10. This Personal Information Form includes Exhibits 1, 2 and 3, which are attached to and form part of the Personal Information Form. A person submitting a Personal Information Form is deemed to have read and understood all questions in the Personal Information Form and to have read, understood and accepted the terms set forth in each of Exhibits 1, 2 and 3 of the Personal Information Form.
11. In all cases, the Release and Discharge Relating to Consent to Disclosure of Criminal Record Information, which is attached as Exhibit 1, must be completed.

**DEFINITIONS / INTERPRETATION**

Capitalized terms used but not defined in this Personal Information Form have the meaning given to them in the Listing Manual.

For the purposes of answering the questions in this form, the term “**issuer**” also includes an investment fund manager.

“**director**”, “**officer**”, “**insider**”, “**control person**”, “**promoter**” and “**investment fund manager**” all have the meanings ascribed to them by applicable securities legislation;

“**Offence**” An offence includes:

- (a) a summary conviction or indictable offence under the Criminal Code (Canada);
- (b) a quasi-criminal offence (for example under the Income Tax Act (Canada), the Immigration Act (Canada) or the tax, immigration, drugs, firearms, money laundering or securities legislation of any jurisdiction);
- (c) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein; or
- (d) an offence under the criminal legislation of any foreign jurisdiction;

**NOTE: If you have received a pardon under the *Criminal Records Act* (Canada) for an Offence that relates to fraud (including any type of fraudulent activity), misappropriation of money or other property, theft, forgery, falsification of books or documents or similar Offences you must disclose the pardoned Offence in this Personal Information Form. In such circumstances:**

- (a) the appropriate written response would be “**Yes, pardon granted on (date),”** and
- (b) **you must provide complete details in an attachment to this Personal Information Form.**

“**Proceeding**” means:

- (a) a civil or criminal proceeding or inquiry which is currently before a court,
- (b) a proceeding before an arbitrator or umpire or a person or group of persons authorized by law to make an inquiry and take evidence under oath in the matter,

- (c) a proceeding before a tribunal in the exercise of a statutory power of decision making where the tribunal is required by law to hold or afford the parties to the proceeding an opportunity for a hearing before making a decision, or
- (d) a proceeding before a self regulatory entity authorized by law to regulate the operations and the standards of practice and business conduct of its members (including, where applicable, issuers listed on a stock exchange) and individuals associated with those members and issuers, in which the self regulatory entity is required under its by-laws, rules or policies to hold or afford the parties the opportunity to be heard before making a decision, but does not apply to a proceeding in which one or more persons are required to make an investigation and to make a report, with or without recommendations, if the report is for the information or advice of the person to whom it is made and does not in any way bind or limit that person in any decision the person may have the power to make;

**“Reporting Issuer”** means an issuer that has any securities that have been at any time listed or quoted for trading in any jurisdiction regardless of when the listing and trading began;

**“securities regulatory authority”** or **“SRA”** means a body created by statute in any Canadian or foreign jurisdiction to administer securities law, regulation and policy (e.g. securities commission), but does not include an exchange or other self regulatory entity;

**“self regulatory entity”** or **“SRE”** means

- (a) a stock, derivatives, commodities, futures or options exchange;
- (b) an association of investment, securities, mutual fund, commodities, or future dealers;
- (c) an association of investment counsel or portfolio managers;
- (d) an association of other professionals (e.g. legal, accounting, engineering); and
- (e) any other group, institution or self regulatory organization, recognized by a securities regulatory authority, that is responsible for the enforcement of rules, policies, disciplines or codes under any applicable legislation, or considered an SRE in another country.

1. A. IDENTIFICATION OF INDIVIDUAL COMPLETING FORM

LAST NAME(S)	FIRST NAME(S)	FULL MIDDLE NAME(S) (No initials, if none, please state)			
NAME(S) MOST COMMONLY KNOWN BY					
NAME OF ISSUER (the name of the Issuer that is listed or that has applied to list on the Exchange)					
PRESENT <u>or</u> PROPOSED POSITION(S) WITH THE ISSUER – check (√) all positions below that are applicable	(√)	IF DIRECTOR / OFFICER DISCLOSE THE DATE ELECTED / APPOINTED			IF OFFICER – PROVIDE TITLE IF OTHER – PROVIDE DETAILS
		Month	Day	Year	
Director					
Officer					
Other					

B. Other than the name given in Question 1A above, provide any legal names, assumed names or nicknames under which you have carried on business or have otherwise been known, including information regarding any name change(s) resulting from marriage, divorce, court order or any other process. Use an attachment if necessary.

	FROM		TO	
	MM	YY	MM	YY

C.

GENDER		DATE OF BIRTH			PLACE OF BIRTH		
		Month (e.g. May)	Day	Year	City	Province/State	Country
Male							
Female							

<b>D.</b>	<b>MARITAL STATUS</b>	<b>FULL NAME OF SPOUSE - include common-law</b>	<b>OCCUPATION OF SPOUSE</b>

<b>E.</b>	<b>TELEPHONE AND FACSIMILE NUMBERS AND E-MAIL ADDRESS</b>		
	<b>RESIDENTIAL</b>	(     )	<b>FACSIMILE</b>
	<b>BUSINESS</b>	(     )	<b>E-MAIL*</b>

\*Please provide an email address that the Exchange may use to contact you regarding this Personal Information Form. This email address may be used to exchange personal information relating to you.

<b>F.</b>	<b>RESIDENTIAL HISTORY - Provide ALL residential addresses for the past 10 years starting with your current principal residential address. If you are unable to correctly identify the complete residential address for a period, which is beyond five years from the date of completion of this Personal Information Form, the municipality and province or state and country must be identified. The Exchange reserves the right to require the full address. Use an attachment if necessary.</b>				
	<b>STREET ADDRESS, CITY, PROVINCE/STATE, COUNTRY &amp; POSTAL/ZIP CODE</b>	<b>FROM</b>		<b>TO</b>	
		<b>MM</b>	<b>YY</b>	<b>MM</b>	<b>YY</b>

**2. CITIZENSHIP**

	<b>YES</b>	<b>NO</b>
(i) Are you a Canadian citizen?		
(ii) Are you a person lawfully in Canada as an immigrant but are not yet a Canadian citizen?		
(iii) If "Yes" to (ii), provide the number of years of continuous residence in Canada.		
(iv) Do you hold citizenship in any country other than Canada?		
(v) If "Yes" to (iv), provide the name of the country or country(ies).		
(vi) Please provide your Canadian social insurance number. (if none, state "none")		
(vii) Please provide U.S. Social Security number, where you have such a number. (if none, state "none")		

**3. EMPLOYMENT HISTORY**

Provide your complete employment history for the 5 years immediately prior to the date of this Personal Information Form starting with your current employment. Use an attachment if necessary. If you were unemployed during this period of time, please state this and identify the period of unemployment.

EMPLOYER NAME	EMPLOYER ADDRESS	POSITION HELD	FROM		TO	
			MM	YY	MM	YY

**4. POSITIONS WITH OTHER ISSUERS**

		YES	NO
A.	Are you or have you during the last <u>10</u> years ever been, in any jurisdiction, a director, officer, promoter, insider or control person for any Reporting Issuer?		

**B. If "YES" to 4A above, provide the names of each Reporting Issuer. State the position(s) held and the period(s) during which you held the position(s). Use an attachment if necessary.**

NAME OF REPORTING ISSUER	POSITION(S) HELD	MARKET TRADED ON	FROM		TO	
			MM	YY	MM	YY

		YES	NO
C.	While you were a director, officer or insider of an issuer, did any exchange or other self regulatory entity ever refuse approval for listing or quotation of that issuer, including (i) a listing resulting from a business combination, reverse take over or similar transaction that is regulated by an SRE or SRA, (ii) backdoor listing or qualifying acquisition (as those terms are defined in the TSX Company Manual) or (iii) a qualifying transaction, reverse take over or change of business (as those terms are defined in the TSX Venture Corporate Finance Manual)? If yes, attach full particulars.		

**5. EDUCATIONAL HISTORY**

**A. PROFESSIONAL DESIGNATION(S) – Identify any professional designation(s) held and the names in full of all professional associations to which you belong, for example, Barrister & Solicitor, C.A., C.M.A., C.G.A., P.Eng., P.Geol., CFA, etc. Identify the organizations which granted the designations, the entities which regulate each profession, and the date each designation was granted.**

PROFESSIONAL DESIGNATION(S) And MEMBERSHIP NUMBER(S)	GRANTOR OF DESIGNATION(S) And JURISDICTION(S) (NO ACRONYMS)	REGULATOR OF PROFESSION(S)	DATE(S) GRANTED	
			MM	YY

Describe the current status of all designation(s) and/or association(s) (e.g., active, retired, non-practicing, suspended).

--

**B. Provide your post-secondary educational history starting with the most recent.**

SCHOOL	LOCATION	DEGREE OR DIPLOMA	DATE OBTAINED						
			MM	DD	YY				

6. **OFFENCES** - If you answer "YES" to any item in Question 6, you must provide complete details in an attachment initialled by the Notary Public and you. **If you have received a pardon under the *Criminal Records Act (Canada)* for an Offence that relates to fraud (including any type of fraudulent activity), misappropriation of money or other property, theft, forgery, falsification of books or documents or similar Offences, you must disclose the pardoned Offence in this Personal Information Form.**

		YES	NO
A.	Have you ever, in any jurisdiction, pled guilty to or been found guilty of an Offence?		

		YES	NO
B.	Are you the subject of any current charge, indictment or proceeding for an Offence, in any jurisdiction?		

		YES	NO
C.	To the best of your knowledge, are you currently or have you <u>ever</u> been a director, officer, promoter, insider or control person of an issuer, in any jurisdiction, at the time of events, where the issuer:		
	(i) pled guilty to or was found guilty of an Offence?		
	(ii) is now the subject of any charge, indictment or proceeding for an Offence?		

7. **BANKRUPTCY** - If you answer "YES" to any item in Question 7, you must provide complete details in an attachment and attach a copy of any discharge, release or other applicable document, all of which must be initialled by the Notary Public and you. You must answer "YES" or "NO" for EACH of (A), (B) and (C), below.

		YES	NO
A.	Have <u>you</u> , in any jurisdiction, within the past <u>10 years</u> had a petition in bankruptcy issued against you, made a voluntary assignment in bankruptcy, made a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to manage your assets?		

YES	NO
-----	----

B.	Are you now an undischarged bankrupt?		
----	---------------------------------------	--	--

		YES	NO
C.	To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of an issuer, in any jurisdiction, at the time of events, or for a period of 12 months preceding the time of events, where the issuer:		
	(i) has made a petition in bankruptcy, a voluntary assignment in bankruptcy, a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to manage the issuer's assets?		
	(ii) is now an undischarged bankrupt?		

8. **PROCEEDINGS** - If you answer "YES" to any item in Question 8, you must provide complete details in an attachment initialled by the Notary Public and you.

		YES	NO
A.	<b>CURRENT PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ENTITY. Are you now, in any Canadian or foreign jurisdiction, the subject of:</b>		
	(i) a notice of hearing or similar notice issued by an SRA or SRE?		
	(ii) a proceeding, or to your knowledge, investigation, by an SRA or SRE?		
	(iii) settlement discussions or negotiations for settlement of any nature or kind whatsoever with an SRA or SRE?		

		YES	NO
B.	<b>PRIOR PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ENTITY. Have you ever:</b>		
	(i) been reprimanded, suspended, fined, been the subject of an administrative penalty, or been the subject of any proceedings of any kind whatsoever, in any jurisdiction, by an SRA or SRE?		
	(ii) had a registration or licence for the trading of securities, exchange or commodity futures contracts, real estate, insurance or mutual fund products cancelled, refused, restricted or suspended, by an SRA or SRE?		
	(iii) been prohibited or disqualified by an SRA or SRE under securities, corporate or any other legislation from acting as a director or officer of a Reporting Issuer or been prohibited or restricted by an SRA or SRE from acting as a director, officer, or employee of, or an agent or consultant to, a Reporting Issuer?		
	(iv) had a cease trading or similar order issued against you or an order issued against you by an SRA or SRE that denied you the right to use any statutory prospectus or registration exemption?		
	(v) had any other proceeding, review, or investigation of any nature or kind taken against you by an SRA or SRE?		

		YES	NO
C.	<b>SETTLEMENT AGREEMENT(S)</b>		
	Have you ever entered into a settlement agreement with an SRA, SRE, attorney general or comparable official or body, in any jurisdiction, in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct, or any other settlement agreement with respect to any other violation of securities legislation or the rules, by-laws or policies of any SRE?		

		YES	NO
D.	<b>To the best of your knowledge, are you now or have you ever been a director, officer, promoter, insider or control person of an issuer at the time of such event, in any jurisdiction, for which a securities regulatory authority or self regulatory entity has:</b>		
	(i) refused, restricted, suspended or cancelled the registration or licensing of an issuer to trade securities, exchange or commodity futures contracts, or to sell or trade real estate, insurance or mutual fund products?		
	(ii) issued a cease trade or similar order or imposed an administrative penalty of any nature or kind whatsoever against the issuer, other than an order for failure to file financial statements that was revoked within 30 days of its issuance?		
	(iii) refused a receipt for a prospectus or other offering document, denied any application for listing or quotation or any other similar application, or issued an order that denied the issuer the right to use any statutory prospectus or registration exemptions?		
	(iv) issued a notice of hearing, notice as to a proceeding or similar notice against the issuer?		
	(v) commenced any other proceeding of any nature or kind against the issuer, including a trading halt, suspension or delisting of the issuer, in connection with an alleged or actual contravention of an SRA's or SRE's rules, regulations, policies, or other requirements, but excluding halts imposed (i) in the normal course for proper dissemination of information, or (ii) pursuant to a business combination, reverse take over or similar transaction that is regulated by an SRE or SRA, including a qualifying transaction, reverse takeover or change of business (as those terms are defined in the TSX Venture Corporate Finance Manual)?		
	(vi) entered into a settlement agreement with the issuer in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct by the issuer, or involved in any other violation of securities legislation or the rules, by-laws or policies of an SRE?		

9. **CIVIL PROCEEDINGS** - If you answer "YES" to any item in Question 9, you must provide complete details in an attachment initialed by the Notary Public and you.

		YES	NO
A.	<b>JUDGMENT, GARNISHMENT AND INJUNCTIONS</b> <b>Has a court in any jurisdiction:</b>		
	(i) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against you in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		
	(ii) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against an issuer of which you are currently or have ever been a director, officer, promoter, insider or control person in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		

		YES	NO
B.	<b>CURRENT CLAIMS</b>		
	(i) Are you now subject, in any jurisdiction, to a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		



(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of an issuer now subject, in any jurisdiction, to a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		
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		YES	NO
<b>C.</b>	<b>SETTLEMENT AGREEMENT</b>		
	(i) Have you ever entered into a settlement agreement, in any jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		
	(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of an issuer that has entered into a settlement agreement, in any jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		

## 10. INVOLVEMENT WITH OTHER ENTITIES

		YES	NO
<b>A.</b>	Has your employment in a sales, investment or advisory capacity with any employer engaged in the sale of real estate, insurance or mutual funds ever been suspended or terminated for cause? If yes, attach full particulars.		

		YES	NO
<b>B.</b>	Has your employment with a firm or company registered under the securities laws of any jurisdiction as a securities dealer, broker, investment advisor or underwriter ever been suspended or terminated for cause? If yes, attach full particulars.		

		YES	NO
<b>C.</b>	Has your employment as an officer of an issuer ever been suspended or terminated for cause? If yes, attach full particulars.		

## 11. IDENTIFICATION

A.

Attach legible notarized photocopies of TWO different pieces of identification ("I.D."), **one of which must be government-issued and include your name, date of birth, signature and photo taken within the last five years. BOTH PIECES OF I.D. MUST BE VERIFIED BY A NOTARY PUBLIC WHO MUST THEN MAKE PHOTOCOPIES OF THE I.D., SIGN, DATE AND APPLY NOTARY SEAL/STAMP TO EACH COPY.**

Check this box if attached

Acceptable Forms of Photo Identification

- Driver's Licence
- Age of Majority Card/BYID Card
- Military Employment Card
- Canadian Citizenship Card
- Indian Status Card
- Passport
- Permanent Resident Card
- PAL (Possession & Acquisition Licence issued by the Chief Firearms Office)
- CNIB (Canadian National Institute for the Blind) Card
- Ontario Photo ID Card (issued by the MTO)
- NEXUS Card
- FAST Pass

Acceptable Forms of Non-Photo Identification

- Birth Certificate
- Baptismal Certificate
- Hunting Licence
- Outdoors Card
- Canadian Blood Donor Card
- Immigration Papers

The Exchange is prohibited from using Provincial Health Cards or Social Insurance Number Cards - do not forward copies of either of these pieces of I.D. to us. We reserve the right to reject any I.D. which we determine is not acceptable.

**STATUTORY DECLARATION**

I, \_\_\_\_\_ hereby solemnly declare that:  
(Please Print - Name of Individual)

- (a) I have read and understand this Personal Information Form, and the answers I have given to the questions in this Personal Information Form and in any attachments to it are true and correct, except where stated to be to the best of my knowledge, in which case I believe the answers to be true;
- (b) I have read and understand the Personal Information Collection Policy of the Exchange attached hereto as Exhibit 2 as well as the Notice of Collection, Use and Disclosure of Personal Information by securities regulatory authorities attached hereto as Exhibit 3 (Exhibit 3 relates to the use of this Personal Information Form and collection of information for the sole purposes of SRAs) (collectively, the "Personal Information Form Collection Policy");
- (c) I have presented to the Notary Public named below, two pieces of photo identification, both of which comply with Exchange Requirements set forth in Question 11, and I have attached to this Personal Information Form notarized photocopies of those pieces of identification (including the Notary Public's signature and stamp/seal, and the date of notarization);
- (d) I consent to the collection, use and disclosure of the information in this Personal Information Form and any further personal information collected, used and disclosed, as set out in the Personal Information Form Collection Policy;
- (e) I hereby agree to (i) submit to the jurisdiction of the Exchange and to the Investment Industry Regulatory Organization of Canada and any successor or assignee of any of them, and wherever applicable, the directors and committees thereof, and (ii) be bound by and comply with all applicable rules, policies, regulations, directions, decisions, orders and rulings of the Exchange (collectively, the "Exchange requirements");
- (f) I agree that should any of my responses to any of the questions set forth in 6, 7, 8, 9 or 10 of this Personal Information Form cease to be true and correct, I will immediately file a new Personal Information Form with the Exchange;
- (g) I agree that any acceptance, approval or other right granted by the Exchange may be revoked, terminated or suspended at any time in accordance with then applicable Exchange Requirements. In the event of any such revocation, termination or suspension, I agree to immediately terminate my association or involvement with any Listed Issuer to the extent required by the Exchange. I agree not to resume my association or involvement with any Listed Issuer, except with the prior written approval of the Exchange;
- (h) This declaration and the rights and powers of the Exchange pursuant to the Exchange Requirements shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflict of law principles;
- (i) I acknowledge and agree that this declaration may be assigned or transferred by the Exchange to any person without providing me with notice or obtaining my consent and that this declaration shall thereafter continue to be binding on me and may be enforced against me by any such assignee or transferee. I understand that I am prohibited from transferring or assigning this declaration or any acceptance, approval or other right granted by the Exchange;
- (j) I understand that where I am providing this form to a SRA, I am under the jurisdiction of the SRA to which I submit this form, and it is a breach of securities legislation to provide false or misleading information to the SRA;
- (k) I make this solemn declaration conscientiously believing it to be true and knowing it is of the same legal force and effect as if made under oath and under the Canada Evidence Act.

**Signature of Person Completing this Form**

DECLARED before me, \_\_\_\_\_, at the City of \_\_\_\_\_  
(Name of Notary)  
in the Province (or State) of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
(Day) (Month) (Year)

\_\_\_\_\_  
Name of Notary Public (please print)

\_\_\_\_\_  
Membership or Bar No.

**Signature of Notary Public**

My Appointment Expires: \_\_\_\_\_

\_\_\_\_\_  
**Seal or Stamp of Notary Public**

06/04/2014

\*Note: THIS PERSONAL INFORMATION FORM AND ACCOMPANYING IDENTIFICATION MUST BE DECLARED BEFORE A PERSON WHO IS A NOTARY PUBLIC IN AND FOR THE JURISDICTION IN WHICH IT IS DECLARED UNLESS THAT JURISDICTION DOES NOT HAVE NOTARIES, IN WHICH CASE THIS PERSONAL INFORMATION FORM MUST BE DECLARED BEFORE A LAWYER IN THAT JURISDICTION, OR OTHER PERSON THAT SATISFIES THE REQUIREMENTS SET OUT IN THE CANADA EVIDENCE ACT.



Ontario  
Provincial  
Police

**EXHIBIT 1**  
**Release and Discharge Relating to**  
**Consent to Disclosure of Criminal Record Information**

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<b>Surname</b>	<b>Given name</b>	<b>Middle name(s)</b>	<b>Date of Birth (dd/mm/yy)</b>	<input type="checkbox"/> Male <input type="checkbox"/> Female
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**Previous Surnames** (e.g. *Former marriage, maiden*)

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**Address** (number, street, apt., lot, concession, township, rural route #, city, postal code)

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**Occupation**

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I hereby authorize the Ontario Provincial Police (the OPP) to release records of criminal convictions for which a pardon has not been granted, records of discharges which have not been removed from the CPIC system in accordance with the Criminal Records Act, and records of outstanding criminal charges of which the OPP is aware, to the person(s) listed below.

Name	Title
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Department and Branch

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Name of Organization

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Aequitas Neo Exchange Inc. or its authorized agent

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**Release and Discharge**

I hereby release and forever discharge Her Majesty the Queen in right of Ontario, the Commissioner of the Ontario Provincial Police and all members and employees of the OPP from any and all actions, claims, and demands for damages, loss or injury howsoever arising which may hereafter be sustained by myself as a result of the disclosure of information by the OPP to the above named organization.

I acknowledge that information so disclosed may be confirmed only by a comparison of the fingerprints on file to which the information relates and my fingerprints.

_____ Signature	_____ Date
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**Confidential**

This record and the information contained therein is being provided in confidence and shall not be disclosed to any person with the exception of the person(s) named above without the express written consent of the Commissioner of the OPP.

Based on a name check only, and having a birth date as provided above – a records check:

- fails to reveal any record relating to the above subject.
- indicated the following information may relate to the above subject.

Details cannot be certified as relating to the subject of inquiry, without a fingerprint comparison.

**EXHIBIT 2**  
**PERSONAL INFORMATION FORM - PERSONAL INFORMATION COLLECTION POLICY**

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**Collection, Use and Disclosure**

Aequitas Neo Exchange Inc. and its affiliates, subsidiaries and divisions (collectively referred to as “the Exchange”), collect the information (which may include personal, confidential, non-public, criminal or other information) in the Personal Information Form and in other forms that are submitted by you and/or by a Listed Issuer or an entity applying to be a Listed Issuer and use and disclose it for the following purposes:

- to conduct background checks,
- to verify the information that has been provided about you,
- to consider your suitability to act as an officer, director, insider, promoter, investor relations provider, employee or consultant, of a Listed Issuer or an issuer applying to be a Listed Issuer,
- to consider the eligibility of an applicant to be a Listed Issuer,
- to detect and prevent fraud,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with Exchange requirements, securities legislation and other legal and regulatory requirements regarding the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional information about you from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self regulatory entities, and regulation services providers, for the purposes described above. The information the Exchange collects about you may also be disclosed to these agencies and organizations (or as otherwise permitted or required by law), and they may use it in their own investigations for the purposes described above.

The Exchange may transfer information about you to service providers (including service providers located outside of Canada) for purposes of verifying the information that has been provided about you. Information provided to third parties outside of Canada becomes subject to the laws of the country in which it is held, and may be subject to disclosure to the governments, courts, or law enforcement or regulatory authorities of such country pursuant to such laws.

**Failure to Consent**

If you do not consent to this Personal Information Form Collection Policy, we may (i) refuse to allow you to act as an officer, director, insider, promoter, investor relations provider, employee or consultant, of an issuer, (ii) refuse to allow an applicant to be listed as an issuer, and/or (iii) refuse to accept a transaction proposed by an issuer.

**Security**

The personal information that is retained by the Exchange is kept in a secure environment. Only those employees of the Exchange who require access to your personal information in order to accomplish the purposes identified above, will be given access to your personal information. Employees of the Exchange who have access to your personal information are made aware of how to keep it confidential.

**Accuracy**

Information about you maintained by the Exchange that is identified by you as inaccurate or obsolete will be replaced or removed, as applicable.

**Questions**

If you have any questions about the privacy principles outlined above or our policies and practices, including policies and practices with respect to service providers outside of Canada and their collection, use, disclosure and storage of personal information on behalf of the Exchange please send a written request to: **[TBD]**.

**EXHIBIT 3**  
**Notice of Collection, Use and Disclosure of**  
**Personal Information by Securities Regulatory Authorities**

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The securities regulatory authorities of each of the provinces and territories of Canada (the "SRAs") collect the personal information in the Personal Information Form and use it in the administration and enforcement of the securities legislation in their province or territory governing the conduct and protection of the public markets in Canada (the "provincial securities legislation"). The SRAs do not make any of the information provided in the Personal Information Form public under provincial securities legislation.

By submitting this information you consent to the collection by the SRAs of the personal information provided in the Personal Information Form, and any other records and information about you from any other source, including, but not limited to, police records, information from other government or non-governmental regulatory authorities, self regulatory organizations, exchanges, quotation and trade reporting systems, law enforcement agencies, private bodies, agencies, individuals, corporations, and other organizations in any jurisdictions, credit records and employment records as may be necessary for the SRAs to carry out their duties and exercise their powers under provincial securities legislation.

You understand that in carrying out those duties and exercising those powers, the SRAs will use the information in the Personal Information Form, and any other information about you from any other source, including those listed above, to conduct background checks, verify the information you have provided, perform investigations and conduct enforcement proceedings as required by and to ensure compliance with provincial securities legislation.

You also understand that the information the SRAs collect about you may also be disclosed to the sources listed above, as permitted by law, and those entities may use it in their own investigations for the purposes described above. The SRAs may also use a third party to process information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

**Warning:** It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

**Questions**

If you have any questions about the collection, use, and disclosure of the information you provide to the SRAs, you may contact the SRAs in the jurisdiction in which the required information is filed, at the address of the SRAs provided in Schedule 3 of Appendix A to National Instrument 41-101.

## FORM 3A DECLARATION

This Declaration Form (“**Declaration**”) is to be completed only if (i) the individual has submitted a Personal Information Form to Aequitas Neo Exchange Inc. (the “**Exchange**”) within 36 months preceding the signing of this Declaration and (ii) the information disclosed in that Personal Information Form has not changed.

**In all cases, Exhibit 1 – Release and Discharge Relating to Consent to Disclosure of Criminal Record Information, must be completed and attached.** In addition, legible notarized photocopies of TWO different pieces of identification (“I.D.”), **one of which must be government-issued and include your name, date of birth, signature and photo taken within the last five years** must be attached. **BOTH PIECES OF I.D. MUST BE VERIFIED BY A NOTARY PUBLIC WHO MUST THEN MAKE PHOTOCOPIES OF THE I.D., SIGN, DATE AND APPLY NOTARY SEAL/STAMP TO EACH COPY.**

### Acceptable Forms of Photo Identification

- Driver’s Licence
- Age of Majority Card/BYID Card
- Military Employment Card
- Canadian Citizenship Card
- Indian Status Card
- Passport
- Permanent Resident Card
- PAL (Possession & Acquisition Licence issued by the Chief Firearms Office)
- CNIB (Canadian National Institute for the Blind) Card
- Ontario Photo ID Card (issued by the MTO)
- NEXUS Card
- FAST Pass

### Acceptable Forms of Non-Photo Identification

- Birth Certificate
- Baptismal Certificate
- Hunting Licence
- Outdoors Card
- Canadian Blood Donor Card
- Immigration Papers

The Exchange is prohibited from using Provincial Health Cards or Social Insurance Number Cards - do not forward copies of either of these pieces of I.D. to us. We reserve the right to reject any I.D. which we determine is not acceptable.

<b>Individual’s Name (Please Print)</b>
<b>Declaration is being submitted with respect to [legal name of the issuer]</b>
<b>Position with the issuer</b>
<b>Date of Birth</b>
<b>Citizenship</b>
<b>Email address</b> (Please provide an email address that the Exchanges may use to contact you regarding this Declaration and the Personal Information Form to which it relates. This email address may be used to exchange personal information relating to you.)

**Capitalized terms used in this Declaration without definition have the meanings assigned to them in the Personal Information Form described in Section (a) below.**



**STATUTORY DECLARATION**

I, \_\_\_\_\_ hereby solemnly declare that:  
(Please Print - Name of Individual)

- (a) The information contained in the most recent Personal Information Form that I submitted to the Exchange within the last 36 months (the "Personal Information Form") and any attachments to it continues to be true and correct, except where stated in the Personal Information Form to be to the best of my knowledge, in which case I continue to believe the answers to be true;
- (b) I have read and understand the Personal Information Collection Policy of the Exchange attached hereto as Exhibit 2 as well as the Notice of Collection, Use and Disclosure of Personal Information by securities regulatory authorities attached hereto as Exhibit 3 (Exhibit 3 relates to the use of this Personal Information Form and collection of information for the sole purposes of SRAs) (collectively, the "Personal Information Form Collection Policy");
- (c) I have presented to the Notary Public named below, two pieces of photo identification, both of which comply with the Exchange's requirements set forth above, and I have attached to this Declaration notarized photocopies of those pieces of identification (including the Notary Public's signature and stamp/seal, and the date of notarization);
- (d) I consent to the collection, use and disclosure of the information in the Personal Information Form, and any further information collected, used and disclosed, as set out in the Personal Information Form Collection Policy;
- (e) I hereby agree to (i) submit to the jurisdiction of the Exchange and to the Investment Industry Regulatory Organization of Canada and any successor or assignee of any of them, and wherever applicable, the directors and committees thereof, and (ii) be bound by and comply with all applicable rules, policies, regulations, directions, decisions, orders and rulings of the Exchange (collectively, the "Exchange requirements");
- (f) I agree that any acceptance, approval or other right granted by the Exchange may be revoked, terminated or suspended at any time in accordance with then applicable Exchange Requirements. In the event of any such revocation, termination or suspension, I agree to immediately terminate my association or involvement with any Listed Issuer to the extent required by the Exchange. I agree not to resume my association or involvement with any Listed Issuer, except with the prior written approval of the Exchange;
- (g) This Declaration and the rights and powers of the Exchange pursuant to the Exchange Requirements shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflict of law principles;
- (h) I acknowledge and agree that this Declaration may be assigned or transferred by the Exchange to any person without providing me with notice or obtaining my consent and that this declaration shall thereafter continue to be binding on me and may be enforced against me by any such assignee or transferee. I understand that I am prohibited from transferring or assigning this declaration or any acceptance, approval or other right granted by the Exchange;
- (i) I understand that where I am providing this form to a SRA, I am under the jurisdiction of the SRA to which I submit this form, and it is a breach of securities legislation to provide false or misleading information to the SRA;
- (j) I make this solemn declaration conscientiously believing it to be true and knowing it is of the same legal force and effect as if made under oath and under the *Canada Evidence Act*.

**Signature of Person Completing this Form**

DECLARED before me, \_\_\_\_\_, at the City of \_\_\_\_\_  
(Name of Notary)

in the Province (or State) of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
(Day) (Month) (Year)

\_\_\_\_\_  
Name of Notary Public (please print)

\_\_\_\_\_  
Membership or Bar No.

**Signature of Notary Public**

My Appointment Expires: \_\_\_\_\_

**Seal or Stamp of Notary Public**

\*Note: THIS DECLARATION AND ACCOMPANYING PHOTOCOPIED IDENTIFICATION MUST BE DECLARED BEFORE A PERSON WHO IS A NOTARY PUBLIC IN AND FOR THE JURISDICTION IN WHICH IT IS DECLARED UNLESS THAT JURISDICTION DOES NOT HAVE NOTARIES, IN WHICH CASE THIS DECLARATION MUST BE DECLARED BEFORE A LAWYER IN THAT JURISDICTION, OR OTHER PERSON THAT SATISFIES THE REQUIREMENTS SET OUT IN THE CANADA EVIDENCE ACT.



**EXHIBIT 1  
Release and Discharge Relating to  
Consent to Disclosure of Criminal Record Information**

<b>Surname</b>	<b>Given name</b>	<b>Middle name(s)</b>	<b>Date of Birth (dd/mm/yy)</b>	<input type="checkbox"/> <b>Male</b> <input type="checkbox"/> <b>Female</b>
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**Previous Surnames** (e.g. Former marriage, maiden)

**Address** (number, street, apt., lot, concession, township, rural route #, city, postal code)

**Occupation**

**I hereby** authorize the Ontario Provincial Police (the OPP) to release records of criminal convictions for which a pardon has not been granted, records of discharges which have not been removed from the CPIC system in accordance with the Criminal Records Act, and records of outstanding criminal charges of which the OPP is aware, to the person(s) listed below.

Name	Title
------	-------

Department and Branch

Name of Organization

Aequitas Neo Exchange Inc. or its authorized agent

**Release and Discharge**

I hereby release and forever discharge Her Majesty the Queen in right of Ontario, the Commissioner of the Ontario Provincial Police and all members and employees of the OPP from any and all actions, claims, and demands for damages, loss or injury howsoever arising which may hereafter be sustained by myself as a result of the disclosure of information by the OPP to the above named organization.

I acknowledge that information so disclosed may be confirmed only by a comparison of the fingerprints on file to which the information relates and my fingerprints.

Signature	Date
-----------	------

**Confidential**

This record and the information contained therein is being provided in confidence and shall not be disclosed to any person with the exception of the person(s) named above without the express written consent of the Commissioner of the OPP.

Based on a name check only, and having a birth date as provided above – a records check:

- fails to reveal any record relating to the above subject.
- indicated the following information may relate to the above subject.

Details cannot be certified as relating to the subject of inquiry, without a fingerprint comparison.

**EXHIBIT 2**  
**Personal Information Form PERSONAL INFORMATION COLLECTION POLICY**

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**Collection, Use and Disclosure**

Aequitas Neo Exchange Inc. and its affiliates, subsidiaries and divisions (collectively referred to as “the Exchange”), collect the information (which may include personal, confidential, non-public, criminal or other information) in the Personal Information Form and in other forms that are submitted by you and/or by a Listed Issuer or an entity applying to be a Listed Issuer and use and disclose it for the following purposes:

- to conduct background checks,
- to verify the information that has been provided about you,
- to consider your suitability to act as an officer, director, insider, promoter, investor relations provider, employee or consultant, of a Listed Issuer or an issuer applying to be a Listed Issuer,
- to consider the eligibility of an applicant to be a Listed Issuer,
- to detect and prevent fraud,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with Exchange requirements, securities legislation and other legal and regulatory requirements regarding the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional information about you from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self regulatory entities, and regulation services providers, for the purposes described above. The information the Exchange collects about you may also be disclosed to these agencies and organizations (or as otherwise permitted or required by law), and they may use it in their own investigations for the purposes described above.

the Exchange may transfer information about you to service providers (including service providers located outside of Canada) for purposes of verifying the information that has been provided about you. Information provided to third parties outside of Canada becomes subject to the laws of the country in which it is held, and may be subject to disclosure to the governments, courts, or law enforcement or regulatory authorities of such country pursuant to such laws.

**Failure to Consent**

If you do not consent to this Personal Information Form Collection Policy, we may (i) refuse to allow you to act as an officer, director, insider, promoter, investor relations provider, employee or consultant, of an issuer, (ii) refuse to allow an applicant to be listed as an issuer, and/or (iii) refuse to accept a transaction proposed by an issuer.

**Security**

The personal information that is retained by the Exchange is kept in a secure environment. Only those employees of the Exchange who require access to your personal information in order to accomplish the purposes identified above, will be given access to your personal information. Employees of the Exchange who have access to your personal information are made aware of how to keep it confidential.

**Accuracy**

Information about you maintained by the Exchange that is identified by you as inaccurate or obsolete will be replaced or removed, as applicable.

**Questions**

If you have any questions about the privacy principles outlined above or our policies and practices, including policies and practices with respect to service providers outside of Canada and their collection, use, disclosure and storage of personal information on behalf of the Exchange please send a written request to: **[TBD]**.

**EXHIBIT 3**  
**Notice of Collection, Use and Disclosure of**  
**Personal Information by Securities Regulatory Authorities**

---

The securities regulatory authorities of each of the provinces and territories of Canada (the “SRAs”) collect the personal information in the Personal Information Form and use it in the administration and enforcement of the securities legislation in their province or territory governing the conduct and protection of the public markets in Canada (the “provincial securities legislation”). The SRAs do not make any of the information provided in the Personal Information Form public under provincial securities legislation.

By submitting this information you consent to the collection by the SRAs of the personal information provided in the Personal Information Form, and any other records and information about you from any other source, including, but not limited to, police records, information from other government or non-governmental regulatory authorities, self regulatory organizations, exchanges, quotation and trade reporting systems, law enforcement agencies, private bodies, agencies, individuals, corporations, and other organizations in any jurisdictions, credit records and employment records as may be necessary for the SRAs to carry out their duties and exercise their powers under provincial securities legislation.

You understand that in carrying out those duties and exercising those powers, the SRAs will use the information in the Personal Information Form, and any other information about you from any other source, including those listed above, to conduct background checks, verify the information you have provided, perform investigations and conduct enforcement proceedings as required by and to ensure compliance with provincial securities legislation.

You also understand that the information the SRAs collect about you may also be disclosed to the sources listed above, as permitted by law, and those entities may use it in their own investigations for the purposes described above. The SRAs may also use a third party to process information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

**Warning:** It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

**Questions**

If you have any questions about the collection, use, and disclosure of the information you provide to the SRAs, you may contact the SRAs in the jurisdiction in which the required information is filed, at the address of the SRAs provided in Schedule 3 of Appendix A to National Instrument 41-101.

**FORM 3B  
DECLARATION – OTHER LISTED ISSUER**

This Declaration Form (“**Declaration**”) is to be completed only if (i) the individual has submitted a Personal Information Form to another Canadian exchange within 36 months preceding the signing of this Declaration and (ii) the information disclosed in that Personal Information Form has not changed.

**In all cases, Exhibit 1 – Release and Discharge Relating to Consent to Disclosure of Criminal Record Information, must be completed and attached.** In addition, legible notarized photocopies of TWO different pieces of identification (“I.D.”), **one of which must be government-issued and include your name, date of birth, signature and photo taken within the last five years** must be attached. **BOTH PIECES OF I.D. MUST BE VERIFIED BY A NOTARY PUBLIC WHO MUST THEN MAKE PHOTOCOPIES OF THE I.D., SIGN, DATE AND APPLY NOTARY SEAL/STAMP TO EACH COPY.**

Acceptable Forms of Photo Identification

- Driver’s Licence
- Age of Majority Card/BYID Card
- Military Employment Card
- Canadian Citizenship Card
- Indian Status Card
- Passport
- Permanent Resident Card
- PAL (Possession & Acquisition Licence issued by the Chief Firearms Office)
- CNIB (Canadian National Institute for the Blind) Card
- Ontario Photo ID Card (issued by the MTO)
- NEXUS Card
- FAST Pass

Acceptable Forms of Non-Photo Identification

- Birth Certificate
- Baptismal Certificate
- Hunting Licence
- Outdoors Card
- Canadian Blood Donor Card
- Immigration Papers

Aequitas Neo Exchange Inc. (the “**Exchange**”) is prohibited from using Provincial Health Cards or Social Insurance Number Cards - do not forward copies of either of these pieces of I.D. to us. We reserve the right to reject any I.D. which we determine is not acceptable.

<b>Individual’s Name (Please Print)</b>
<b>Declaration is being submitted with respect to [legal name of the issuer]</b>
<b>Position with the issuer</b>
<b>Date of Birth</b>
<b>Citizenship</b>
<b>Email address</b> (Please provide an email address that the Exchanges may use to contact you regarding this Declaration and the Personal Information Form to which it relates. This email address may be used to exchange personal information relating to you.)

Capitalized terms used in this Declaration without definition have the meanings assigned to them in the Personal Information Form described in Section (a) below.

**STATUTORY DECLARATION**

I, \_\_\_\_\_ hereby solemnly declare that:  
(Please Print - Name of Individual)

- (a) The information contained in the personal information form, a copy of which is attached hereto, that was submitted to the \_\_\_\_\_ [name of the other Canadian exchange] (the "Other Exchange") with respect to \_\_\_\_\_ [legal name of the Other Traded Issuer] (the "Issuer") on \_\_\_\_\_, 20\_\_\_\_ [date of PIF] (the "PIF") and any attachments to it, continues to be true and correct, except where stated in the PIF to be to the best of my knowledge, in which case I continue to believe the answers to be true;
- (b) I have read and understand the Personal Information Collection Policy of the Exchange attached hereto as Exhibit 2 as well as the Notice of Collection, Use and Disclosure of Personal Information by securities regulatory authorities attached hereto as Exhibit 3 (Exhibit 3 relates to the use of this Personal Information Form and collection of information for the sole purposes of SRAs) (collectively, the "Personal Information Form Collection Policy");
- (c) I have presented to the Notary Public named below, two pieces of photo identification, both of which comply with the Exchange's requirements set forth above, and I have attached to this Declaration notarized photocopies of those pieces of identification (including the Notary Public's signature and stamp/seal, and the date of notarization);
- (d) I consent to the collection, use and disclosure of the information in the Personal Information Form, and any further information collected, used and disclosed, as set out in the Personal Information Form Collection Policy;
- (e) I hereby agree to (i) submit to the jurisdiction of the Exchange and to the Investment Industry Regulatory Organization of Canada and any successor or assignee of any of them, and wherever applicable, the directors and committees thereof, and (ii) be bound by and comply with all applicable rules, policies, regulations, directions, decisions, orders and rulings of the Exchange (collectively, the "Exchange requirements");
- (f) I agree that any acceptance, approval or other right granted by the Exchange may be revoked, terminated or suspended at any time in accordance with then applicable Exchange Requirements. In the event of any such revocation, termination or suspension, I agree to immediately terminate my association or involvement with any Listed Issuer to the extent required by the Exchange. I agree not to resume my association or involvement with any Listed Issuer, except with the prior written approval of the Exchange;
- (g) This Declaration and the rights and powers of the Exchange pursuant to the Exchange Requirements shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflict of law principles;
- (h) I acknowledge and agree that this Declaration may be assigned or transferred by the Exchange to any person without providing me with notice or obtaining my consent and that this declaration shall thereafter continue to be binding on me and may be enforced against me by any such assignee or transferee. I understand that I am prohibited from transferring or assigning this declaration or any acceptance, approval or other right granted by the Exchange;
- (i) I understand that where I am providing this form to a SRA, I am under the jurisdiction of the SRA to which I submit this form, and it is a breach of securities legislation to provide false or misleading information to the SRA;
- (j) I make this solemn declaration conscientiously believing it to be true and knowing it is of the same legal force and effect as if made under oath and under the *Canada Evidence Act*.

**Signature of Person Completing this Form**

DECLARED before me, \_\_\_\_\_, at the City of \_\_\_\_\_  
(Name of Notary)

in the Province (or State) of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
(Day) (Month) (Year)

\_\_\_\_\_  
Name of Notary Public (please print)

\_\_\_\_\_  
Membership or Bar No.

**Signature of Notary Public**

My Appointment Expires: \_\_\_\_\_

\_\_\_\_\_  
**Seal or Stamp of Notary Public**

\*Note: THIS DECLARATION AND ACCOMPANYING PHOTOCOPIED IDENTIFICATION MUST BE DECLARED BEFORE A PERSON WHO IS A NOTARY PUBLIC IN AND FOR THE JURISDICTION IN WHICH IT IS DECLARED UNLESS THAT JURISDICTION DOES NOT HAVE NOTARIES, IN WHICH CASE THIS DECLARATION MUST BE DECLARED BEFORE A LAWYER IN THAT JURISDICTION, OR OTHER PERSON THAT SATISFIES THE REQUIREMENTS SET OUT IN THE CANADA EVIDENCE ACT.



Ontario  
Provincial  
Police

**EXHIBIT 1  
Release and Discharge Relating to  
Consent to Disclosure of Criminal Record Information**

<b>Surname</b>	<b>Given name</b>	<b>Middle name(s)</b>	<b>Date of Birth (dd/mm/yy)</b>	<input type="checkbox"/> <b>Male</b> <input type="checkbox"/> <b>Female</b>
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**Previous Surnames** (e.g. Former marriage, maiden)

**Address** (number, street, apt., lot, concession, township, rural route #, city, postal code)

**Occupation**

**I hereby** authorize the Ontario Provincial Police (the OPP) to release records of criminal convictions for which a pardon has not been granted, records of discharges which have not been removed from the CPIC system in accordance with the Criminal Records Act, and records of outstanding criminal charges of which the OPP is aware, to the person(s) listed below.

Name	Title
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Department and Branch

Name of Organization

Aequitas Neo Exchange Inc. or its authorized agent

**Release and Discharge**

I hereby release and forever discharge Her Majesty the Queen in right of Ontario, the Commissioner of the Ontario Provincial Police and all members and employees of the OPP from any and all actions, claims, and demands for damages, loss or injury howsoever arising which may hereafter be sustained by myself as a result of the disclosure of information by the OPP to the above named organization.

I acknowledge that information so disclosed may be confirmed only by a comparison of the fingerprints on file to which the information relates and my fingerprints.

Signature	Date
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**Confidential**

This record and the information contained therein is being provided in confidence and shall not be disclosed to any person with the exception of the person(s) named above without the express written consent of the Commissioner of the OPP.

Based on a name check only, and having a birth date as provided above – a records check:

- fails to reveal any record relating to the above subject.
- indicated the following information may relate to the above subject.

Details cannot be certified as relating to the subject of inquiry, without a fingerprint comparison.

**EXHIBIT 2**  
**Personal Information Form PERSONAL INFORMATION COLLECTION POLICY**

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**Collection, Use and Disclosure**

Aequitas Neo Exchange Inc. and its affiliates, subsidiaries and divisions (collectively referred to as “the Exchange”), collect the information (which may include personal, confidential, non-public, criminal or other information) in the Personal Information Form and in other forms that are submitted by you and/or by a Listed Issuer or an entity applying to be a Listed Issuer and use and disclose it for the following purposes:

- to conduct background checks,
- to verify the information that has been provided about you,
- to consider your suitability to act as an officer, director, insider, promoter, investor relations provider, employee or consultant, of a Listed Issuer or an issuer applying to be a Listed Issuer,
- to consider the eligibility of an applicant to be a Listed Issuer,
- to detect and prevent fraud,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with Exchange requirements, securities legislation and other legal and regulatory requirements regarding the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional information about you from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self regulatory entities, and regulation services providers, for the purposes described above. The information the Exchange collects about you may also be disclosed to these agencies and organizations (or as otherwise permitted or required by law), and they may use it in their own investigations for the purposes described above.

The Exchange may transfer information about you to service providers (including service providers located outside of Canada) for purposes of verifying the information that has been provided about you. Information provided to third parties outside of Canada becomes subject to the laws of the country in which it is held, and may be subject to disclosure to the governments, courts, or law enforcement or regulatory authorities of such country pursuant to such laws.

**Failure to Consent**

If you do not consent to this Personal Information Form Collection Policy, we may (i) refuse to allow you to act as an officer, director, insider, promoter, investor relations provider, employee or consultant, of an issuer, (ii) refuse to allow an applicant to be listed as an issuer, and/or (iii) refuse to accept a transaction proposed by an issuer.

**Security**

The personal information that is retained by the Exchange is kept in a secure environment. Only those employees of the Exchange who require access to your personal information in order to accomplish the purposes identified above, will be given access to your personal information. Employees of the Exchange who have access to your personal information are made aware of how to keep it confidential.

**Accuracy**

Information about you maintained by the Exchange that is identified by you as inaccurate or obsolete will be replaced or removed, as applicable.

**Questions**

If you have any questions about the privacy principles outlined above or our policies and practices, including policies and practices with respect to service providers outside of Canada and their collection, use, disclosure and storage of personal information on behalf of the Exchange please send a written request to: [TBD].



**EXHIBIT 3**  
**Notice of Collection, Use and Disclosure of**  
**Personal Information by Securities Regulatory Authorities**

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The securities regulatory authorities of each of the provinces and territories of Canada (the “SRAs”) collect the personal information in the Personal Information Form and use it in the administration and enforcement of the securities legislation in their province or territory governing the conduct and protection of the public markets in Canada (the “provincial securities legislation”). The SRAs do not make any of the information provided in the Personal Information Form public under provincial securities legislation.

By submitting this information you consent to the collection by the SRAs of the personal information provided in the Personal Information Form, and any other records and information about you from any other source, including, but not limited to, police records, information from other government or non-governmental regulatory authorities, self regulatory organizations, exchanges, quotation and trade reporting systems, law enforcement agencies, private bodies, agencies, individuals, corporations, and other organizations in any jurisdictions, credit records and employment records as may be necessary for the SRAs to carry out their duties and exercise their powers under provincial securities legislation.

You understand that in carrying out those duties and exercising those powers, the SRAs will use the information in the Personal Information Form, and any other information about you from any other source, including those listed above, to conduct background checks, verify the information you have provided, perform investigations and conduct enforcement proceedings as required by and to ensure compliance with provincial securities legislation.

You also understand that the information the SRAs collect about you may also be disclosed to the sources listed above, as permitted by law, and those entities may use it in their own investigations for the purposes described above. The SRAs may also use a third party to process information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

**Warning:** It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

**Questions**

If you have any questions about the collection, use, and disclosure of the information you provide to the SRAs, you may contact the SRAs in the jurisdiction in which the required information is filed, at the address of the SRAs provided in Schedule 3 of Appendix A to National Instrument 41-101.

**FORM 4**  
**LISTING AGREEMENT FOR ALL LISTED ISSUERS**

**IN CONSIDERATION** of the listing of its securities on Aequitas Neo Exchange Inc. (the “**Exchange**”), the undersigned (the “**Listed Issuer**”) agrees as follows:

1. The Listed Issuer will comply with all relevant Exchange Requirements applicable to Listed Issuers, including the Exchange policies and procedural requirements which may be in effect from time to time for all securities listed on the Exchange.

2. Without limiting the generality of the preceding section, the Aequitas Listed Issuer will

a) promptly provide the Exchange and its Regulation Services Provider with all such information or documentation concerning the Listed Issuer as the Exchange or its Regulation Services Provider may require;

b) comply with the Listing Manual in all respects, including without limitation, all disclosure, notification, filing, Posting, suitability and governance requirements;

c) maintain transfer and registration facilities in the City of Toronto or elsewhere in Canada (except for certain Foreign Issuers to the extent that such Foreign Issuer’s registrar and transfer agent can settle trades with the Clearing Corporation) where all listed securities are directly transferable and registerable, with no fee for transfer or registration other than government stock transfer taxes;

g) comply with Canadian securities laws applicable to non-venture issuers and if the Exchange becomes aware of failure of an Listed Issuer to comply with securities laws applicable to it, the Exchange may take any remedial actions available to it;

i) remove or cause the resignation of any Insider of an Issuer that the Exchange deems unacceptable; and

j) pay when due, all applicable fees or charges, established by the Exchange. The current fees and charges are set out in Form 4A and may be amended from time to time.

3. The Exchange shall have and may exercise all of the powers set out in the Exchange Requirements, including without limitation, the Exchange’s general discretion in its application of the Exchange Requirements as set out in Section 1.03 of the Listing Manual. The Exchange may take into consideration the public interest, including market integrity issues, and any facts or situations unique to a party or security.

4. Without limiting the generality of the preceding section, the Listed Issuer acknowledges that the Exchange has the right, at any time and without notice, to halt or suspend trading in any of the Listed Issuer's securities without giving any reason for such action, or to delist the securities provided that the Exchange will not delist the securities without given the Listed Issuer an opportunity to be heard.

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Name of Listed Issuer

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Signature of Authorized Person	Name
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Position	Date
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Signature of Authorized Person	Name
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Position	Date
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**FORM 4A  
LISTING FEE SCHEDULE**

**[tbd]**

**FORM 5A  
NOTICE OF CHANGE OF DIRECTORS AND OFFICERS**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) announcing the change giving rise to this notice (if applicable):** \_\_\_\_\_

(i) For each director or officer that is ceasing or commencing office, provide the name of the director or officer, position(s) held, and the date of cessation or commencement of office.

<b>Name of Director or Officer</b>	<b>Positions(s) Held</b>	<b>Date of Cessation</b>	<b>Date of Commencement</b>

(ii) Does the Listed Issuer comply with the corporate governance requirements set out in Sections 10.02, 10.03, 10.04 and 10.05 of the Listing Manual: Yes No

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term "Personal Information" means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person	Name
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Position	Date
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**FORM 5B**  
**NOTICE OF CHANGE OF INDEPENDENT REVIEW COMMITTEE MEMBER**

Name of Listed Issuer: \_\_\_\_\_

Trading symbol: \_\_\_\_\_

Date: \_\_\_\_\_

If this is updating a prior notice, give date(s) of those notices: \_\_\_\_\_

Date of news release(s) announcing the change giving rise to this notice (if applicable): \_\_\_\_\_

(i) For each independent review committee member that is ceasing or commencing office, provide the name of the member and the date of cessation or commencement of office.

Name of Independent Review Committee Member	Date of Cessation	Date of Commencement

(ii) Does the Listed Issuer comply with the corporate governance requirements set out in Sections 10.06 of the Listing Manual:  Yes  No

**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:

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3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term “Personal Information” means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person Name

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Position Date



**FORM 6  
QUARTERLY UPDATE**

**Notice Type:**

**Initial Form**

**Amended Form**

**Name of Listed Issuer:**

\_\_\_\_\_

**Trading symbol:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**Please select the applicable quarter, and include the date of the quarter end:**

1st Quarter

\_\_\_\_\_

2nd Quarter

\_\_\_\_\_

3rd Quarter

\_\_\_\_\_

4th Quarter

\_\_\_\_\_

(i) Complete the following table for each class of Listed Securities:

<b>Class</b>	<b>Number of securities issued and outstanding at beginning of quarter (A)</b>	<b>Number of securities issued during the quarter (B)</b>	<b>Number of Securities redeemed during the quarter (C)</b>	<b>Total securities issued and outstanding at the end of the quarter (A+B-C)</b>

(ii) Complete the following table for Listed Securities that are reserved for issuance:

<b>Type of convertible / exercisable security (or other basis for reservation for issuance)</b>	<b>Class of Listed Security issuable upon conversion / exercise</b>	<b>Number of Securities reserved for issuance at beginning of quarter (D)</b>	<b>Number of new securities reserved for issuance during the quarter (E)</b>	<b>Number of securities previously, but no longer reserved for issuance during the quarter (F)</b>	<b>Total number reserved for issuance at the end of quarter (D+E-F)</b>

(iii) Provide the following information for securities listed in (B), (C), (E) and (F) during the quarter:

<b>Class</b>	<b>Date of Transaction</b>	<b>Type of Transaction</b> <small><sup>26</sup></small>	<b>Number of Securities</b> <sup>27</sup>	<b>Price (or exercise / conversion price)</b>	<b>Consideration (cash, property, etc.)</b>	<b>Details of Related Person Involvement</b>	<b>Final Approval Number (if applicable)</b>

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<sup>26</sup> For example: issuance of shares in connection with a private placement, issuance of shares in connection with a public offering, issuance of shares in connection with an acquisition, security-based compensation arrangement award, stock option exercise. For an exercise or conversion of exercisable or convertible securities, include one entry for the share issuance, and one entry for the cancellation of the corresponding exercisable or convertible security.

<sup>27</sup> For redemptions or securities no longer reserved for issuance, include the number of securities in brackets.

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Aequitas Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

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Signature of Authorized Person

Name

---

Position

Date

**FORM 7  
NOTICE OF DIVIDEND (Stock Dividend)**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the stock dividend:** \_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the public announcement of the stock dividend:** \_\_\_\_\_

**Closing price of Listed Securities on the day preceding the public announcement of the stock dividend:** \_\_\_\_\_

(i) Provide the following information concerning the stock dividend:

**Declaration date:** \_\_\_\_\_

**Record Date:** \_\_\_\_\_

**Distribution Date / mailing date of the new certificates:** \_\_\_\_\_

**Terms of the stock dividend:<sup>28</sup>** \_\_\_\_\_

(ii) Complete the following:

Is shareholder approval required in connection with the forward stock dividend?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Is the Listed Issuer relying on any exemption from shareholder approval requirements?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If the response to any of the foregoing questions is "Yes", provide full particulars:

\_\_\_\_\_

<sup>28</sup> Ex: "0.1 additional shares for each share held on the record date."

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

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Signature of Authorized Person

Name

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Position

Date

**FORM 7A  
NOTICE OF DIVIDEND (Cash Dividend)**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the dividend:** \_\_\_\_\_

(i) Provide the following information concerning the cash dividend:

**Declaration date:** \_\_\_\_\_

**Record:** \_\_\_\_\_

**Payable date:** \_\_\_\_\_

**Dividend rate:** \_\_\_\_\_

(ii) Complete the following:

Is shareholder approval required in connection with the forward cash dividend?  Yes  No

Is the Listed Issuer relying on any exemption from shareholder approval requirements?  Yes  No

If the response to any of the foregoing questions is "Yes", provide full particulars:

\_\_\_\_\_

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

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Signature of Authorized Person

Name

---

Position

Date

**FORM 8  
NOTICE OF PROSPECTUS OFFERING**

**Notice type:**  Preliminary Notice  Final Notice

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the offering:** \_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding public announcement of the offering:** \_\_\_\_\_

**Closing price of Listed Securities on the day preceding public announcement of the offering:** \_\_\_\_\_

**Date of preliminary prospectus:** \_\_\_\_\_

**Date of (final) prospectus:** \_\_\_\_\_

(i) Provide the following information concerning the offering:

Type of security <sup>29</sup>	Number to be issued <sup>30</sup>	Price per security <sup>31</sup>	Conversion or exercise price (if applicable)	Cash commission per security	Net proceeds to the issuer per security

(ii) Describe the material features of the securities sold in the offering:<sup>32</sup>

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<sup>29</sup> Describe the security to be offered (for example, unit of one share and ½ share purchase warrant, convertible debenture, etc.). For securities that consist of two or more components (i.e. units), also complete the table for each component.

<sup>30</sup> If not determined, provide highest and lowest number contemplated.

<sup>31</sup> If not determined, provide a price range.

<sup>32</sup> Include, for example, voting rights, conversion or exercise features, price (or exercise or conversion price), expiry or maturity date, interest rate, default provisions, tax provisions.



(iii) Describe any over-allotment or other option to increase the size of the offering:

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(iv) Will the proceeds of the acquisition be used to fund an acquisition of securities or assets?

Yes       No

If the response to the foregoing questions is “Yes”, provide full particulars:

---

(v) Describe the intended use of proceeds:

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(vi) Provide the following information with respect to any agent’s or broker’s or finder’s fee, commission or other compensation paid in connection with the offering:

Name	Relationship to Listed Issuer	Cash compensation	Securities compensation	Other compensation	Exercise price of convertible securities	Expiry date

(vii) Will the closing of the offering result in the creation of a new Insider? If the response is “Yes”, the Exchange may require the new Insider to complete and clear a Personal Information Form prior to the closing of the offering.       Yes       No

(viii) Provide the following information with respect to the participation in the offering by any Related Person, or person who will become a Related Person upon completion of the offering:<sup>33</sup>

Name	Basis upon which the person is a Related Person	Holdings of securities prior to the offering	Percentage of securities prior to the offering	Number of securities to be acquired in the offering	Holdings of securities following the offering	Percentage of securities following the offering

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<sup>33</sup> Complete the table for Listed Securities (and voting securities, if different than Listed Securities), and securities exercisable or convertible into Listed Securities (and voting securities) only. For each Related Person, disclose each type of security separately, as well as the aggregate number of Listed Securities (and voting securities) assuming exercise or conversion of all exercisable or convertible securities held by the Related Person. Where a percentage must be calculated, calculate on a non-diluted basis, and a partially diluted basis assuming the conversion or exercise of all securities held by the Related Person only.

(viii) Give full particulars of any direct or indirect involvement by Related Persons in the offering not disclosed above (including receipt of any brokerage or finder's fees or receipt of any proceeds):

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(ix) Disclose details in respect of past private placements or acquisitions involving issuances of securities to Related Persons within the past 12 months, including the number and amount of securities issued to such Related Persons, whether security-holder approval was obtained, and, where applicable, the Exchange approval number:

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(x) Complete the following:

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| Will the closing of the offering materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is Section 10.10 of the Listing Manual applicable to the offering?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is Multilateral Instrument 61-101 - <i>Protection of Minority Holders in Special Transactions</i> applicable to the offering? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is shareholder approval required in connection with the offering?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the Listed Issuer relying on any exemption from shareholder approval requirements?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If the response to any of the foregoing questions is "Yes", provide full particulars:

---

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:

---

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term "Personal Information" means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form

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Signature of Authorized Person	Name
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Position	Date
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**FORM 9  
NOTICE OF PRIVATE PLACEMENT**

**Notice type:**  Preliminary Notice  Final Notice

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the offering:** \_\_\_\_\_

**Date of request for price protection (Form 9A, if applicable):** \_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the earlier of: (i) public announcement of the offering and (ii) the date price protection was filed:** \_\_\_\_\_

**Closing price of Listed Securities on the day preceding the earlier of: (i) public announcement of the offering and (ii) the date price protection was filed:** \_\_\_\_\_

**Was the pricing of the private placement determined when material undisclosed information regarding the Listed Issuer existed:**  Yes  No

(i) Provide the following information concerning the offering:

Type of security <sup>34</sup>	Number to be issued <sup>35</sup>	Price per security <sup>36</sup>	Conversion or exercise price (if applicable)	Cash commission per security	Net proceeds to the issuer per security	Prospectus exemption(s) relied on

<sup>34</sup> Describe the security to be offered (for example, unit of one share and ½ share purchase warrant, convertible debenture, etc.). For securities that consist of two or more components (i.e. units), also complete the table for each component.

<sup>35</sup> If not determined, provide highest and lowest number contemplated.

<sup>36</sup> If not determined, provide a price range.

(ii) Describe the material features of the securities sold in the offering:<sup>37</sup>

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(iii) Describe any over-allotment or other option to increase the size of the offering:

---

(iv) Will the proceeds of the acquisition be used to fund an acquisition of securities or assets?  
If the response to the foregoing questions is "Yes", provide full particulars:  Yes  No

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(v) Describe the intended use of proceeds:

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(vi) Provide the following information with respect to any agent's or broker's or finder's fee, commission or other compensation paid in connection with the offering:

<b>Name</b>	<b>Relationship to Listed Issuer</b>	<b>Cash compensation</b>	<b>Securities compensation</b>	<b>Other compensation</b>	<b>Exercise price of convertible securities</b>	<b>Expiry date</b>

(vii) Will the closing of the offering result in the creation of a new Insider? If the response is "Yes", the Exchange may require the new Insider to complete and clear a Personal Information Form prior to the closing of the offering.  Yes  No

(viii) Provide the following information with respect to the participation in the offering by any Related Person, or person who will become a Related Person upon completion of the offering:<sup>38</sup>

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<sup>37</sup> Include, for example, voting rights, conversion or exercise features, price (or exercise or conversion price), expiry or maturity date, interest rate, default provisions, tax provisions.

<sup>38</sup> Complete the table for Listed Securities (and voting securities, if different than Listed Securities), and securities exercisable or convertible into Listed Securities (and voting securities) only. For each Related Person, disclose each

Name	Basis upon which the person is a Related Person	Holdings of securities prior to the offering	Percentage of securities prior to the offering	Number of securities to be acquired in the offering	Holdings of securities following the offering	Percentage of securities following the offering

(viii) Give full particulars of any direct or indirect involvement by Related Persons in the offering not disclosed above (including receipt of any brokerage or finder's fees or receipt of any proceeds):

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(ix) Disclose details in respect of past private placements or acquisitions involving issuances of securities to Related Persons within the past 12 months, including the number and amount of securities issued to such Related Persons, whether security-holder approval was obtained, and, where applicable, the Exchange approval number:

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(x) Complete the following:

- Will the closing of the offering materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)?  Yes  No
- Is Section 10.10 of the Listing Manual applicable to the offering?  Yes  No
- Is Multilateral Instrument 61-101 - *Protection of Minority Holders in Special Transactions* applicable to the offering?  Yes  No
- Is shareholder approval required in connection with the offering?  Yes  No
- Is the Listed Issuer relying on any exemption from shareholder approval requirements?  Yes  No

If the response to any of the foregoing questions is "Yes", provide full particulars:

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type of security separately, as well as the aggregate number of Listed Securities (and voting securities) assuming exercise or conversion of all exercisable or convertible securities held by the Related Person. Where a percentage must be calculated, calculate on a non-diluted basis, and a partially diluted basis assuming the conversion or exercise of all securities held by the Related Person only.

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:

---

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term "Personal Information" means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form

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Signature of Authorized Person

Name

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Position

Date

**FORM 9A  
PRICE RESERVATION FORM**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the date that price protection is filed:** \_\_\_\_\_

**Closing price of Listed Securities on the day preceding the date that price protection is filed:** \_\_\_\_\_

**Was this form filed when material undisclosed information regarding the Listed Issuer existed:**  Yes  No

(the Exchange may deny the price reservation where material undisclosed information exists)

(i) Describe the anticipated size and structure of the offering, including the price and particulars of the securities to be issued, and discount to market price (if any):

\_\_\_\_\_

(ii) If a Related Person, or persons that will become a Related Person following the closing of the offering, will be subscribing or otherwise obtaining securities under the transaction, disclose, the following:<sup>39</sup>

<b>Name</b>	<b>Basis upon which the person is a Related Person</b>	<b>Holdings of securities prior to the offering</b>	<b>Percentage of securities prior to the offering</b>	<b>Number of securities to be acquired in the offering</b>	<b>Holdings of securities following the offering</b>	<b>Percentage of securities following the offering</b>

<sup>39</sup> Complete the table for Listed Securities (and voting securities, if different than Listed Securities), and securities exercisable or convertible into Listed Securities (and voting securities) only. For each Related Person, disclose each type of security separately, as well as the aggregate number of Listed Securities (and voting securities) assuming exercise or conversion of all exercisable or convertible securities held by the Related Person. Where a percentage must be calculated, calculate on a non-diluted basis, and a partially diluted basis assuming the conversion or exercise of all securities held by the Related Person only.



**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:

---

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term “Personal Information” means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form

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Signature of Authorized Person Name

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Position Date

**FORM 9B**  
**NOTICE OF AMENDMENT OF CONVERTIBLE SECURITY**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Number of Listed Securities outstanding on the date of this notice:** \_\_\_\_\_

**Was the exercise or conversion price determined when material undisclosed information regarding the Listed Issuer existed:**       Yes       No

(i) Disclose the particulars of any amendment to an exercisable, convertible or exchangeable security (other than Awards issued under Security Based Compensation Arrangements), including the name of the recipient<sup>40</sup>, the number of securities, the original features of the security and the amended features of the security.

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(ii) Will the amendment result in the creation of a new Insider? If the response is “Yes”, the Exchange may require the new Insider to complete and clear a Personal Information Form prior to issuance of the Award.       Yes       No

(iii) Complete the following:

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| Will the amendment materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)?               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are shareholder or board approval requirements set out in Section 7.05(4) of the Listing Manual applicable to the Award?      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is Multilateral Instrument 61-101 - <i>Protection of Minority Holders in Special Transactions</i> applicable to the offering? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is shareholder approval required in connection with the Award?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the Listed Issuer relying on any exemption from shareholder approval requirements?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If the response to any of the foregoing questions is “Yes”, provide full particulars:

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<sup>40</sup> Where a recipient is not a Related Person, the name of the recipient may be omitted and information may be presented on an aggregated basis.

**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Aequitas Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term “Personal Information” means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person	Name
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Position	Date
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**FORM 10  
NOTICE OF ACQUISITION**

**Notice type:**

Preliminary Notice       Final Notice

**Name of Listed Issuer:**

\_\_\_\_\_

**Trading symbol:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:**

\_\_\_\_\_

**Date of news release(s) disclosing the acquisition:**

\_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the public announcement of the acquisition:**

\_\_\_\_\_

**Closing price of Listed Securities on the day preceding the public announcement of the acquisition:**

\_\_\_\_\_

**Was the pricing of the securities issuable as consideration for the acquisition determined when material undisclosed information regarding the Listed Issuer existed:**

Yes       No

(i) Describe the assets or business to be acquired. The description must be sufficiently detailed that a reader will understand the transaction without reference to any other material:

\_\_\_\_\_

(ii) Describe the acquisition, including the date, the parties and the terms of the transaction. Include a description of the elements of the purchase price and other consideration for the transaction, including cash consideration, number and value of securities to be issued by the Listed Issuer, and assumption of liabilities (including the assumption of entitlements under any Security Based Compensation Arrangement of the target, if applicable). The description must be sufficiently detailed that a reader will understand the transaction without reference to any other material:

\_\_\_\_\_

(iii) Describe how the purchase price was determined (e.g. arm's length negotiations, special committee of the Board, etc.).

\_\_\_\_\_

(iv) Provide details of any valuation or appraisal of the subject of the acquisition known to the Listed Issuer:

---

(v) Is the acquisition being funded in whole or in part by a concurrent private placement? If the response to the foregoing questions is “Yes”, provide full particulars:  Yes  No

---

(vi) Provide the following information concerning all securities to be issued in connection with the acquisition:<sup>41</sup>

Type of security	Number to be issued	Price per security	Conversion or exercise price (if applicable)	Percentage of issued and outstanding securities to be issued in connection with the transaction	Prospectus exemption relied on

(vii) Describe the material features of the securities to be issued in connection with the acquisition:<sup>42</sup>

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<sup>41</sup> For Listed Securities (and voting securities, if different than Listed Securities), and securities exercisable or convertible into Listed Securities (and voting securities), disclose each type of security separately, as well as the aggregate number of Listed Securities (and voting securities) assuming exercise or conversion of all exercisable or convertible securities issued in connection with the acquisition. Where a percentage must be calculated, the denominator should be equal the number of Listed Securities (or voting securities) issued and outstanding prior to the completion of the acquisition (i.e. on a non-diluted basis).

<sup>42</sup> Include, for example, voting rights, conversion or exercise features, price (or exercise or conversion price), expiry or maturity date, interest rate, default provisions, tax provisions.

(viii) Provide the following information with respect to any agent's or broker's or finder's fee, commission or other compensation paid in connection with the acquisition:

<b>Name</b>	<b>Relationship to Listed Issuer</b>	<b>Cash compensation</b>	<b>Securities compensation</b>	<b>Other compensation</b>	<b>Exercise price of convertible securities</b>	<b>Expiry date</b>

(ix) Will the closing of the acquisition result in the creation of a new Insider? If the response is "Yes", the Exchange may require the new Insider to complete and clear a Personal Information Form prior to the closing of the acquisition.  Yes  No

(x) Provide the following information with respect to the direct or indirect interest of all Related Persons, individually and in the aggregate, in the assets or business to be acquired:

<b>Name</b>	<b>Nature of direct or indirect interest in the assets or business to be acquired</b>	<b>Percentage ownership, equity or voting interest in the assets or business to be acquired (on a non-diluted an partially diluted basis)</b>

(xi) Provide the following information with respect to the direct or indirect participation in the acquisition by any Related Person, or person who will become a Related Person upon completion of the acquisition:<sup>43</sup>

<b>Name</b>	<b>Basis upon which the person is a Related Person</b>	<b>Holdings of securities prior to the acquisition</b>	<b>Percentage of securities prior to the acquisition</b>	<b>Number of securities to be acquired in the acquisition</b>	<b>Holdings of securities following the acquisition</b>	<b>Percentage of securities following the acquisition</b>

<sup>43</sup> Complete the table for Listed Securities (and voting securities, if different than Listed Securities), and securities exercisable or convertible into Listed Securities (and voting securities) only. For each Related Person, disclose each type of security separately, as well as the aggregate number of Listed Securities (and voting securities) assuming exercise or conversion of all exercisable or convertible securities held by the Related Person. Where a percentage must be calculated, calculate on a non-diluted basis, and a partially diluted basis assuming the conversion or exercise of all securities held by the Related Person only.

(xii) Give full particulars of any direct or indirect involvement by Related Persons in the acquisition not disclosed above (including receipt of any brokerage or finder's fees or receipt of any proceeds):

---

(xiii) Complete the following:

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| Will the closing of the acquisition materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is Section 10.11 of the Listing Manual applicable to the acquisition?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is Multilateral Instrument 61-101 - <i>Protection of Minority Holders in Special Transactions</i> applicable to the acquisition? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is shareholder approval required in connection with the acquisition?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the Listed Issuer relying on any exemption from shareholder approval requirements?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If the response to any of the foregoing questions is "Yes", provide full particulars:

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**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:

---

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term “Personal Information” means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person Name

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Position Date



**FORM 11  
NOTICE OF SECURITY BASED COMPENSATION ARRANGEMENT AWARD OR  
AMENDMENT**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Number of Listed Securities outstanding on the date of this notice:** \_\_\_\_\_

**Was the pricing of the Award determined when material undisclosed information regarding the Listed Issuer existed:**       Yes       No

**1. SECURITY BASED COMPENSATION ARRANGEMENT AWARDS**

(i) Provide the following information for each Security Based Compensation Arrangement Award:

<b>Name of recipient<sup>44</sup></b>	<b>Position with Listed Issuer</b>	<b>Award Type</b>	<b>Date of Award (YYYYMM-DD)</b>	<b>Number of Awards / securities underlying the Award</b>	<b>Exercise Price (if applicable)</b>	<b>Expiry date (if applicable)</b>	<b>Closing market price the day prior to the Award</b>	<b>Total number of Awards held</b>

(ii) Provide the following information for all outstanding Awards under all Security Based Compensation Arrangement, including those listed above:

<b>Award Type</b>	<b>Total number of Awards / securities underlying Awards granted</b>	<b>Percentage of Listed Securities<sup>45</sup></b>	<b>Number of Awards available for issuance under Security Based Compensation Arrangements</b>

<sup>44</sup> Where a recipient is not a Related Person, the name of the recipient may be omitted and Awards granted on the same date may be presented on an aggregated basis.

<sup>45</sup> The denominator should be equal the number of Listed Securities (or voting securities) issued and outstanding (i.e. on a non-diluted basis).

## 2. AMENDED AWARD

(i) Disclose the particulars of any amendment to an Award, including the name of the recipient<sup>46</sup>, the number of Awards, the original features of the Award and the amended features of the Award.

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## 3. ADDITIONAL INFORMATION

(i) Will the Award result in the creation of a new Insider? If the response is “Yes”, the Exchange may require the new Insider to complete and clear a Personal Information Form prior to issuance of the Award.  Yes  No

(ii) Complete the following:

Will the issuance of the Award materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)?  Yes  No

Are shareholder or board approval requirements set out in Section 10.13 of the Listing Manual applicable to the Award?  Yes  No

Is Multilateral Instrument 61-101 - *Protection of Minority Holders in Special Transactions* applicable to the offering?  Yes  No

Is shareholder approval required in connection with the Award?  Yes  No

Is the Listed Issuer relying on any exemption from shareholder approval requirements?  Yes  No

If the response to any of the foregoing questions is “Yes”, provide full particulars:

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<sup>46</sup> Where a recipient is not a Related Person, the name of the recipient may be omitted and information may be presented on an aggregated basis.

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term "Personal Information" means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person	Name
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Position	Date
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**FORM 12  
NOTICE OF RIGHTS OFFERING**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Number of securities issued and outstanding as of the date of this notice:** \_\_\_\_\_

**Date of news release(s) disclosing the rights offering:** \_\_\_\_\_

**Is this form being submitted confidentially:**  Yes  No

**Maximum number of securities to be issued under the offering:** \_\_\_\_\_

**Percentage that the above stated number represents of the issued and outstanding securities as of the date of this notice:** \_\_\_\_\_

**Price (if known):** \_\_\_\_\_

**Discount to Market Price (if known):** \_\_\_\_\_

**Declaration date:** \_\_\_\_\_

**Record date:** \_\_\_\_\_

**Payable date:** \_\_\_\_\_

(i) Please provide the full particulars of the rights offering:

\_\_\_\_\_

(ii) Please give the full particulars of any direct or indirect involvement by Related Persons (including receipt of any brokerage or finder's fees, or standby commitment):

\_\_\_\_\_

(iii) Will the closing of the rights offering result in the creation of a new Insider? If the response is "Yes", the Exchange may require the new Insider to complete and clear a Personal Information Form prior to the closing of the rights offering.  Yes  No

(iv) Will the rights be transferable and freely tradeable?  Yes  No

(v) Complete the following:

Has the Listed Issuer entered into a stand-by commitment which may result in the acquisition of shares in the rights offering that would materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)?  Yes  No

Are shareholder or board (or audit committee) approval requirements set out in Section 10.14 of the Listing Manual applicable to the rights offering?  Yes  No

Is the Listed Issuer relying on any exemption from shareholder approval requirements?  Yes  No

If the response to any of the foregoing questions is “Yes”, provide full particulars:

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**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term “Personal Information” means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person	Name
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Position	Date
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**FORM 13  
NOTICE OF TAKE-OVER BID**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date of news release(s) disclosing the take-over bid:** \_\_\_\_\_

**Number of Listed Securities outstanding as of the date of this notice:** \_\_\_\_\_

**Describe the securities to be issued pursuant to bid:** \_\_\_\_\_

**Name the target and whether or not it is already listed on an exchange (if so state the exchange):** \_\_\_\_\_

**Maximum number of shares to be issued under the bid:** \_\_\_\_\_

**Percentage of issued and outstanding securities to be issued under the bid:<sup>47</sup>** \_\_\_\_\_

**Expiry date of the bid:** \_\_\_\_\_

**Describe any agreements to tender to the bid:** \_\_\_\_\_

(i) Describe any additional material terms of the take-over bid not otherwise disclosed above.

(ii) Provide full particulars of any direct or indirect involvement by Related Persons in the bid (including receipt of any brokerage or finder's fees):

---

<sup>47</sup> The numerator should be equal to all Listed Securities (and voting securities, if different than Listed Securities) issuable in connection with the take-over bid, including securities issuable upon exercise or conversion of exercisable or convertible securities issued in connection with the take-over bid; the denominator should be equal the number of Listed Securities (or voting securities) issued and outstanding prior to the completion of the take-over bid (i.e. on a non-diluted basis).

(iii) Will the closing of the take-over bid result in the creation of a new Insider? If the response is "Yes", the Exchange may require the new Insider to complete and clear a Personal Information Form prior to the closing of the take-over bid.  Yes  No

(iv) Complete the following:

Will the completion of the take-over bid materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)?  Yes  No

Is Section 10.11 of the Listing Manual applicable to the take-over bid?  Yes  No

Is Multilateral Instrument 61-101 - *Protection of Minority Holders in Special Transactions* applicable to the take-over bid?  Yes  No

Is shareholder approval required in connection with the take-over bid?  Yes  No

Is the Listed Issuer relying on any exemption from shareholder approval requirements?  Yes  No

If the response to any of the foregoing questions is "Yes", provide full particulars:

---



**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, and will conduct the take-over bid in compliance with applicable securities legislation, except as follows:

---

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:

(a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;

(b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and

(c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term "Personal Information" means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person	Name
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Position	Date
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**FORM 14A  
NOTICE OF ADDITIONAL LISTING**

**Notice type:**  Preliminary Notice  Final Notice

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the additional listing:** \_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the public announcement of the additional listing:** \_\_\_\_\_

**Closing price of Listed Securities on the day preceding the public announcement of the additional listing:** \_\_\_\_\_

**Was the pricing of the securities issuable in the additional listing determined when material undisclosed information regarding the Listed Issuer existed:**  Yes  No

(i) Describe the reason for the issuance, and consideration to be received by the Listed Issuer, if applicable. Include a description of any material agreement in connection with the issuance:

\_\_\_\_\_

(ii) Provide the following information concerning all securities to be issued in connection with the additional listing:<sup>48</sup>

Type of security	Number to be issued	Price per security	Conversion or exercise price (if applicable)	Percentage of issued and outstanding securities to be issued in connection with the additional listing	Prospectus exemption relied on

(iii) Describe the material features of the securities to be issued in connection with the additional listing:<sup>49</sup>

---

(iv) Will the closing of the additional listing result in the creation of a new Insider? If the response is “Yes”, the Exchange may require the new Insider to complete and clear a Personal Information Form prior to the closing of the offering.  Yes  No

---

<sup>48</sup> For Listed Securities and securities exercisable or convertible into Listed Securities, disclose each type of security separately, as well as the aggregate number of Listed Securities assuming exercise or conversion of all exercisable or convertible securities issued in connection with the additional listing. Where a percentage must be calculated, the denominator should be equal the number of Listed Securities issued and outstanding prior to the completion of the additional listing (i.e. on a non-diluted basis).

<sup>49</sup> Include, for example, voting rights, conversion or exercise features, price (or exercise or conversion price), expiry or maturity date, interest rate, default provisions, tax provisions.

(xi) Provide the following information with respect to the direct or indirect participation in the additional listing by any Related Person, or person who will become a Related Person upon completion of the additional listing:<sup>50</sup>

<b>Name</b>	<b>Basis upon which the person is a Related Person</b>	<b>Holdings of securities prior to the additional listing</b>	<b>Percentage of securities prior to the additional listing</b>	<b>Number of securities to be acquired in the additional listing</b>	<b>Holdings of securities following the additional listing</b>	<b>Percentage of securities following the additional listing</b>

(xii) Give full particulars of any direct or indirect involvement by Related Persons in the additional listing not disclosed above (including receipt of any brokerage or finder's fees or receipt of any proceeds):

---

(xiii) Complete the following:

- Will the closing of the additional listing materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)?  Yes  No
- Is Multilateral Instrument 61-101 - *Protection of Minority Holders in Special Transactions* applicable to the acquisition?  Yes  No
- Is shareholder approval required in connection with the acquisition?  Yes  No
- Is the Listed Issuer relying on any exemption from shareholder approval requirements?  Yes  No

If the response to any of the foregoing questions is "Yes", provide full particulars:

---



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<sup>50</sup> Complete the table for Listed Securities (and voting securities, if different than Listed Securities), and securities exercisable or convertible into Listed Securities (and voting securities) only. For each Related Person, disclose each type of security separately, as well as the aggregate number of Listed Securities (and voting securities) assuming exercise or conversion of all exercisable or convertible securities held by the Related Person. Where a percentage must be calculated, calculate on a non-diluted basis, and a partially diluted basis assuming the conversion or exercise of all securities held by the Related Person only.

**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term “Personal Information” means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this form.

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Signature of Authorized Person	Name
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Position	Date
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**FORM 14B  
NOTICE OF CANCELLATION OF SECURITIES**

**Notice type:**  Preliminary Notice  Final Notice

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the cancellation of securities:** \_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the public announcement of the cancellation of securities:** \_\_\_\_\_

**Closing price of Listed Securities on the day preceding the public announcement of the cancellation of securities:** \_\_\_\_\_

(i) Describe the reason for the cancellation, and consideration to be given by the Listed Issuer, if applicable. Include a description of any material agreement in connection with the cancellation:

\_\_\_\_\_

(ii) Provide the following information concerning all securities to be cancelled:

Type of security	Number to be cancelled

(iii) Describe the material features of the securities to be cancelled:<sup>51</sup>

\_\_\_\_\_

(iv) Will the cancellation result in the creation of a new Insider? If the response is "Yes", the Exchange may require the new Insider to complete and clear a Personal Information Form prior to the closing of the offering.  Yes  No

<sup>51</sup> Include, for example, voting rights, conversion or exercise features, price (or exercise or conversion price), expiry or maturity date, interest rate, default provisions, tax provisions.

(xii) Give full particulars of any direct or indirect involvement by Related Persons in the cancellation:

---

**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:

---

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term “Personal Information” means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this form.

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Signature of Authorized Person Name

---

Position Date



**FORM 15  
NOTICE OF CREATION OR REDEMPTION**

**Notice type:**

Preliminary Notice     Final Notice

**Name of Listed Issuer:**

\_\_\_\_\_

**Trading symbol:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:**

\_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the effective date of the creation or redemption:**

\_\_\_\_\_

**Effective date of creation or redemption**

\_\_\_\_\_

**Number of Listed Securities outstanding on the effective date (after giving effect to the creation or redemption)**

\_\_\_\_\_

Provide the following information concerning all securities created or redeemed

Type of security	Number created	Number redeemed

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

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Signature of Authorized Person

Name

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Position

Date

**FORM 16  
NOTICE OF NAME CHANGE**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) announcing the change giving rise to this notice (if applicable):** \_\_\_\_\_

**New name of the Listed Issuer:** \_\_\_\_\_

**Effective date of the change:** \_\_\_\_\_

**Requested new symbols:** \_\_\_\_\_

**New CUSIP (if applicable):** \_\_\_\_\_

(i) Please provide and further details about the change not disclosed above:

---

(ii) Complete the following:

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| Is shareholder approval required in connection with the name change?                  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the Listed Issuer relying on any exemption from shareholder approval requirements? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If the response to any of the foregoing questions is "Yes", provide full particulars:

---

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

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Signature of Authorized Person

Name

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Position

Date

**FORM 17**  
**NOTICE OF STOCK SUBDIVISION (Forward Stock Split)**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the forward stock split:** \_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the public announcement of the forward stock split:** \_\_\_\_\_

**Closing price of Listed Securities on the day preceding the public announcement of the forward stock split:** \_\_\_\_\_

**How will the forward stock split be effected:**

<input type="checkbox"/> <b>Stock Dividend (push out method)</b>	<input type="checkbox"/> <b>Amendment to articles / constating documents (call in method)</b>
--	---

**[Stock Dividend only]**

(i) Provide the following information concerning the forward stock split:

**Declaration date:** \_\_\_\_\_

**Record Date:** \_\_\_\_\_

**Distribution Date / mailing date of the new certificates:** \_\_\_\_\_

**Terms of the forward stock split:<sup>52</sup>** \_\_\_\_\_

**[Amendment to articles / constating documents only]**

(i) Provide the following information concerning the forward stock split:

**Declaration date:** \_\_\_\_\_

**Effective Date:** \_\_\_\_\_

**Date of mailing the letter of transmittal to securityholders:** \_\_\_\_\_

<sup>52</sup> Ex: "two for one forward stock split."

**CUSIP for the post-split securities:**

---

**Trading symbol for the post-split securities, if applicable:**

---

**Terms of the forward stock split:<sup>53</sup>**

---

(ii) Complete the following:

Is shareholder approval required in connection with the forward stock split?

Yes

No

Is the Listed Issuer relying on any exemption from shareholder approval requirements?

Yes

No

If the response to any of the foregoing questions is “Yes”, provide full particulars:

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<sup>53</sup> Ex: “two for one forward stock split.”

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

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Signature of Authorized Person

Name

---

Position

Date

**FORM 18**  
**NOTICE OF SECURITY CONSOLIDATION (Reverse Stock Split)**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the consolidation:** \_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the public announcement of the consolidation:** \_\_\_\_\_

**Closing price of Listed Securities on the day preceding the public announcement of the consolidation:** \_\_\_\_\_

(i) Provide the following information concerning consolidation:

**Effective Date:** \_\_\_\_\_

**Date of mailing the letter of transmittal to securityholders:** \_\_\_\_\_

**CUSIP for the post-consolidation securities:** \_\_\_\_\_

**Trading symbol for the post-consolidation securities:** \_\_\_\_\_

**Terms of the consolidation:**<sup>54</sup> \_\_\_\_\_

(ii) Complete the following:

Is shareholder approval required in connection with the consolidation?       Yes       No

Is the Listed Issuer relying on any exemption from shareholder approval requirements?       Yes       No

If the response to any of the foregoing questions is "Yes", provide full particulars:

\_\_\_\_\_

<sup>54</sup> Ex: "one for ten reverse stock split."



(iii) Will the Listed Issuer continue to meet continuous listing requirements following the consolidation?  Yes  No

(iv) Provide full particulars of continuous listing requirements compliance following the consolidation:

---

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

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Signature of Authorized Person

Name

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Position

Date

**FORM 18A**  
**CONFIRMATION OF DISTRIBUTION REQUIREMENTS IN CONNECTION WITH A**  
**SECURITY CONSOLIDATION**

**Name of Listed Issuer:**

\_\_\_\_\_

**Trading symbol:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:**

\_\_\_\_\_

**Date of news release(s) disclosing the consolidation:**

\_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the public announcement of the consolidation:**

\_\_\_\_\_

**Closing price of Listed Securities on the day preceding the public announcement of the consolidation:**

\_\_\_\_\_

(i) Complete the following tables for the security which will be consolidated. The tables should be completed assuming completion of the consolidation, based on currently available information:

A. Securities Held by non-Public Securityholders / Public Float

Class of Security:			
Number of Securities Issued and Outstanding (A)		Number of Securities (without transfer restrictions)	Number of Securities (with transfer restrictions)
			% of Issued and Outstanding Securities
Securities Held By The Applicant And Each Non-Public Securityholder (B) <sup>55</sup>			
Total (without transfer restrictions) (C)			-
Total (with transfer restrictions) (D)		-	
Other Securities Subject To Transfer Restriction <sup>56</sup>		-	
Total (E)		-	
<hr/>			
<b>Public Float (A-C-D-E)</b>			

<sup>55</sup> Disclose separately the holdings (if any) of the issuer and, to the knowledge of the issuer, of each non-Public Securityholder. Disclose separately securities that are, or are not, subject to restrictions on transfer.

<sup>56</sup> Disclose separately the holdings of each person whose securities are, to the knowledge of the issuer, subject to transfer restrictions. Do not include securities that have already been included in item (C) or (D).

B. Public Securityholders<sup>57</sup>

<b>CLASS OF SECURITY:</b>		
<b>SIZE OF HOLDING</b>	<b>NUMBER OF PUBLIC SECURITYHOLDERS</b>	<b>TOTAL NUMBER OF SECURITIES</b>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Unable to confirm	<b>N/A</b>	

<b>Total</b>		
--------------	--	--

<b>Total Board Lot Holders</b>		
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<sup>57</sup> Complete this table for Public Securityholders only. For the purposes of this report, "Public Securityholders" are persons other than persons enumerated in section (B) of the previous chart).

**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, and will conduct the issuer bid in compliance with applicable securities legislation, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term “Personal Information” means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person	Name
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Position	Date
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**FORM 19  
NOTICE OF SECURITY RESTRUCTURING**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the reclassification:** \_\_\_\_\_

**Number of Listed Securities outstanding on the day preceding the public announcement of the reclassification:** \_\_\_\_\_

**Closing price of Listed Securities on the day preceding the public announcement of the reclassification:** \_\_\_\_\_

(i) Provide the following information concerning the reclassification:

**Effective Date:** \_\_\_\_\_

**Date of mailing the letter of transmittal to securityholders:** \_\_\_\_\_

**CUSIP(s) for the reclassified securities:** \_\_\_\_\_

**Trading symbol(s) for the reclassified securities, if applicable:** \_\_\_\_\_

(ii) Describe the terms of the securities reclassification transaction. The description must be sufficiently detailed that a reader will understand the reclassification transaction without reference to any other material:

---

(iii) Will the closing of the reclassification transaction result in the creation of a new Insider? If the response is "Yes", the Exchange may require the new Insider to complete and clear a Personal Information Form prior to the closing of the offering.       Yes       No

(iv) Complete the following:

Will the completion of the reclassification transaction materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)?       Yes       No

Is Multilateral Instrument 61-101 - *Protection of Minority Holders in Special Transactions* applicable to the reclassification transaction?  Yes  No

Is shareholder approval required in connection with the reclassification transaction?  Yes  No

Is the Listed Issuer relying on any exemption from shareholder approval requirements?  Yes  No

If the response to any of the foregoing questions is "Yes", provide full particulars:

---



**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

---

Signature of Authorized Person

Name

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Position

Date

**FORM 20**  
**NOTICE OF FORMAL ISSUER BID**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date of news release(s) disclosing the issuer bid:** \_\_\_\_\_

**Number of Listed Securities outstanding as of the date of this notice:** \_\_\_\_\_

**Maximum number of securities to be acquired under the bid:** \_\_\_\_\_

**Percentage of issued and outstanding securities to be acquired under the bid** \_\_\_\_\_

**Expiry date of the bid:** \_\_\_\_\_

**Describe any agreements to tender to the bid:** \_\_\_\_\_

(i) Describe any additional material terms of the issuer bid not otherwise disclosed above:

\_\_\_\_\_

(ii) Provide full particulars of any direct or indirect involvement by Related Persons in the bid (including receipt of any brokerage or finder's fees):

\_\_\_\_\_

(iii) Complete the following:

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| Will the completion of the issuer bid materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is Multilateral Instrument 61-101 - <i>Protection of Minority Holders in Special Transactions</i> applicable to the issuer bid?    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is shareholder approval required in connection with the take-over bid?   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the Listed Issuer relying on any exemption from shareholder approval requirements?  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

If the response to any of the foregoing questions is "Yes", provide full particulars:

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, and will conduct the issuer bid in compliance with applicable securities legislation, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term "Personal Information" means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person	Name
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Position	Date
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**FORM 20A  
NOTICE OF NORMAL COURSE ISSUER BID**

**Type of Notice:**

- Draft Notice       Final Notice  
 Revised Notice

**Name of Listed Issuer:**

\_\_\_\_\_

**Trading symbol for the securities that are the subject of the bid:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:**

\_\_\_\_\_

**Date of news release announcing the bid:**

\_\_\_\_\_

**Number of securities that are outstanding as of the date of this Form:**

\_\_\_\_\_

**Number of securities that are the subject of the bid:**

\_\_\_\_\_

**Percentage of Public Float that is the subject of the bid:**

\_\_\_\_\_

**Average Daily Trading Volume:<sup>58</sup>**

\_\_\_\_\_

**Name of purchasing member and associated trader ID:**

\_\_\_\_\_

**Will the securities be cancelled after their purchase:**

- Yes  No

(If "No", explain how they will be dealt with)

(i) If this is a Revised Notice, state the reason for issuing the Revised Notice.

\_\_\_\_\_  
  
(ii) Number of securities that may be acquired under the bid: If the Listed Issuer has determined a specific number of shares, state it here. If not, state the amount as a percentage of the outstanding or public float, as the case may be.

\_\_\_\_\_  
  
<sup>58</sup> Average Daily Trading Volume means, with respect to a Normal Course Issuer Bid, the trading volume for a listed security on all marketplaces for the six months preceding the date of Posting of a Form 20A (excluding any purchases made under a Normal Course Issuer Bid, all marketplace purchases by the issuer of the listed security, a Person acting jointly or in concert with the issuer, and all purchases made under section 7.19(1)(b) of the Listing Manual) divided by the number of trading days during that period. If the securities have traded for less than six months, the trading volume on all marketplaces since the first day on which the security traded, which must be at least four weeks prior to the date of Posting Form 20A.

(iii) Expiry: Give the date on which the bid will terminate, which cannot be more than one year from the date of the final notice.

---

(iv) Method of acquisition: State on which exchange(s) purchases will be made, and/or whether purchases will be made other than by means of open market transactions during the NCIB.

---

(v) Consideration: Describe any restrictions on the price the Listed Issuer will pay for securities, such as price, specific funds available, method of purchasing, etc.

---

(vi) Reasons for bid: State the reason or business purpose for the bid.

---

(vii) Valuation: Include a summary of any appraisal or valuation<sup>59</sup> known to the directors or officers after reasonable inquiry of the issuer, its material assets or its securities in the previous two years, together with a statement of where and when a copy of the appraisal or valuation may be inspected.

---

(viii) Identify any persons acting jointly or in concert with the Listed Issuer in connection with the issuer bid or purchases of securities of the Listed Issuer in the previous twelve months.<sup>60</sup>

---

(ix) Previous Purchases: Give details of any purchases by the Listed Issuer or persons acting jointly or in concert with the Listed Issuer of the securities that are the subject of the bid in the previous twelve months.<sup>61</sup>

---

(x) Participation by Insiders: State the name of every director or senior officer of the Listed Issuer who intends to sell securities of the Listed Issuer during the course of the bid. Where their intention is known after reasonable inquiry, state the name of every associate of a director or senior officer of the issuer, person acting jointly or in concert with the Listed Issuer in connection with the issuer bid or purchases of securities of the Listed Issuer in the previous twelve months, or person holding 10% or more of any class of equity securities of the issuer, who intends to sell securities of the Listed Issuer during the course of the bid:

---

<sup>59</sup> This includes independent and material non-independent valuations and appraisals.

<sup>60</sup> A trustee or agent described in section 7.19(1)(b) of the Listing Manual is deemed to be acting jointly or in concert with the Listed Issuer.

<sup>61</sup> A trustee or agent described in section 7.19(1)(b) of the Listing Manual is deemed to be acting jointly or in concert with the Listed Issuer.

---

(xi) Benefits to Insiders: State any direct or indirect benefits any person named in the previous section will receive from selling or not selling shares of the Listed Issuer during the bid. An answer is not required if the benefit will be the same as the benefit to any other shareholder who sells or does not sell during the bid.

---

(xii) Where the Listed Issuer has a class of Restricted Securities, state whether the bid includes a bid for Restricted Securities.

---

**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:

---

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange’s Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term “Personal Information” means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

---

Signature of Authorized Person Name

---

Position Date

**FORM 20B  
NOTICE OF NORMAL COURSE ISSUER BID PURCHASES<sup>62</sup>**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol for the securities that are the subject of the bid:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date of filing Form 20A in connection with the bid:** \_\_\_\_\_

**Name of purchasing Member and any Traders IDs:<sup>63</sup>** \_\_\_\_\_

**Number of securities purchased during the course of the bid:** State the total number of securities purchased under the bid to the end of the calendar month covered by this notice.<sup>64</sup> \_\_\_\_\_

**State whether the securities were canceled after their purchase:** \_\_\_\_\_

**Specify whether this Form is filed by the Listed Issuer or by the purchasing Member:** \_\_\_\_\_

<b>Number of securities purchased during the previous month:</b> State the total number of securities purchased daily and specify on which exchange(s) the purchases were made including the volume weighted average price paid. Specify whether purchases were made using the block purchase exemption.				
<b>Purchased Date</b>	<b>Exchange Purchased On</b>	<b>Block Purchase Exemptions Used (Yes or No)</b>	<b>Volume of Weighted Average Purchase Price</b>	<b>Number of Securities Purchased</b>
<b>Total Purchased This Month</b>				
<b>Remaining Number Eligible to Purchase Under The Form 20A</b>				

<sup>62</sup> This notice is used to report purchases in the previous calendar month.

<sup>63</sup> If the Listed Issuer changed traders during the period covered by this notice, provide the names of both traders and state the date on which the change occurred.

<sup>64</sup> Including by a trustee or agent described in section 7.19(1)(b) of the Listing Manual.



## CERTIFICATE

If this Form is filed by the Listed Issuer, the undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

---

Signature of Authorized Person

Name

---

Position

Date

**FORM 21  
NOTICE OF SHAREHOLDER RIGHTS PLAN**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the shareholder rights plan:** \_\_\_\_\_

**Is this an amendment to the existing shareholder rights plan?**       **Yes**       **No**

**Date that the shareholder approval was or will be obtained for the shareholder rights plan (or an amendment thereto):** \_\_\_\_\_

(i) Is the Listed Issuer aware of any takeover bid of the Listed Issuer's securities that has been made or is contemplated?

Yes       No

If "Yes", please provide with full details regarding any such bid:

\_\_\_\_\_

(ii) Does the plan treat any existing securityholder differently other securityholders:

Yes       No

If "Yes", please provide with full details:

\_\_\_\_\_

(iii) Describe the material features of the plan:

\_\_\_\_\_

**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
  2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:
- 

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

---

Signature of Authorized Person Name

---

Position Date

**FORM 22  
NOTICE OF SIGNIFICANT TRANSACTION**

**Name of Listed Issuer:** \_\_\_\_\_

**Trading symbol:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**If this is updating a prior notice, give date(s) of those notices:** \_\_\_\_\_

**Date of news release(s) disclosing the transaction:** \_\_\_\_\_

(i) Describe the transaction, including the date, the parties and the terms of the transaction. Include a description of the elements of the purchase price and other consideration for the transaction, including the assumption of liabilities. The description must be sufficiently detailed that a reader will understand the transaction without reference to any other material:

\_\_\_\_\_

(ii) Describe how the consideration was determined (e.g. arm's length negotiations, special committee of the Board, etc.).

\_\_\_\_\_

(iii) If the transaction is an acquisition, provide details of any valuation or appraisal of the subject of the acquisition known to the Listed Issuer:

\_\_\_\_\_

(iv) Is the transaction being funded in whole or in part by a concurrent private placement? If the response to the foregoing questions is "Yes", provide full particulars:     Yes         No

\_\_\_\_\_

(v) Provide the following information with respect to any agent's or broker's or finder's fee, commission or other compensation paid in connection with the acquisition:

<b>Name</b>	<b>Relationship to Listed Issuer</b>	<b>Cash compensation</b>	<b>Securities compensation</b>	<b>Other compensation</b>	<b>Exercise price of convertible securities</b>	<b>Expiry date</b>

(vi) Will the closing of the acquisition result in the creation of a new Insider? If the response is "Yes", the Exchange may require the new Insider to complete and clear a Personal Information Form prior to the closing of the acquisition.  Yes  No

(vii) Give full particulars of any direct or indirect involvement by Related Persons in the transaction (including receipt of any brokerage or finder's fees or receipt of any proceeds):

---

(xiii) Complete the following:

Will the closing of the acquisition materially affect control of the Listed Issuer (see Section 10.09(8) of the Listing Manual)?  Yes  No

Is Multilateral Instrument 61-101 - *Protection of Minority Holders in Special Transactions* applicable to the acquisition?  Yes  No

Is shareholder approval required in connection with the acquisition?  Yes  No

Is the Listed Issuer relying on any exemption from shareholder approval requirements?  Yes  No

If the response to any of the foregoing questions is "Yes", provide full particulars:

---

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is duly authorized to sign this certificate on behalf of the Listed Issuer;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange Requirements, except as follows:

---

3. All information in this form is true and complete, and the form contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

4. The Listed Issuer has obtained the express written consent of each applicable person to:
  - (a) the disclosure of Personal Information contained in this form by the Listed Issuer to the Exchange;
  - (b) the publication of Personal Information contained in this form as contemplated by the Listing Manual; and
  - (c) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Personal Information disclosure policies or as otherwise identified by the Exchange, from time to time,

where the term "Personal Information" means any information about an identifiable individual, and includes the information contained in any table, as applicable, found in this Form.

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Signature of Authorized Person	Name
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Position	Date
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**AEQUITAS NEO EXCHANGE INC.  
TRADING POLICIES  
(the “TRADING POLICIES”)**

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## PART I. DEFINITIONS AND INTERPRETATIONS

### 1.01 Definitions

- (1) Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in the Exchange Requirements that is defined or interpreted in
  - (a) Ontario securities law;
  - (b) UMIR; or
  - (c) IIROC Rules,has the same meaning in these Trading Policies.
- (2) The following terms have the meanings set out when used in the Exchange Requirements and apply to the trading of both Listed Securities and Other Traded Securities unless otherwise specified:

**“Approved Trader”** means (i) an employee of a Member, or (ii) an employee of a DEA Client that has been granted access to the Exchange Systems by a Sponsoring Member, who in each case is authorized to enter orders onto a marketplace as a trader and who has been provided with a trading identifier to be used when accessing a marketplace.

**“Assigned Security”** means the particular Listed Security or Other Traded Security for which a Designated Market Maker has been appointed.

**“Board”** means the Board of Directors of the Exchange and any committee of the Board of Directors to which powers have been delegated.

**“Board Lot”** means a “standard trading unit” as defined in UMIR.

**“Calculated Closing Price”** or **“CCP”** means, for a Closing Call Eligible Security, the CCP as determined in accordance with these Trading Policies.

**“Calculated Opening Price”** or **“COP”** means, for an Opening Call Eligible Security, the COP as determined in accordance with these Trading Policies.

**“Clearing Corporation”** means CDS Clearing and Depository Services Inc. and any successor corporation or other entity recognized as a clearing agency.

**“Closing Call Eligible Security”** means a Listed Security, or an OTS designated by the Exchange from time to time as eligible to participate in the Closing Call.

**“Closing Call Volume Threshold”** means the minimum trade volume (as specified by the Exchange by Notice to Members) required to complete a Closing Call. Where the Closing Call Volume Threshold is not met, the Closing Call will be cancelled.

**“Closing Price”** means:

- (1) with respect to the Lit Book:
  - (a) for a security that participated in a Closing Call, the price at which the security traded during the Closing Call;
  - (b) for a security does not trade in a Closing Call, the price of the last trade that occurred at or prior to 4:00 PM in the Lit Book; or
- (2) with respect to the Neo Book™, the price of the last trade that occurred at or prior to 5:00 PM in the Neo Book™.

**“Crossing Book”** means the Exchange electronic facility for posting of trade crosses in accordance with Part IX.

**“Dark Book”** means the Exchange electronic trading book containing Board Lot orders entered on the Exchange for execution in accordance with Part VII.

**“DEA Client”** means a third party that has been provided with electronic access to the Exchange Systems by a Sponsoring Member in accordance with UMIR.

**“Decision”** means any decision, direction, order, ruling, guideline or other determination of the Exchange, or of the Market Regulator, made in the administration of these Trading Policies.

**“Designated Market Maker”** or **“DMM”** means the Member appointed by the Exchange as the market maker for a particular Assigned Security. The Assigned Security may be a Listed Security or an Other Traded Security.

**“Designated Market Maker Approved Trader”** means the Approved Trader of the Designated Market Maker (who may not be an employee of a DEA Client) identified by the Designated Market Maker to fulfill the Designated Market Maker’s responsibilities under these Trading Policies.

**“Eligible Assigned Securities”** means an Assigned Security that is a Listed Security or an OTS designated by the Exchange from time to time as eligible for Market Maker Commitment.

**“Exchange”** means Aequitas Neo Exchange Inc., the recognized exchange which provides a marketplace for Listed Securities and Other Traded Securities.

**“Exchange Approval”** means any approval given by the Exchange under the Exchange Requirements.

**“Exchange Requirements”** includes the following:

- (1) These Trading Policies;
- (2) The Listing Manual;
- (3) Obligations arising out of the Member Agreement or any Designated Market Maker agreement;
- (4) Any forms issued or filed pursuant to these Trading Policies or the Listing Manual and any obligations related to or created by such forms;
- (5) UMIR; and
- (6) Applicable Canadian securities law, and any decision thereunder as it may be amended, supplemented and in effect from time to time.

**“Exchange Systems”** means the electronic systems operated by the Exchange for providing access to the services for the trading of Listed Securities and Other Traded Securities on the Exchange.

**“Extended Trading Eligible Securities”** means a Listed Security, or an OTS designated by the Exchange from time to time as eligible to participate in the Extended Trading Session.

**“IIROC”** means the Investment Industry Regulatory Organization of Canada and any successor thereof.

**“IIROC Rules”** means UMIR and IIROC’s dealer member rules.

**“Imbalance Message”** means a message used during the Opening Call for an Opening Call Eligible Security, or the Closing Call for a Closing Call Eligible Security, containing the imbalance side and quantity based on the COP or CCP of the security, as calculated at that time and, for the Opening Call, the COP as calculated at that time.

**“Last Sale Price”** or **“LSP”** means the price at which the last trade of a Board Lot or eligible cross was executed on any Trading Book in the Exchange, other than a Special Terms trade.

**“Latency Sensitive Trader”** or **“LST”** means an account type or investor that trades through one of the following account types:

- (1) an arbitrage account;

- (2) the account of a person with “Marketplace Trading Obligations” (as that term is defined in UMIR) in respect of a security for which that person has obligations, which is being used to fulfill such obligations;
- (3) an account for which trading strategies are automated and which generally do not carry net long or short overnight positions (i.e. is non-directional or market neutral);

but does not include a principal account that has acquired during a trading day a position in a particular security in a transaction with a client that is unwound during the balance of the trading day such that, in the ordinary course, the account does not have, at the end of each trading day, more than a nominal position, whether short or long, in a particular security (a facilitation account).

“**Listed Security**” means a security listed on the Exchange.

“**Lit Book**” means the Exchange electronic trading book containing Board Lot orders entered on the Exchange for execution in accordance with Part VI.

“**Market Maker Commitment**” or “**MMC**” has the meaning set out in Section 10.03(2)(d).

“**Market Maker Volume Allocation**” means the system of allocation of priority to Designated Market Maker resting orders, whereby a resting Designated Market Maker order for an Assigned Security will participate in the next trade for the security once orders in the queue for the security have executed against at least the Market Maker Volume Allocation Percentage of cumulative executed volume for the security for that trading day (or such other period as may be set out by the Exchange and published by Notice to Members).

“**Market Maker Volume Allocation Percentage**” means the percentage of executed volume of a security allocated to orders resting in the queue before a resting Designated Market Maker order will be allocated priority, which shall be the percentage set out by the Exchange and published by Notice to Members.

“**Market Regulator**” means IIROC or such other person recognized by the Ontario Securities Commission as a Regulation Services Provider for the purposes of Ontario securities law and which has been retained by the Exchange as an acceptable Regulation Services Provider.

“**Member**” means a person that has signed a Member Agreement and been approved by the Exchange to access the Exchange Systems, provided such access has not been terminated.

**“Member Agreement”** means the agreement entered into between the Exchange and a Member which sets out the terms and conditions of the Member’s access to the Exchange Systems.

**“Member Related Entity”** means a Person that is:

- (1) an affiliated entity of a Member; or
- (2) a control person of a Member or of which the Member is a control person, and that carries on as a substantial part of its business in Canada that of a broker, dealer or advisor in securities and that is not itself a Member.

**“Member Related Person”** means a Person that is:

- (1) a Member Related Entity;
- (2) an employee, agent or contractor of a Member or a Member Related Entity;
- (3) partners, directors and officers of a Member or Member Related Entity;
- (4) an Approved Trader of a Member or of a DEA Client for which the Member is the Sponsoring Member; and
- (5) any other Person designated by the Exchange.

**“National Best Bid and Offer”** or **“NBBO”** means the best bid and best offer of at least one Board Lot on all visible marketplaces, but does not include Special Terms orders.

**“National Last Sale Price”** or **“NLSP”** means the price at which the last trade of a Board Lot or eligible cross was executed on any marketplace, other than a Special Terms trade.

**“Neo Book™”** means the Exchange electronic trading book containing Board Lot orders entered on the Exchange for execution in accordance with Part VIII.

**“Neo Trader”** means an account type or investor that trades through an account type other than LST.

***Commentary***

*Members will be required to certify that Neo Trader accounts associated with a specific trader id complies with the definitions. In addition, the Exchange will be monitoring and using objective criteria such as alpha generation, message to trade ratios and use of consistent markers to confirm that the certifications are in compliance with the requirements.*



**“Notice”** means an electronic communication or document given, delivered, sent or served by the Exchange.

**“Odd Lot Facility”** or **“OLF”** means the facility of the Lit Book containing all Odd Lot Orders or odd lot portions of Mixed Lot Orders entered on the Exchange.

**“Opening Call Eligible Security”** means a Listed Security, or an OTS designated by the Exchange from time to time as eligible to participate in the Opening Call.

**“Opening Price”** means:

- (1) with respect to the Lit Book:
  - (a) for a security that participates in an Opening Call, the price at which the security traded during the Opening Call;
  - (b) for a security that does not trade in an Opening Call and whose primary listing marketplace is the Exchange, the previous day’s Closing Price on the Lit Book;
- (2) with respect to the Neo Book™, for a security whose primary listing marketplace is the Exchange, the previous day’s Closing Price on the Neo Book™; or
- (3) for a security that does not trade in an Opening Call and whose primary listing marketplace is not the Exchange, the Opening Price will be the previous day’s closing price on the primary listing marketplace.

**“Other Traded Security”** or **“OTS”** means a security listed by an exchange other than the Exchange, and that is traded on the Exchange.

***Commentary:***

*A security that is listed both on the Exchange and on another exchange in Canada will be considered to be a Listed Security for purposes of the Exchange Requirements unless otherwise specified.*

**“Person”** includes without limitation an individual, corporation, incorporated syndicated or other incorporated organization, sole proprietorship, partnership or trust.

**“Retail Customer”** is defined in accordance with IIROC’s dealer member rules.

**“Retail Order”** means an order that originates from a Retail Customer account.

**“Settlement Day”** means any day on which trades may be settled through the facilities of the Clearing Corporation.

“**Size-Time**” is an allocation methodology utilized in the Dark Book and Neo Book™ when multiple potential matches have been identified at a given price which applies the following criteria:

- (a) size;
- (b) priority time-stamp;
- (c) time of the last partial fill (of the order); and
- (d) remaining order volume.

After considering (a), a weighted average of (b), (c) and (d) is then calculated to obtain the “Size-Time” for the order, which determines the priority of the order relative to other resting orders. In the event that two or more orders have the same size and Size-Time, the original entry timestamp of the orders will be used to determine priority.

**Commentary**

*If an order is amended in such a way that it would result in a priority loss, the priority timestamp is updated. In the event an order is amended in a way that does not change the priority of an order (e.g. amend volume down), the priority timestamp remains unaffected.*

“**Sponsoring Member**” means a Member that provides electronic access to the Exchange Systems to a DEA Client in accordance with UMIR.

“**Trading Book(s)**” means the Lit Book, Dark Book, Neo Book™ and Crossing Book, or any one of them.

“**Trading Contract**” means any agreement or contract:

- (1) To buy or sell any Listed Security or OTS through the Exchange facilities;  
or
- (2) For delivery of, or payment for, any Listed Security or OTS (or security which was a Listed Security or OTS when the contract was made) arising from settlement through the Clearing Corporation.

“**UMIR**” means the Universal Market Integrity Rules adopted by IIROC as amended, supplemented and in effect from time to time.

## 1.02 Interpretation

- (1) A company is an affiliate of another company if one of them is a subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same Person.

- (2) The division of the Exchange Requirements into separate policies, divisions, sections, subsections, clauses and commentary, and the provision of a table of contents and headings, is for convenience of reference only and shall not affect the construction or interpretation of the Exchange Requirements.
- (3) The words “hereof,” “herein,” “hereby,” “hereunder” and similar expressions mean the whole of these Trading Policies and not simply the particular section of the Trading Policies in which the term is mentioned, unless the context clearly indicates otherwise.
- (4) The word “or” is not exclusive.
- (5) The word “including,” when following any general statement or term, does not limit the meaning of the general statement or term to the specific matter immediately following the statement or term.
- (6) Unless otherwise specified, any reference to a statute includes that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that supersedes that statute or regulation.
- (7) Unless otherwise specified, any reference to a rule, policy, blanket order or instrument includes all amendments made and in force from time to time, and to any rule, policy, blanket order or instrument that supersedes that rule, policy, blanket order or instrument.
- (8) Grammatical variations of any defined term have the same meaning.
- (9) Any word imputing gender includes the masculine, feminine and neuter genders.
- (10) Any word in the singular includes the plural and vice versa.
- (11) All references to time in the Exchange Requirements are to Eastern Standard Time in Toronto, Ontario unless otherwise stated.
- (12) All references to currency in the Exchange Requirements are to Canadian dollars unless otherwise stated.
- (13) All provisions of these Trading Policies apply to the trading of both Listed Securities and Other Traded Securities unless otherwise specified.

## **PART II. APPLICATION OF POLICIES AND AUTHORITY OF THE EXCHANGE**

### **2.01 Application of policies**

- (1) Members and their Member Related Persons must comply with all applicable Exchange Requirements when trading on the Exchange.
- (2) The Exchange may take disciplinary action against any Member where the Member or its Member Related Persons violate any Exchange Requirement.

### **2.02 Exercise of powers**

- (1) Unless otherwise expressly provided, whenever the Exchange is given any power, right, ability to exercise discretion, or entitlement to take action in respect of the Exchange Requirements, the same may be exercised by the Board, any committee of the Board, the appropriate officers of the Exchange or any committee or person designated by the Board or the CEO of the Exchange, including the Market Regulator.
- (2) Unless the subject matter or context otherwise requires, any action taken by a Person under subsection (1) is subject to the overall authority of the Board.

### **2.03 General Exemptive Relief**

- (1) The Exchange may exempt any Member from the application of any the Exchange Requirement, if in the opinion of the Exchange, the provision of such exemption:
  - (a) would not be contrary to the provisions of the *Securities Act* (Ontario) and the rules and regulations thereunder or UMIR;
  - (b) would not be prejudicial to the public interest or to the maintenance of a fair and orderly market; and
  - (c) is warranted after due consideration of the circumstances.

### **2.04 No waiver of rights**

- (1) Failure by the Exchange or the Market Regulator to exercise any of its rights, powers or remedies under the Exchange Requirements or their delay to do so is not a waiver of those rights, powers or remedies.

- (2) The single or partial exercise of a right, power or remedy does not in any way limit the ability of the Exchange or the Market Regulator to exercise that right, power or remedy.
- (3) Any waiver of a right, power or remedy must be in writing and may be general or particular in its application.

## **2.05 Anti-avoidance**

- (1) If, in the opinion of the Exchange, a Member has organized its business and affairs for the purpose of avoiding the application of any the Exchange Requirement, the Exchange may apply such the Exchange Requirement to the Member in the same manner as if such provision had directly applied to such Member.

## **PART III. MEMBERSHIP**

### ***DIVISION 1 — APPROVAL***

#### **3.01 Qualification for becoming a Member**

- (1) To apply to become a Member, an applicant must:
  - (a) be a dealer member of IIROC (or any successor recognized as a self-regulatory entity or comparable self-regulatory entity) in good standing;
  - (b) be a participant of the Clearing Corporation or have entered into an arrangement for the clearing and settlement of trades with a participant in the Clearing Corporation; and
  - (c) meet the Exchange Requirements, including execution and delivery of a Member Agreement.
- (2) A Member is authorized to trade both Listed Securities and OTSs on the Exchange.
- (3) Membership is not transferable or assignable.
- (4) Membership is solely an authorization to have access to the Exchange Systems and to trade on the Exchange and does not confer any ownership or shareholder rights.

#### **3.02 Application and approval**

- (1) An applicant for membership shall submit:
  - (a) a completed and executed Member Agreement; and
  - (b) such information, books and records as may be reasonably required by the Exchange to ascertain relevant facts bearing on the applicant's qualifications or activities on the Exchange Systems.
- (2) The Exchange may:
  - (a) approve an applicant for membership without condition,
  - (b) defer approval pending receipt of further information concerning the applicant,

- (c) approve a Person as a Member subject to such terms and conditions as are appropriate or necessary to ensure compliance with the Exchange Requirements, or
- (d) refuse the application for such factors it considers relevant, including
  - (i) past or present misconduct by the applicant or any Member Related Person,
  - (ii) the applicant or any Member Related Person refuses to comply with the Exchange Requirements,
  - (iii) the applicant is not qualified by reason of integrity, solvency, training or experience, or
  - (iv) such approval is otherwise not in the public interest.
- (3) An applicant that is approved subject to conditions or is rejected may appeal the Decision using the procedures set out in Part XIV.
- (4) Subject to the exercise of a right of appeal, a rejected applicant may not reapply for membership for a period of six months following the date of refusal.

## ***DIVISION 2 — CONTINUING REQUIREMENTS***

### **3.03 Authorized Representative**

- (1) Each Member must appoint a senior officer, director or partner as its authorized representative, who shall be named in the Member Agreement.
- (2) The authorized representative shall:
  - (a) have authority to speak for the Member in dealings with the Exchange; and
  - (b) serve as primary contact person for the Exchange on inquiries regarding the conduct and supervision of the Member's Approved Traders and DEA Clients.
- (3) A Member must give the Exchange notice of a change of its representative at least 10 business days prior to the change unless circumstances make this impossible, in which case notice must be given as soon as possible.

### **3.04 Payment of fees, etc.**

- (1) Members must pay all fees and charges fixed by the Exchange and the Market Regulator, which are due and payable as the Exchange or the Market Regulator require from time to time.
- (2) The Exchange may at any time, and from time to time, on not less than 30 days' Notice to Members, increase any or all fees or charges. The Exchange may decrease fees by providing Members with Notice of such a change within 30 days prior to the effective date of the change.
- (3) The Exchange may suspend without further notice a Member that has not paid any fees or charges within 30 days of becoming payable, and such suspension shall remain in place until all outstanding fees and charges have been paid by the Member. If the Member has not paid all outstanding fees and charges within 15 days of such suspension, the Exchange may terminate such Member's membership.

### **3.05 Continuing Qualifications**

- (1) A Member must continue to satisfy the qualifications set out in Section 3.01(1) and the conditions (if any) imposed under Section 3.02(2)(c).
- (2) The Exchange may from time to time review the continued eligibility of a Member for membership.

### **3.06 Notifications**

- (1) A Member must notify the Exchange immediately if:
  - (a) the Member ceases to satisfy the qualifications set out in Section 3.01(1) or the conditions (if any) imposed under Section 3.02(2)(c);
  - (b) the Member: (i) has given notice to any recognized self-regulatory organization, including IIROC, that it is withdrawing its membership, or; (ii) ceases to be a member of any recognized self-regulatory organization, including IIROC;
  - (c) the Member is, or becomes aware that it is likely to be, under investigation by, or subject to an enforcement action (including a hearing), by IIROC, any recognized self-regulatory organization or a securities regulatory commission or authority in or outside Canada.
- (2) A Member must notify the Exchange at least 10 business days prior to:
  - (a) a change of its name or the name under which it does business; or



- (b) a change in the address of its head office.

### **3.07 Maintaining Records**

- (1) The Member shall be responsible for maintaining any required records relating to transactions sent and received by it on the Exchange Systems. For the purpose of this section records relating to transactions will include all information directly or indirectly relating to orders routed to the Exchange Systems or trades executed on the Exchange Systems.

### **3.08 Training**

- (1) The Member shall be responsible for developing and providing comprehensive training and materials for Approved Traders (and any other Person deemed appropriate by the Member) with respect to applicable regulatory requirements relating to, among other things, the entry and trading of orders through the Exchange and other Canadian marketplaces required to allow the Member to meet its obligations under applicable regulatory requirements, these Trading Policies and the Member Agreement.

## ***DIVISION 3— SURRENDER, SUSPENSION AND TERMINATION OF MEMBERSHIP***

### **3.09 Voluntary Surrender**

- (1) A Member may resign its membership by giving not less than 30 days' prior written notice.
- (2) The Exchange may postpone the effective date of termination if the Member:
  - (a) is the subject of disciplinary proceedings or is under investigation for a failure to comply with the Exchange Requirements;
  - (b) has any trades outstanding; or
  - (c) has not paid outstanding fees or charges payable to the Exchange.

### **3.10 Suspension by the Exchange With or Without Prior Notice**

- (1) A Member may be suspended with or without prior notice in any of the following circumstances:
  - (a) the Member ceases to satisfy the qualifications set out in Section 3.01(1) or the conditions (if any) imposed under Section 3.02(2)(c);

- (b) Section 3.06(1)(b) or 3.06(1)(c) is applicable to the Member;
- (c) The Member or a Member Related Person has failed to comply or is not in compliance with the Exchange Requirements;
- (d) the Member has committed an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act (Canada)*;
- (e) the Member is for any reason unable to meet its obligations as they generally become due;
- (f) the Member has ceased paying its current obligations in the ordinary course of business as they become due;
- (g) the aggregate of the property of the Member is not, at a fair valuation, sufficient, or if disposed of in a fairly-conducted sale under legal process, would not be sufficient to enable payment of all of its obligations due or becoming due;
- (h) the Member defaults in, or fails to meet or admits its inability to meet its liabilities to the Canadian Investor Protection Fund or the Clearing Corporation or another Member;
- (i) Section 3.04(3) applies;
- (j) continued access by the Member raises inappropriate risk to the operations of the Exchange, financial risk to other Members, and/or market quality issues; or
- (k) the Member is engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of the Exchange.

### 3.11 Discretionary Suspension

- (1) Notwithstanding Section 3.10, the Exchange may, in its sole and absolute discretion, suspend the Member's access to the System for any period of time as the Exchange believes is advisable. The Exchange shall, where practical, provide prior written notification of such a suspension. Where the provision of prior written notice is impractical, the Exchange shall promptly notify the Member that access has been suspended. In each case the Exchange shall advise of the reasons for such suspension.

**Commentary:**

*Examples of situations where the Exchange may exercise its discretion to suspend a Member's access to the System include:*

- 1. runaway algorithmic trading by an employee or DEA Client;*
- 2. continuous breaches of price band parameters unrelated to a market event; or*
- 3. failure to provide information in response to a request due to concerns about order entry or other the Exchange Requirements.*

### **3.12 Reinstatement Following Suspension**

- (1) A Member that has been suspended may have its rights reinstated, at the Exchange' discretion, upon providing evidence, satisfactory to the Exchange in its sole discretion, that the reason for the suspension has been remedied.

### **3.13 Termination by the Exchange**

- (1) The Exchange may terminate a membership where a suspension under Section 3.10 or 3.11 has occurred or is warranted, and in the Exchange's discretion, reinstatement pursuant to Section 3.12 is not timely, possible or likely.

### **3.14 Effect of Suspension or Termination**

- (1) Upon suspension or termination, the Exchange may at its discretion cancel all of the Member's or former Member's open orders or impose any other restrictions and/or conditions on the Member's rights until the Member has been reinstated in accordance with Section 3.12.
- (2) A Member that has been suspended or terminated or that has been deprived of some of the rights of membership under the Exchange Requirements does not for that reason alone lose its rights in respect of any claims it may have against another Member unless such rights are expressly dealt with.
- (3) A Member that has had its membership terminated may, no sooner than six months after the date of the termination of membership, reapply for membership with the Exchange by following the procedures set out in Section 3.2.

## ***DIVISION 4 — ORDER QUALIFICATION REQUIREMENTS AND PROHIBITION ON USE***

### **3.15 Order Qualification Requirements and Prohibition on Use**

- (1) If a Member submits orders to the Exchange Systems as "Neo Order", "Dark Liquidity Taking Order", "Neo Take Order", "LST Take Order" or "Retail Order" and the Exchange determines, in its sole discretion, that such order

fails to meet any of the requirements required to be met by such order, the Exchange may (without derogating from any other recourse available to the Exchange) treat any or all orders submitted by the Approved Trader or the Member to the Exchange Systems or to any Trading Book as failing to qualify, and may prohibit the Approved Trader or the Member from submitting such orders or any other order.

**Commentary:**

*The Exchange requires Members to have policies and procedures in place to ensure that the Member will properly identify the trader ids that are eligible to use these special order types.*

*The Exchange will monitor the proper use by Members of these special order types.*

## PART IV. ACCESS TO TRADING

### ***DIVISION 1 — APPROVED TRADERS***

#### **4.01 Approved Traders**

- (1) A Member must provide the Exchange with the full names, e-mail address, phone number and identifiers of all Approved Traders.
- (2) A Member must maintain a list of all Approved Traders and their identifiers for the preceding 7-year period.
- (3) A Member must give the Exchange written notice of additions or terminations of Approved Traders, or changes to the information set out in section 4.01(2), at least 10 business days prior to the change unless circumstances make such prior notice of a termination impossible, in which case notice must be given as soon as possible.
- (4) The Member shall be responsible for all instructions entered, transmitted or received under an Approved Trader identifier, and for the trading and other consequences thereof.
- (5) This section does not derogate from the Member's obligations under National Instrument 23-103 – *Electronic Trading and Direct Electronic Access to Marketplaces* and UMIR to report information directly to the Market Regulator.

#### **4.02 Access**

- (1) A Member must not allow a person to be an Approved Trader or to enter orders, specified order types or crosses on the Exchange if the person is not properly qualified in accordance with the Exchange Requirements and the requirements of a Market Regulator or securities regulatory authority.
- (2) The Exchange may suspend an Approved Trader's access to the Exchange Systems without notice if it concludes that the Approved Trader is misusing the Exchange Systems or is causing a disorderly market.

#### ***Commentary:***

*This section includes a conclusion that the Approved Trader has engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of the Exchange, for example where such conduct, business or affairs would cause technical problems for the Exchange System or a market integrity issue.*

- (3) Subject to Section 4.02(2), the Exchange may suspend an Approved Trader's access to the Exchange Systems by giving not less than 5 days' prior written notice if the Exchange has concluded after reasonable investigation that the Approved Trader has failed to comply or is not in compliance with the Exchange Requirements.
- (4) A Member must terminate an Approved Trader's access to the Exchange Systems immediately upon receiving notice and must not reinstate access without the Exchange' written approval. If the Member fails to comply with this provision, the Exchange shall have the right to take such action as it considers necessary, in its sole discretion, to prevent access to the Exchange Systems by any person, including the termination of the Member's right to access the Exchange Systems in its entirety.
- (5) Upon termination of an Approved Trader's access, the Exchange may in its sole discretion cancel all open orders entered by that trader.

**Commentary:**

*In making any decision regarding cancellation of orders under this provision, the Exchange will take into consideration the interests of the clients of the Member.*

- (6) A Member shall cease use of the Exchange Systems as soon as practicable after it is notified by the Exchange of, or it otherwise becomes aware of or suspects, a technical failure or security breach of the Exchange Systems and shall immediately notify the Exchange of such failure or breach of security in accordance with the notice provisions set out in these Trading Policies.

**DIVISION 2 — DEA CLIENTS AND MEMBER-SPONSORED ACCESS**

**4.03 Sponsoring Member Supervisory Responsibilities**

- (1) A Sponsoring Member that provides access to the Exchange Systems to a DEA Client must comply with National Instrument 23-103 – *Electronic Trading and Direct Electronic Access to Marketplaces* and UMIR, and shall provide to the Exchange any DEA Client documentation as requested by the Exchange from time to time.
- (2) A Sponsoring Member that provides access to the Exchange Systems to a DEA Client shall provide notice to the Exchange (including the name of the client) upon entering into, terminating or amending a written agreement with respect to the direct electronic access arrangement.

#### **4.04 Termination of Sponsored Access**

- (1) The Exchange may suspend a DEA Client's access to the Exchange Systems without notice:
  - (a) on instruction from the Market Regulator; or
  - (b) if the Exchange concludes that the DEA Client has:
    - (i) misused the Exchange Systems or has caused a disorderly market;
    - (ii) failed to comply or is not in compliance with the Exchange Requirements; or
    - (iii) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of the Exchange.
- (2) A Sponsoring Member must terminate a DEA Client's access to the Exchange Systems immediately upon receiving notice from the Exchange or the Market Regulator and must not reinstate access to the Exchange Systems without the Exchange's written approval. A Sponsoring Member must notify the Exchange immediately if the Market Regulator has requested that a DEA Client's access to the Exchange Systems be terminated.
- (3) Upon termination of DEA Client's access, the Exchange may in its sole discretion cancel all open orders entered by DEA Client.

## **PART V. OVERVIEW OF TRADING BOOKS AND TRADING ON THE EXCHANGE**

### **5.01 Trading Books**

- (1) The Exchange operates the following Trading Books:
  - (a) Lit Book
  - (b) Dark Book
  - (c) Neo Book™
  - (d) Crossing Book

### **5.02 Trading Sessions**

- (1) The Exchange will publish by Notice to Members the days on which the Exchange will not be open for trading.
- (2) The Exchange will determine from time to time, and will publish by Notice to Members, the trading sessions for each Trading Book, the securities eligible for trading in each trading session, and the opening and closing times for each trading session.
- (3) The current trading sessions for each Trading Book, and session times, are specified in Part VI, VII and VIII, respectively.
- (4) The Exchange may at any time in the event of an emergency:
  - (a) suspend all trading in any trading session or sessions or trading in any security during any session or sessions, or
  - (b) close, reduce, extend or otherwise alter the time of any trading session or sessions.

### **5.03 Trading Halts**

- (1) Trading may be halted on any Trading Book by the Exchange, the Market Regulator or any applicable securities regulatory authority.

***Commentary:***

*Examples of circumstances when a halt may occur include:*

- a) to permit the dissemination of material news;*



- b) *during a trading halt imposed by another marketplace to permit the dissemination of material news;*
- c) *in the event that extraordinary market activity in the security is occurring, such as the execution of a series of transactions for a significant dollar value at prices substantially unrelated to the current market for the security, as measured by the NBBO;*
- d) *in the event of other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present;*
- e) *due to persistent trading that exceeds the Exchange price band parameters, or where there is exceptional market disruption, for example where market conditions are similar to those which occurred during the “flash crash” of May 6, 2010; or*
- f) *due to the triggering of a single-stock or market-wide circuit breaker.*

(2) Two types of trading halts may be initiated based on certain external events.

(a) During a “full” halt, order entry, amendment and matching are not permitted, and existing orders can be cancelled.

(b) During a “no matching” halt, new orders can be entered and existing orders can be amended or cancelled, but no matching is permitted.

(3) After a trading halt is lifted, the security enters a pre-open phase allowing for order entry, amendment and cancellation. For the Lit Book, the pre-open phase will be followed by an auction in accordance with Sections 6.03 – 6.06 (for all Listed Securities and OTSs) and then the resumption of the Continuous Trading Session. For the Dark Book and the Neo Book™, only resting orders may be entered during the pre-open phase until the trading in the Dark Book and Neo Book™ resumes.

(4) For greater certainty, in the event that the decision as to whether to impose a halt has been outsourced to the Market Regulator, such decision will be made by the Market Regulator and not by the Exchange. In all other cases, the Exchange may make the decision to impose a trading halt and will make all reasonable efforts to coordinate with the Market Regulator.

**Commentary:**

*Notification messages pertaining to trading halts are sent out on the Exchange public feed.*

#### **5.04 Exceeding Price Band Parameters (Price Band Limits)**

(1) The Exchange has implemented price bands to minimize erroneous trades from occurring on the Exchange. The Exchange may determine price band parameters which set limits based on a variance from the NLSP or any other reference price.

(2) The Exchange may change the price band parameters to adjust to changes in the markets or to events on a particular day.

- (3) The Exchange will publish, through a Member Notice and by posting on its website, the price band parameters and any changes (other than those made for a temporary period to adjust to a particular event) before implementation.
- (4) Two types of price bands will apply during the continuous trading session in each of the Lit Book and Neo Book™:
  - (a) “Static Price Band”, based on the variance from a reference price, which will be set each day for a security to the Opening Price for the security in the Lit Book and Neo Book™, respectively, or to another reference price, and;
  - (b) “Dynamic Execution Limit”, based on the variance from the NLSP.
- (5) Static Price Bands:
  - (a) During the Continuous Trading Session in the Lit Book:
    - (i) if a tradable order would trade through the static price band parameter for a security, the order will trade up to the price of the static price band parameter and any remaining balance will be cancelled;
    - (ii) when a static price band trigger is reached, the symbol will enter a no matching halt for a specified period of time (the halt period);
    - (iii) orders may be entered, amended or cancelled during the halt period;
    - (iv) the halt period will be followed by an auction in accordance with Sections 6.03 – 6.06 (for all Listed Securities and OTSs) and then the resumption of the Continuous Trading Session; and
    - (v) the re-opening price will become the new reference price for the static price band.
  - (b) During the Continuous Trading Session in the Neo Book™:
    - (i) if a tradable order would trade through the static price band for a security, the order will trade up to the price of the static price band parameter and any remaining balance will be cancelled;

- (ii) when a Static Price Band trigger is reached, the symbol will enter a no matching halt for the halt period, during which active orders will not be accepted;
  - (iii) Liquidity Providing Orders may be entered, amended or cancelled during the halt period; and
  - (iv) once the halt period has expired, the Neo Book™ will resume accepting active orders.
- (6) Dynamic Execution Limits - During the Continuous Trading Session in the Lit Book and Neo Book™, respectively, if a tradable order would trade through the dynamic execution limit for a security, the order will trade up to and including the price of the dynamic execution limit parameter. Any remaining balance will be cancelled back to the order originator.

**Commentary:**

*No halt is initiated upon reaching a dynamic execution limit.*

- (7) The Exchange may delay the opening of an Opening Call Eligible Security in the Lit Book if, during the Opening Call, the COP differs from the previous day's Closing Price by an amount greater than the price band parameters.
- (8) The Exchange may delay the closing of a Closing Call Eligible Security in the Lit Book if, during the Closing Call, the CCP for the security exceeds the price band parameters.
- (9) The Exchange may delay the opening of a security following a trading halt if, during the auction, the price at which the auction would be completed exceeds the price band parameters.
- (10) Price band parameters do not affect execution of crosses and Special Terms trades.

#### **5.05 General Capacity Thresholds to Achieve Performance**

- (1) The Exchange may determine thresholds based on system capacity criteria.
- (2) If a Member or DEA Client, directly or indirectly, exceeds the threshold, the Exchange may take action to mitigate the impact.

## 5.06 Cancellation, Amendment and Corrections of Trades by the Exchange

- (1) The Exchange retains the discretion to cancel, amend or correct executed trades on the Exchange that have not yet been submitted by the Exchange to the Clearing Corporation where:
  - (a) instructed to do so by the Market Regulator;
  - (b) the cancellation, amendment or correction is requested by a party to the trade, consent is provided by both parties to the trade and notification is provided to the Market Regulator;
  - (c) the cancellation, amendment or correction is necessary to correct an error caused by a system or technological malfunction of the marketplace systems or equipment, or caused by an individual acting on behalf of the marketplace, or otherwise for the purpose of mitigating errors made by the Exchange in order execution, and consent has been obtained from the Market Regulator.
- (2) Cancellation or correction of trades involving orders with regulatory markers (insider or significant shareholder) will be subject to the guidelines set out by Market Regulator or any other applicable regulator.
- (3) A Member wanting to cancel, amend or correct an executed trade can seek the consent of the contra-party to the trade, can request the Exchange to seek consent from the contra-party, or can call the Market Regulator who can then instruct the Exchange to cancel, amend or correct the trade.
- (4) *Requests for trade cancellations or amendments on T+1 and T+2.* Members must send requests for trade cancellations or amendments on T+1 or T+2, for trades executed on T, directly to the Clearing Corporation. The Exchange cannot process these requests.
- (5) The Exchange assumes no responsibility or liability for trades that are cancelled, amended or corrected.

### **Commentary:**

Decisions may require consultation with and instructions by Market Regulator, the Clearing Corporation and/or other marketplaces and the counterparties of the trade.

It is the Member's obligation to promptly contact the Market Regulator if it wants to seek a decision from it regarding whether it will permit a cancellation or amendment in accordance with the time limits prescribed by the Market Regulator.

## 5.07 Order Types and Order Modifiers (available in all Trading Books)

### (1) Order Types

*Limit Order* A specific order type as defined in UMIR, which is an order to buy or sell a security at a price equal to, or better than, the specified limit price.

An unfilled Limit Order entered in the Lit Book during the Pre-Open session will be available for trading in the Lit Book Continuous Trading session.

*Market Order* A specific order type as defined in UMIR, which is an order to buy or sell a security at the best price available, up to a specified volume. A Market Order is executed at multiple price levels until the volume of the order is satisfied. The unfilled part of the order is converted to a Limit Order at a price equal to the price of the last fill of the order or the LSP.

An unfilled Market Order entered in the Lit Book during the Pre-Open session is booked as a Limit Order for trading in the Lit Book Continuous Trading Session at the Opening Price.

### (2) Order Modifiers - Time-in-force Conditions

*Fill and Kill (FAK)* A Limit or Market Order that is to be filled immediately in full or in part, with the unfilled quantity cancelled. A Fill or Kill order is also known as an “immediate-or-cancel” (IOC) order.

*Fill or Kill (FOK)* A Limit or Market Order that is to be filled immediately in full, or cancelled.

*Good till Close* A Limit Order that can only be entered in the Continuous Trading Session that is valid until it is fully filled or cancelled, and expires upon the completion of the Closing Call or such other time as may be determined by the Exchange and published by notice.

*Good for Day* A Limit Order that is valid until it is fully filled or cancelled, and expires at the end of the Extended Trading Session for Extended Trading Eligible Securities; for all other securities, the order expires at the end of the Continuous Trading Session.

*Good till Time* A Limit Order that is valid until it is fully filled or cancelled, and expires at the specified expiry date and time.

All orders entered on the Dark Book and Neo Book™ that specify an expiry date other than the date of entry will be rejected.

### (3) Order Modifiers - Functional Attributes

*Attributed / Anonymous* A Limit Order entered into the Exchange system is by default attributed, unless marked anonymous by the user.

Orders with Special Settlement terms must be attributed.

**Commentary:**

*When an order is entered in an the Exchange order book, the identity of the Member will be disclosed to the trading community for attributed orders and will not be disclosed for anonymous orders.*

*When an attributed order is entered in the Neo Book™, the identity of the Member will not be disclosed on a pre-trade basis due to the aggregation of order volume by price level which occurs in the Neo Book™ display. When an attributed order is executed in the Neo Book™, the identity of the Member will be disclosed on all post-trade reporting.*

*Cancel on Disconnect* A Limit Order that is cancelled when the session through which the order was submitted is disconnected or logged out of the Exchange System for any reason.

*Derived Order™* A Limit Order that is: (i) a visible resting order entered on the Lit Book that is also simultaneously replicated on the Dark Book; (ii) a non-visible resting order entered on the Lit Book that is also simultaneously replicated on the Neo Book™ and/or the Dark Book; (iii) a resting order entered on the Neo Book™ that is also simultaneously replicated on the Dark Book, provided that; (iv) in each case, once the order executes on the Lit Book, Neo Book™ or Dark Book, the other order entries are amended or cancelled such that the order volume may only be executed once.

*Directed Action Order (DAO)* A Limit or Market Order as defined in NI 23-101 that informs a marketplace that the order can be immediately carried out without delay or regard to any other better priced orders displayed by another marketplace.

*National Best / Pegged Order* A Limit Order that, after entry into the Exchange System, the price of which is automatically adjusted by the Exchange System in response to changes in the NBB (NBO) for a buy (sell) order. A price cap may be specified setting the maximum (minimum) price of a buy (sell). In addition, a peg offset from the NBB (NBO) can be specified by the user.

A National Best order pegged to an offset within the NBBO will be a non-visible order.

A National Best order pegged to the NBB (NBO) or an offset with a worse price relative to the NBB (NBO) may be visible or non-visible depending on (i) the Trading Book on which it is entered and (ii) the security being traded. The Exchange will publish by Notice to the Members the securities for which National Best orders will be non-visible.

**Commentary:**

Generally, less liquid securities will allow visible National Best orders, and more liquid securities will allow non-visible National Best orders. The Exchange will publish by Notice to the Members the securities for which National Best orders will be visible

*Mid-Point Pegged Order* A Limit Order that, after entry into the Exchange System, the price of which the order is automatically adjusted by the System in response to changes in the NBBO with a price pegged to the mid-point of the NBBO.

A Mid-Point Pegged Order is a non-visible order.

*Passive Only (PO)* A Limit Order that is cancelled at time of entry if any portion of the order is immediately tradable. PO orders are also cancelled if the order becomes active due to a price change (i.e., a price amendment).

*Protect and Cancel* A Limit or Market Order that will execute to the extent possible at the NBBO before cancelling any residual volume that would trade at a worse price than available on another marketplace, or unintentionally lock/cross the market.

*Protect and Reprice* A Limit or Market Order that will execute to the extent possible at the NBBO before adjusting the price of any residual volume that would trade at a worse price than available on another marketplace or unintentionally lock/cross the market. Orders will be re-priced to one trading increment from the opposite

side of the NBBO (NBO-1 for buy orders and NBB+1 for sell orders).

*Self-Trade  
Prevention*

A Limit Order which identifies eligibility to trade with other orders originating from the same Member with the same Self Trade Key as set by the user. The user can specify one of the following options:

*Trade no Print* – an incoming order will execute against opposite side resting interest marked with any STP marker originating from the same self-trade key but the trade is not disseminated on the public trade feed and does not update the LSP, daily volume or value, or other trading statistics. The trade is still sent to the Clearing Corporation for settlement to facilitate reconciliation.

Self-Trade Prevention applies to unintentional crosses in the Continuous Session only.

The designation is applicable to Board Lot orders and the Board Lot portion of Mixed Lot Orders.

**Commentary:**

*The unique trading key provided by the user for self-trade prevention is intended for use only on buy and sell orders for accounts that may result in trades where there is no change in beneficial or economic ownership.*

**5.08 Trades on a “When-Issued” Basis**

- (1) The Exchange may post any security to trade on a when issued basis if such security is approved for listing as a Listed Security prior to the closing of the offering related to such security.
- (2) The Exchange may trade any OTS on a when issued basis if it is trading on a when issued basis on the marketplace where it has been conditionally listed.
- (3) Unless otherwise specified, trades on a when issued basis are subject to all applicable the Exchange Requirements relating to trading in a Listed Security or OTS, notwithstanding that the security has not yet been issued.
- (4) All trades on a when issued basis shall be cancelled if the securities subject to such trades will not be listed.

**5.09 Advantage Goes with Securities Sold**



- (1) Except as provided in section 5.15(2), in all trades of Listed Securities or OTSs, all entitlements to receive dividends or any other distribution made or right given to holders of that security shall pass with the security and shall belong to the purchaser, unless otherwise provided by the Exchange for Listed Securities or the listing market of the OTS, as applicable, or the parties to the trade by mutual agreement.
- (2) In all sales of listed bonds and debentures, all accrued interest shall belong to the seller unless otherwise provided by the Exchange for Listed Securities or the listing market of the bonds or debentures for OTSs, or parties to the trade by mutual agreement.
- (3) Claims for dividends, rights or any other benefits to be distributed to holders of record of listed securities on a certain date shall be made in accordance with the procedures established by the Clearing Corporation.
- (4) If subscription rights attaching to securities are not claimed by the persons entitled to those rights at least twenty-four hours before the expiration of the time within which trading in respect of such rights may take place on the Exchange, a Member holding such rights may, in its discretion, sell or exercise all or any part of such rights, and shall account for such sale or exercise to the person or persons entitled to such rights, but in no case shall a Member be liable for any loss arising through failure to sell or exercise any unclaimed rights.

## PART VI. TRADING IN THE LIT BOOK

### 6.01 Trading Sessions

- (1) The current trading sessions for the Lit Book are:
  - (a) Pre-Opening – for Opening Call Eligible Securities (7:00AM – Opening Call);
  - (b) Opening Call – for Opening Call Eligible Securities (at or after 9:30AM);
  - (c) Commencement of Continuous Trading Session:
    - (i) for Opening Call Eligible Securities (following the Opening Call);
    - (ii) for other securities (9:30AM);
  - (d) End of Continuous Trading Session – for all securities (4:00PM);
  - (e) Pre-Closing – for Closing Call Eligible Securities (7:00AM – at or after 3:45PM);
  - (f) Closing Call – for Closing Call Eligible Securities (at or after 4:00PM);
  - (g) Extended Trading Session – for Extended Trading Eligible Securities (Closing Call (or 4:00PM) - 5:00PM)

### 6.02 Additional Order Modifiers Available in the Lit Book

#### (1) Order Modifiers - Time-in-force Conditions for Listed Securities Only

*Good till Cancel* A Limit Order that remains valid until it is fully filled or is cancelled by the Member or DEA Client. The Exchange will automatically cancel the order if it is older than a set number of days determined by the Exchange. Currently, Good till Cancel orders are cancelled after 90 days.

*Good till Date* A Limit Order that is valid until it is fully filled or cancelled by the Member or DEA Client or until a specified expiry date, not to exceed 90 days.

#### (2) Order Modifiers - Functional Attributes

<i>Iceberg</i>	A Limit Order that specifies a total size and a disclosed size. Once the disclosed size is executed in full, another order (within the maximum and minimum size specified by the user) will be displayed with priority corresponding to the release time, and the undisclosed size, or reserve, will be reduced accordingly.
<i>Imbalance Only (IO)</i>	<p>A Limit or Market Order that is available for execution at the Opening or Closing Call at a defined price or better for a Limit Order, or at any price for a Market Order, where an imbalance exists.</p> <p>An IO order has lower matching priority than non-IO orders.</p> <p>IO orders are not visible and do not contribute to COP formation.</p> <p>An IO order may only interact with orders to reduce the imbalance identified in an Imbalance Message. Any unfilled volume is cancelled upon completion of the Opening or Closing Call.</p>
<i>Limit on Close (LOC)</i>	A Limit Order that is only available for execution in the Closing Call. Any unfilled orders will be cancelled upon completion of the Closing Call.
<i>Limit on Open (LOO)</i>	A Limit Order that is only available for execution at the Opening Call. Any unfilled orders will be cancelled upon completion of the Opening Call.
<i>Market Maker Quote</i>	A Limit Order only available to Designated Market Makers allowing a one or two sided National Best order with a peg offset (of one or more minimum trading increments) outside the NBBO that can be applied to either side of the order.
<i>Market on Close (MOC)</i>	A Market Order that is only available for execution in the Closing Call. Any unfilled orders will be cancelled upon completion of the Closing Call.
<i>Market on Open (MOO)</i>	A Market Order that is only available for execution at the Opening Call. Any unfilled orders will be cancelled upon completion of the Opening Call.
<i>Neo Order</i>	A Limit or Market Order entered on the Lit Book which originates from a Neo Trader account.

<i>Minimum Acceptable Quantity MatchType</i>	A Limit Order that has a user defined type of minimum acceptable quantity volume restriction. The user may specify a minimum size to be filled by a single execution or multiple executions.
<i>Mixed Lot Order</i>	A Limit or Market Order containing at least one Board Lot and an Odd Lot.
<i>Odd Lot Order</i>	A Limit or Market Order containing less than one Board Lot.
<i>On-Stop</i>	An order that becomes a Limit Order or Market Order if a specified price (the stop price) is reached or exceeded.
<i>Special Terms</i>	A specific order type as defined in UMIR.
<i>Trailing On-Stop</i>	An order that dynamically follows favourable market conditions for a given security by an offset provided by the user (the trailing on-stop price). Once the trailing on-stop price is reached or exceeded the order becomes either a Limit Order with a limit price set by the user, or a Market Order.

### **6.03 Order Entry and Display Prior to the Opening Call (Opening Call Eligible Securities only)**

- (1) During the Pre-Opening Session until the Opening Call, orders can be entered, amended or cancelled in the Lit Book.
- (2) Orders residing in the Lit Book that are eligible to participate in the Opening Call will be displayed at their limit price or, for market orders, they will be displayed at the COP and an Imbalance Message is disseminated upon each change to either the COP or the imbalance.

### **6.04 Calculation of the COP**

- (1) For the purposes of the Opening Call, the COP is calculated as the single price whereby the trading volume of orders residing in the Lit Book that are eligible to participate in the Opening Call is maximized.
- (2) If there are two prices at which the same volume will trade, the COP is the price that will leave the least imbalance.
- (3) If the imbalances are equal, the price will be the one closest to the previous day's Closing Price.

- (4) If no Limit Orders or LOO orders eligible to trade in the Opening Call are present in the book, Market Orders and MOO orders are accepted and only priced upon entry of an eligible Limit Order or LOO order.
- (5) For the purposes of determining the COP, Market Orders and MOO orders are assigned the highest (lowest) price possible.

#### **6.05 Opening Call (Opening Call Eligible Securities only)**

- (1) The Opening Call for each Opening Call Eligible Security will occur as follows:
  - (a) the Designated Market Maker for its Assigned Security will disseminate an opening message at or after 9:30 AM;
  - (b) the Exchange System will disseminate a final Imbalance Message following which Members may not submit additional opening interest;
  - (c) the Designated Market Maker for its Assigned Security may submit a final Imbalance Only order; and
  - (d) the Exchange System will then proceed to execute eligible orders in the Opening Call.
- (2) Orders eligible to trade within the Opening Call will be matched at the COP in the following priority:
  - (a) Market and MOO Orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an anonymous or jitney order; then
  - (b) Market and MOO orders trade with offsetting Neo Orders, according to time priority; then
  - (c) Market and MOO Orders trade with all other offsetting orders, according to time priority; then
  - (d) Better-priced Limit and LOO orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an anonymous or jitney order; then
  - (e) Better-priced Limit and LOO orders trade with offsetting Neo Orders, according to time priority; then
  - (f) Better-priced Limit and LOO orders trade with all other offsetting orders according to time priority; then

- (g) Limit and LOO Orders at the COP trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an anonymous or jitney order; then
- (h) Limit and LOO orders trade with offsetting Neo Orders, according to time priority; then
- (i) Limit and LOO orders trade with offsetting orders according to time priority; then
- (j) IO orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an anonymous or jitney order; then
- (k) IO orders trade with offsetting Neo Orders; then
- (l) IO orders trade with all other offsetting orders according to time priority.

**Commentary:**

*Limit Orders and LOO Orders have the same priority. Market Orders and MOO Orders have the same priority.*

- (3) Market Orders that are not completely filled in the Opening Call will be booked in the Lit Book as Limit Orders at the COP.
- (4) Limit Orders that are not completely filled in the Opening Call will be booked in the Lit Book at the original limit price.
- (5) The unfilled balance of any LOO, MOO and IO order will be cancelled immediately after the Opening Call.

**6.06 Delayed Openings (Opening Call Eligible Securities only)**

- (1) The Exchange or the Designated Market Maker may delay the opening of an Opening Call Eligible Security if:
  - (a) The COP differs from the previous day's Closing Price by an amount greater than the opening price band parameters set by the Exchange and provided to Members by way of a Member Notice, or
  - (b) the Exchange or the Designated Market Maker determines that it is appropriate due to market conditions or in order to maintain a fair and orderly market.

## 6.07 Continuous Trading Session in the Lit Book

- (1) An order, other than a Special Terms order, resting in the Lit Book at a particular price will be executed in priority to all orders at inferior prices.
- (2) An order, other than a Special Terms order, resting in the Lit Book at a particular price will be executed prior to or after any orders at the same price in accordance with the following allocation rules:
  - (a) Subject to Market Maker Volume Allocation, a tradable order entered in the Lit Book will be executed in the following sequence:
    - (i) against offsetting orders entered in the Lit Book by the same Member, according to the time priority of the offsetting order, provided neither order is an anonymous or jitney order; then
    - (ii) against offsetting Neo Orders in the Lit Book, according to the time priority of the offsetting order; then
    - (iii) against offsetting orders in the Lit Book according to time priority.
  - (b) A visible order has priority over a non-visible order at the same price.
  - (c) An order loses its time priority if its visible volume is increased.
  - (d) Special Terms orders have no priority in the Lit Book.

## 6.08 Transparency During the Continuous Trading Session

- (1) *Pre-Trade Transparency.* All visible orders resting in the Lit Book are displayed and made available to the information processor for dissemination on the public data feed. Orders that are not visible are not displayed or available to the information processor for dissemination on the public data feed.
- (2) *Post-Trade Transparency.* Trades executed on the Lit Book are displayed and made available to the information processor for dissemination on the public data feed.

#### **6.09 Order Entry and Display Prior to the Closing Call (Closing Call Eligible Securities only)**

- (1) During the Pre-Closing Session up to and until the publication of the Imbalance Message, MOC and LOC orders can be entered, amended or cancelled; during this phase, IO orders cannot be entered. All orders entered into the pre-closing session are non-visible.
- (2) At 3:45PM or a time specified to Members by Notice, the Exchange will publish one Imbalance Message per symbol containing the imbalance side and quantity based on the CCP as calculated at that time.
- (3) Following the publication of the Imbalance Message, any previously entered LOC and MOC orders cannot be amended or cancelled; new MOC orders cannot be entered. New LOC and IO orders can be entered, amended or cancelled up to the Closing Call.

#### **6.10 Calculation of the CCP**

- (1) For the purposes of the Closing Call, the CCP is calculated as the single price whereby the trading volume of orders residing in the Lit Book that are eligible to participate in the Closing Call is maximized.
- (2) If there are two prices at which the same volume will trade, the CCP is the price that will leave the least imbalance.
- (3) If the imbalances are equal, the price will be the one nearest to:
  - (a) the volume weighted average price of trades in the security on all marketplaces for the previous 15 minute period, or
  - (b) if no trades have occurred during the previous 15 minutes, the NLSP on the Lit Book, or
  - (c) if no trades have occurred during the day, the previous day's Closing Price.
- (4) For the purposes of determining the CCP, MOC orders are assigned the highest (lowest) price possible.

#### **6.11 Closing Call (Closing Call Eligible Securities only)**

- (1) The Closing Call for each Closing Call Eligible Security will occur at a random time between 4:00 PM and a time specified by Notice, provided that the Closing Call Minimum Volume has been met.



- (2) Orders eligible to trade within the Closing Call will be matched at the CCP in the following priority:
- (a) MOC Orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an anonymous or jitney order; then
  - (b) MOC orders trade with offsetting Neo Orders, according to time priority; then
  - (c) MOC Orders trade with all other offsetting orders, according to time priority; then
  - (d) Better-priced Limit and LOC orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an anonymous or jitney order; then
  - (e) Better-priced Limit and LOC orders trade with offsetting Neo Orders; then
  - (f) Better-priced Limit and LOC orders trade with all other offsetting orders according to time priority; then
  - (g) Limit and LOC Orders at the CCP trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an anonymous or jitney order; then
  - (h) Limit and LOC orders trade with offsetting Neo Orders, according to time priority; then
  - (i) Limit and LOC orders trade with offsetting orders according to time priority; then
  - (j) IO orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an anonymous or jitney order; then
  - (k) IO orders trade with offsetting Neo Orders, according to time priority; then
  - (l) IO orders trade with all other offsetting orders according to time priority.

**Commentary:**

*Limit Orders and LOC Orders have the same priority.*

- (3) Limit Orders that are not completely filled in the Closing Call, that are not set as Good till Close orders, will remain at the original limit price.
- (4) The unfilled balance of any LOC, MOC and IO order will be cancelled immediately after the completion of the Closing Call.

#### **6.12 Delayed Closing (Closing Call Eligible Securities only)**

- (1) The Exchange may delay the closing of a Closing Call Eligible Security if:
  - (a) the CCP for the security exceeds the price band parameters set by the Exchange and provided to Members by way of a Member Notice, or
  - (b) the Exchange determines that it is appropriate due to market conditions.

#### **Commentary:**

*Examples of market conditions where the Exchange may delay the closing include where a significant event, such as the technological failure of key market participants, has caused a general disruption in the financial markets.*

- (2) In the event of a delayed closing, the Exchange will publish, at the time of transition into the delayed closing, an Imbalance Message containing the symbol, imbalance side and quantity based on the CCP as calculated at that time.
- (3) Following the publication of the Imbalance Message by the Exchange, additional LOC and IO orders can be entered in the Closing Book; MOC orders cannot be entered during this phase. Any existing MOC or LOC orders in the Closing Book may not be amended or cancelled. Any new LOC or IO orders entered while in a delayed closing must be within the price band parameters to be accepted by the Exchange system; only LOC or IO orders entered after the delayed closing can be amended until the Closing Call.
- (4) At a random time between 4:15PM and a time specified by Notice, the CCP for the security will be recalculated. Where the CCP for the security does not exceed the price band parameters, the Closing Call will be completed at the CCP. Where the CCP for the security exceeds the price band parameters, the Closing Call will be completed at the most aggressive price permitted without exceeding the price band parameters.

### **6.13 Extended Trading Session (Extended Trading Eligible Securities only)**

- (1) Extended Trading Eligible Securities are eligible for trading during the Extended Trading session at the Closing Price for the security.
- (2) Orders in the Extended Trading Session follow the same allocation rules as in the Continuous Trading Session.
- (3) Orders and trades in the Extended Trading Session have the same pre- and post-trade transparency as in the Continuous Trading Session.

### **6.14 Odd Lot Facility**

- (1) Odd Lot Orders (and the Odd Lot Order portion of a Mixed Lot Order) will be eligible for entry and auto-execution on the OLF.
- (2) Odd Lot Orders (and the Odd Lot Order portion of a Mixed Lot Order) may be entered for trading during the Pre-Opening Session and during the Continuous Trading Session of the Lit Book.
- (3) Odd Lot Orders (and the Odd Lot Order portion of a Mixed Lot Order) may be executed during the Continuous Trading Session of the Lit Book.

### **6.15 Odd Lot Facility Trading Following the Opening Call**

- (1) Odd Lot Orders do not participate in the Opening Call.
- (2) If trades in an Opening Call Eligible Security are executed in the Opening,
  - (a) Odd Lot Market Orders entered in the Pre-Open will be auto-executed by the Designated Market Maker at the COP, immediately following the Opening, and
  - (b) Odd Lot Limit Orders with a price equal to or better than the COP will be auto-executed by the Designated Market Maker at the COP immediately following the Opening.
- (3) If no trades are executed in the Opening Call, Odd Lot Market Orders entered in the Pre-Open will be booked as Odd Lot Limit Orders at the Opening Price. Odd Lot Limit Orders will be booked at their limit price.
- (4) If the last Board Lot size of a Mixed Lot Order is executed in the Opening Call, the Odd Lot Order portion of the Mixed Lot Order will be auto-executed by the Designated Market Maker at the COP.

## **6.16 Odd Lot Facility Trading During the Continuous Trading Session**

- (1) Incoming Odd Lot Market Orders:
  - (a) will be auto-executed by the Designated Market Maker at the time of order entry, at the NBBO (sell orders at the best bid and buy orders at the best offer); and
  - (b) if the relevant price is not available in the NBBO, the Odd Lot Market Order will be booked in the OLF at the NLSP.
- (2) Incoming Odd Lot Limit Orders:
  - (a) with a limit price equal to or better than the NBBO will be auto-executed by the Designated Market Maker at the time of order entry, at the NBBO, and
  - (b) all other Odd Lot Limit Orders will be booked in the OLF.
- (3) Odd Lot Limit Orders booked in the OLF will be validated against the NBBO following each change to the NBBO, and, where the limit price is at or within the NBBO, will be auto-executed by the Designated Market Maker at the NBBO. Odd Lot limit sell orders will be executed at the National Best Bid price if the limit price is equal to or better than the National Best Bid and Odd Lot limit buy orders will be executed at the National Best Offer price if the limit price is equal to or better than the National Best Offer.
- (4) For Mixed Lot Orders,
  - (a) the Board Lot portion will trade in the Lit Book, and
  - (b) the Odd Lot Order portion will be auto-executed by the Designated Market Maker when the last Board Lot of the round lot portion is executed, at the price of the last Board Lot.

## **6.17 Transparency of the OLF**

- (1) Orders booked in the OLF are not visible or disseminated on the public data feed. The Designated Market Maker will receive an auto-execution message for each Odd Lot Order trade that it participated in.

## **6.18 Unfair Trading in Odd Lots**

- (1) Designated Market Makers and Members are responsible to ensure that Odd Lot activity is in compliance with all requirements.

**Commentary:**

*The following types of activity may be reviewed as an indication of unfair trading:*

- *Excessive Odd Lot executions within a specified timeframe.*
- *Unbundling Round Lots for the purpose of entering Odd Lot orders.*
- *Entering of both buy and sell Odd Lot Limit orders in the same security before one of the orders is executed, for the purpose of capturing the spread in the stock.*
- *Other types of trading activity that is not consistent with traditional Odd Lot investment activity.*
- *Effecting pre-arranged wash sales in Odd Lots, which are trades in which an offer to buy is coupled with an offer to sell back at the same or advanced price (or vice versa).*
- *Entering orders into the Trading Book for the purpose of affecting the execution price of the Odd Lot trades.*

- (2) If the Exchange deems a Member is engaging in Odd Lot trading activity that is unfair, the Exchange may restrict the Member or suspend the Approved Trader from Odd Lot activity, or take other action appropriate in the circumstances.

**Commentary:**

*The Exchange may consult with and seek the requisite consent of the Market Regulator or of the parties to the Odd Lot trades to cancel or amend the Odd Lot trades.*

## PART VII. TRADING IN THE DARK BOOK

### 7.01 Trading Sessions

- (1) The current trading sessions for the Dark Book are:
  - (a) Pre-Continuous Trading Session (7:00AM – 9:30AM);
  - (b) Continuous Trading Session (9:30AM – 5:00PM); and
  - (c) Mid-Point and Size-Up Calls (9:30AM – 5:00PM)

### 7.02 Additional Orders and Modifiers Available in the Dark Book

<i>Contra Election</i>	A designation specified by the user, that the order may execute during the Continuous Trading Session in the Dark Book against all Dark Liquidity Taking Orders, Retail Orders only or “None” (i.e. Mid-Point Auction participation only).  Only Liquidity Providing Orders support Contra Election.
<i>Dark Liquidity Taking Order</i>	An active Limit or Market FOK/FAK Order entered on the Dark Book which originates from a Neo Trader account.
<i>Liquidity Providing Order</i>	A resting order booked in the Dark Book or Neo Book™.
<i>Mid-Point Call</i>	A designation indicating that an order is eligible to participate in a Mid-Point Call.
<i>Minimum Acceptable Quantity MatchType</i>	A Limit Order that has a user defined type of minimum acceptable quantity volume restriction. The user may specify a minimum size to be filled by a single execution or multiple executions.
<i>Size-Up Call</i>	A designation indicating interest to participate in a Size-Up Call.

### 7.03 Posting Liquidity Providing Orders in the Dark Book

- (1) Subject to section 7.05, Liquidity Providing Orders posted in the Dark Book will be booked and will not interact with any Liquidity Providing Orders resting in the Dark Book.

#### **7.04 Continuous Trading Session in the Dark Book**

- (1) Subject to section 7.05, only Dark Liquidity Taking Order orders entered in the Dark Book may interact with Liquidity Providing Orders resting in the Dark Book to remove liquidity during the Continuous Trading Session.
- (2) Trades will execute at or within the NBBO in a manner consistent with UMIR dark rules.
- (3) A Liquidity Providing Order resting in the Dark Book at a particular price will be executed in priority to all orders at inferior prices.
- (4) A Liquidity Providing Order resting in the Dark Book at a particular price will be executed prior to or after any orders at the same price in accordance with the following priority rules:
  - (a) Subject to Market Maker Volume Allocation, a tradable order entered in the Dark Book will be executed in the following sequence:
    - (i) against offsetting orders entered in the Dark Book by the same Member, according to the time priority of the offsetting order, provided neither order is a jitney order; then
    - (ii) against offsetting orders in the Dark Book according to Size-Time priority.

#### **7.05 Mid-Point Calls in the Dark Book For Liquidity Providing Orders**

- (1) A Liquidity Providing Order can be designated for participation in Dark Mid-Point Calls among Liquidity Providing Orders resting in the Dark Book.
- (2) Participation in Mid-Point Calls is mandatory for Derived Orders<sup>TM</sup> derived into the Dark Book.
- (3) Automated Mid-Point Calls will occur at random times every 2 – 5 seconds at the mid-point of the NBBO after 9:30AM and before 5:00PM.
- (4) Subject to Market Maker Volume Allocation, a tradable order entered in the Dark Book will be executed during a Mid-Point Call in the following sequence:
  - (a) against offsetting orders entered in the Dark Book by the same Member, according to the time priority of the offsetting order, provided neither order is a jitney order; then

- (b) against offsetting orders in the Dark Book according to Size-Time priority.

## 7.06 Size-Up Calls

- (1) Provided that a Liquidity Providing Order is designated for participation in Size-Up Calls and meets the minimum dollar value and volume threshold as determined by the Exchange and specified by Notice, the originating Member who submitted the Liquidity Providing Order will be eligible to receive information about and participate in Size-Up Calls.

### **Commentary:**

*The originating Member of a Liquidity Providing Order that is partially executed and whose volume, as a result, falls below the volume threshold will remain eligible to receive information about and participate in Size-Up events. An originating Member of a Liquidity Providing Order whose volume is amended down below the volume threshold will cease to be eligible to receive information about and participate in Size-Up events.*

- (2) Following the completion of a Mid-Point Call, the Exchange Systems will identify eligible Liquidity Providing Orders. If eligible orders exist on both the bid and ask side, each originating Member will be notified of the opportunity to participate in a Size-Up Call. For the purposes of the Size-Up Call, the execution price of the Mid-Point Call that triggered the Size-Up Call is referred to as the “**reference price**”.
- (3) The originating Member may, within the specified time period following notification by the Exchange, commit any amount of volume to the Size-Up Call (the “**committed volume**”). Any committed volume entered after the specified time period will not be considered in the Size-Up Call.
- (4) The originating Member may specify the price difference on either side of the reference price within which the committed volume can execute during the Size-Up Call (“**price tolerance**”).
- (5) The execution price for the Size-Up Call (the “**execution price**”) is determined as follows:
  - (a) where the reference price is within the NBBO at the time that the Size-Up Call is concluded, the Size-Up Call will execute at the reference price; and
  - (b) where the reference price is at or outside the NBBO at the time that the Size-Up Call is concluded, the Size-Up Call will execute at a price that is closest to the reference price which is within the current NBBO.



- (6) Committed volume with a price tolerance at or better than the execution price and Liquidity Providing Orders (that are designated for participation in Dark Mid-Point Calls) with a limit price at or better than the execution price are eligible to trade in the Size-Up Call.
- (7) An order eligible to trade in the Size-Up Call will be executed in the following sequence:
  - (a) subject to Market Maker Volume Allocation,
    - (i) against offsetting Liquidity Providing Orders (designated for participation in Dark Mid-Point Calls) entered by the same Member, according to the time priority of the offsetting order, provided neither order is a jitney order; then
    - (ii) against offsetting Liquidity Providing Orders (designated for participation in Dark Mid-Point Calls) according to Size-Time priority; then
  - (b) against offsetting committed volume entered by the same Member, according to the time priority of the committed volume, provided neither order is a jitney order; then
  - (c) against offsetting committed volume according to Size-Time priority.
- (8) All committed volume that is not executed in the Size-Up Call is cancelled back the originating Member.
- (9) The Exchange may suspend the dissemination of Size-Up Call information to Members that improperly use the Size-Up Call designation.

**Commentary:**

*Improper use of Size-Up Call designation includes where a Member uses the designation to receive Size-Up Call information without the intention to actually participate in Size-Up Calls. The Exchange does not expect that a Member that uses the designation will participate in every Size-Up Call; however, the Exchange does expect that a Member will not use the designation primarily for information gathering purposes.*

**7.07 Liquidity Providing Orders Cancelled**

- (1) All Liquidity Providing Orders remaining in the Dark Book at the end of the Continuous Trading Session will be cancelled back to the originator.

## **7.08 Transparency**

- (1) *No Pre-Trade Transparency.* Orders booked on the Dark Book are not displayed or available to the information processor for dissemination on the public data feed.
- (2) *Post-Trade Transparency.* Trades executed in the Dark Book are displayed and made available to the information processor for dissemination on the public data feed.

## PART VIII. TRADING IN THE NEO BOOK™

### 8.01 Trading Sessions

- (1) The current trading sessions for the Neo Book™ are:
  - (a) Continuous Trading Session (8:00AM – 5:00PM)

### 8.02 Additional Orders and Modifiers Available in the Neo Book™

<i>Iceberg</i>	As defined in Section 6.02(1).
<i>Liquidity Providing Order</i>	As defined in Section 7.02.
<i>Neo Take Order</i>	An active Limit or Market FOK/FAK Order entered on the Neo Book™ which originates from a Neo Trader account.
<i>LST Take Order</i>	An active Limit or Market FOK/FAK Order entered on the Neo Book™ which originates from an LST account. A LST Take Order will be subject to a delay as determined by the Exchange and published by Notice to Members.
<i>Market Maker Quote</i>	As defined in Section 6.02(1).
<i>On-Stop</i>	As defined in Section 6.02(1).
<i>Trailing On-Stop</i>	As defined in Section 6.02(1).

### 8.03 Posting Liquidity Providing Orders in the Neo Book™

- (1) Liquidity Providing Orders posted in the Neo Book™ will be booked and will not interact with any Liquidity Providing Orders resting in the Neo Book™.

### 8.04 Continuous Trading Session in the Neo Book™

- (1) Only Neo Take Orders and LST Take Orders entered in the Neo Book™ may interact with Liquidity Providing Orders resting in the Neo Book™ to remove liquidity during the Continuous Trading Session.
- (2) A Liquidity Providing Order resting in the Neo Book™ at a particular price will be executed in priority to all orders at inferior prices.

- (3) A Liquidity Providing Order resting in the Neo Book™ at a particular price will be executed prior to or after any orders at the same price in accordance with the following priority rules:
  - (a) Subject to Market Maker Volume Allocation, a tradable order entered in the Neo Book™ will be executed during Continuous Trading in the following sequence:
    - (i) against offsetting orders entered in the Neo Book™ by the same Member, according to the time priority of the offsetting order; then
    - (ii) against offsetting orders in the Neo Book™ according to Size-Time priority.
  - (b) A visible order has priority over a non-visible order at the same price.
  - (c) An order loses its time priority if its visible volume is increased.

#### **8.05 Orders Cancelled**

- (1) All Liquidity Providing Orders remaining in the Neo Book™ at the end of the Continuous Trading Session will be cancelled back to the originator.

#### **8.06 Transparency**

- (1) *Pre-Trade Transparency.* The aggregate volume of all visible orders resting in the Neo Book™ that are priced outside the NBBO are displayed and made available to the information processor for dissemination on the public data feed by price level. The volume of: (i) all displayable orders resting in the Neo Book™ that are priced at the NBBO; (ii) National Best orders priced within the NBBO, and; (iii) Mid-Point Pegged orders, is aggregated together, displayed and made available to the information processor for dissemination on the public data feed at the NBBO price level.
- (2) *Post-Trade Transparency.* Trades executed in the Neo Book™ are displayed and made available to the information processor for dissemination on the public data feed.

## **PART IX. PRINTING TRADES IN THE CROSSING BOOK**

### **9.01 Session**

- (1) The Crossing Book is available to print trades from 8:00AM – 5:00PM.

### **9.02 Cross Types**

*Bypass Cross* A cross entered at an agreed price during the Continuous Trading Session indicating that at time of submission all visible better priced order quantity was executed (via submission of a Bypass Order) allowing for printing without interference from any orders in the Lit Book and Neo Book™.

*National Cross* An intentional cross entered at an agreed price during the Crossing Session which at the time of entry was at or within the NBBO.

### **9.03 Additional Cross Attributes**

*Non-Aequitas Cross (NAC)* A cross for an OTS entered after the closing call for the OTS on its listing market at a price equal to the OTS listing market closing price.

#### ***Commentary***

*A NAC is not available for Listed Securities.*

### **9.04 Printing Crosses**

- (1) A Member may report crosses made outside the Trading Books, subject to any regulatory provisions applicable to the entry of crosses.
- (2) National Crosses entered during the Continuous Trading Session must be made at a price that is at or within the NBBO.
- (3) Bypass Crosses and Specialty Price Crosses will not be reflected in the LSP and will not be used in the determination of the Closing Price.

## **PART X. GENERAL PROVISIONS REGARDING MARKET MAKING**

### ***DIVISION 1 — DESIGNATED MARKET MAKERS***

#### **10.01 Qualifications and Application of Designated Market Makers**

- (1) A Member may apply to be a Designated Market Maker for a particular security by submitting a Market Maker Application Form and Agreement.

#### **10.02 Appointment of Designated Market Makers**

- (1) The Exchange may appoint a Member as Designated Market Maker for an Assigned Security for the term specified in the Market Maker Application Form and Agreement, as applicable.
- (2) Upon application, the Exchange may:
  - (a) approve an applicant;
  - (b) defer approval pending receipt of further information concerning the applicant's qualifications to be appointed a Designated Market Maker; or
  - (c) refuse the application for such factors it considers relevant.
- (3) An applicant whose application is refused may not make another application for a period of 90 days from the date of refusal.
- (4) A Member that is approved as a Designated Market Maker agrees to:
  - (a) maintain its status as a Member of the Exchange; and
  - (b) take all commercially reasonable steps to ensure that it complies with all requirements to act as a Designated Market Maker set out in the Exchange Requirements, as amended from time to time. Where the Designated Market Maker does not comply with such requirements it will immediately notify the Exchange of such failure in writing. Such notification will include specific information as to the nature of such failure to comply.
- (5) A Member that is approved as a Designated Market Maker agrees that it has and will continue to have necessary resources, including trained personnel and technology, to allow it to carry out all of its obligations pursuant to the Market Maker Agreement and these Trading Policies.

- (6) The Exchange may revoke or suspend the Designated Market Maker's appointment as a Designated Market Maker for any or all securities or attach such additional terms or conditions to the Market Maker Agreement as the Exchange deems to be necessary, where:
- (a) the Designated Market Maker fails to comply with any term of the Market Maker Agreement, these Trading Policies or if the Designated Market Maker fails to consistently perform at an adequate level to the satisfaction of the Exchange (determined in the Exchange' sole discretion);
  - (b) the Exchange determines, in its sole discretion, that the Designated Market Maker or its officers, employees, directors or agents have violated any applicable the Exchange Requirements;
  - (c) the Exchange believes, in its sole discretion, that the Designated Market Maker cannot or may not in the future carry out its obligations as a Designated Market Maker under these Trading Policies or the Market Maker Agreement; or
  - (d) the Exchange has determined, in its sole discretion, that the Designated Market Maker or its officers, employees, directors or agents have in any way acted in a manner that is detrimental to the interests of the Exchange or the public.
- (7) A Designated Market Maker for an Assigned Security must designate a Designated Market Maker Approved Trader and backup trader acceptable to the Exchange.

**Commentary**

*The benefits/compensation available to a Designated Market Maker will only be applied to the transactions associated with one trader ID (either the Designated Market Maker Approved Trader ID or the back-up trader ID).*

- (8) For each security, the Exchange may appoint a backup Designated Market Maker. In the event that the Designated Market Maker for a security is temporarily unable to fulfil its obligations, the backup Designated Market Maker may be requested to fulfil the market maker obligations on a temporary basis.
- (9) A Designated Market Maker for an Assigned Security must appoint, in writing, a trading officer, director or partner of the Member as its Designated Market Maker Contact.
- (10) The Designated Market Maker Contact:

- (a) serves as the primary contact with the Exchange, with authority to speak for the Member concerning its activities as a Designated Market Maker; and
  - (b) manages the Member's market making responsibilities.
- (11) The Designated Market Maker shall implement policies and procedures to monitor the conduct for compliance with these Trading Policies applicable to the Designated Market Maker, and changes to such policies.

### 10.03 Responsibilities of Designated Market Makers for their Assigned Securities

- (1) A Designated Market Maker for an Assigned Security must trade for its own account in a sufficient degree to assist in the maintenance of a fair and orderly market and achieve reasonable price continuity and liquidity for the Assigned Security.
- (2) The responsibilities of a Designated Market Maker for an Assigned Security in the Lit Book include:
  - (a) meeting the criteria and requirements established in the applicable Market Maker Agreement in the Lit Book;
  - (b) facilitating the opening, delayed opening, and resumption of trading following a trading halt in the Lit Book as specified in these Trading Policies;
  - (c) acting as the Odd Lot dealer for its Assigned Securities; and
  - (d) for Eligible Assigned Securities, utilizing the "**Market Maker Commitment**" or "**MMC**", as follows:
    - (i) the MMC in the Lit Book is the Designated Market Maker's commitment to trade a specified number of shares at specified price points in the Lit Book in reaction to incoming contra side orders;
    - (ii) any MMC interest eligible to participate in an execution shall yield to all other visible and non-visible interest on the Lit Book at that price; and
    - (iii) MMC interest may only participate once in the execution of an incoming contra side order:



- a) where the visible and non-visible volume on the Lit Book at the NBBO, together with the MMC interest at the NBBO, is able to fill the incoming order in full, MMC interest will trade at the NBBO;
  - b) where the incoming order will trade at more than one price level on the Lit Book, MMC interest will trade at the price level which is better than the completion price of the trade, and for which there is the most MMC interest;
  - c) where the incoming order would not be completed on the Lit Book, MMC interest will trade at the worst price before the incoming order is cancelled or booked on the Lit Book; and
  - d) where the non-visible volume on the Lit Book priced better than the NBBO, together with the MMC interest priced better than the NBBO, is able to fill the incoming order in full, MMC interest will trade within the NBBO.
- (3) The responsibilities of a Designated Market Maker for an Assigned Security in the Neo Book™ include:
- (a) meeting the criteria and requirements established in the applicable Market Maker Agreement in the Neo Book™; and
  - (b) for Eligible Assigned Securities, utilizing the MMC, as follows:
    - (i) the MMC in the Neo Book™ is the Designated Market Maker's commitment to trade a specified number of shares at specified price points in the Neo Book™ in reaction to incoming contra side orders;
    - (ii) any MMC interest eligible to participate in an execution shall yield to all other visible and non-visible interest on the Neo Book™ at that price; and
    - (iii) MMC interest may only participate once in the execution of an incoming contra side order:
      - a) where the visible and non-visible volume on the Neo Book™ at the NBBO, together with the MMC interest at the NBBO, is able to fill the incoming order in full, MMC interest will trade at the NBBO;

- b) where the incoming order will trade at more than one price level on the Neo Book™, MMC interest will trade at the price level which is better than the completion price of the trade, and for which there is the most MMC interest;
  - c) where the incoming order would not be completed on the Neo Book™, MMC interest will trade at the worst price before the incoming order is cancelled; and
  - d) where the non-visible volume on the Neo Book™ priced better than the NBBO, together with the MMC interest priced better than the NBBO, is able to fill the incoming order in full, MMC interest will trade within the NBBO.
- (4) The Exchange will establish and/or confirm standard criteria and requirements on an annual basis.

**Commentary**

*The criteria will be based on one or more of the following: two-sided quoting requirement, size and spread percentage requirements, presence requirements and a quoting range requirement.*

**10.04 Termination of Responsibilities due to Events**

- (1) A Designated Market Maker's obligations with respect to a right, warrant or similar security terminate a maximum of 10 business days prior to the expiry date of the security.
- (2) A Designated Market Maker's obligations with respect to a debt security or preferred security that is maturing or has been called for redemption or retraction terminate 10 business days prior to the maturity date or redemption or retraction date of the security.
- (3) The Exchange may suspend or terminate a Designated Market Maker's responsibilities where a corporate action or other unusual circumstance makes it impractical for the Designated Market Maker to carry out its responsibilities.

**Commentary**

*Ordinary market volatility will not be considered to be an "unusual circumstance" for the purposes of this section.*

- (4) The Exchange may suspend or terminate a Designated Market Maker's obligation to post an offer where (i) the Designated Market Maker is not long

the security; and (ii) the Designated Market Maker cannot borrow securities to cover short sales at a reasonable cost.

#### **10.05 Notification**

- (1) A Designated Market Maker must give the Exchange at least 10 business days' prior notice of any change in the Designated Market Maker Contact, the Designated Market Maker Approved Trader or backup, unless circumstances make such prior notice impossible, in which case notice must be given as soon as possible.
- (2) A Designated Market Maker must inform the Exchange and the Market Regulator immediately if market conditions in any of its Assigned Securities have changed such that it is not possible for the Designated Market Maker to carry out its responsibilities.
- (3) A Designated Market Maker must give the Exchange at least 60 days' prior written notice that it intends to relinquish its responsibilities in an Assigned Security, unless the Exchange has consented to a shorter notice period.

#### **10.06 Transition**

- (1) The Exchange will provide Notice to all Members at least 30 days prior to the end of a Designated Market Maker's term.
- (2) If the Designated Market Maker has not given notice of its intention to terminate its status as a Designated Market Maker for an Listed Security (which shall have an initial 3 year term) or Designated Market Maker for an Other Traded Security (which shall have an initial 1 year term), the Exchange may reassign the Assigned Security to the current Designated Market Maker for successive one year terms after the respective initial term.
- (3) The transfer of an assignment occurs on the date of the assignment to a new Designated Market Maker. Unless otherwise provided by the Exchange and as set out in a Notice, the transfer of the assignment will occur 5 business days after Notice of the new appointment.

### ***DIVISION 2 — ASSIGNMENT OF SECURITIES AND OTHER MATTERS***

#### **10.07 Assignment of Securities**

- (1) The process and guidelines for the assignment of securities to a Designated Market Maker will be set out by Notice by the Exchange.
- (2) The Exchange will assign securities to Designated Market Makers at least five business days prior to the effective date of the assignment.

**Commentary:**

*The Exchange may assign securities to Designated Market Makers less than five business days prior to the effective date of the assignment in cases where five business days notice is not feasible, for example, where the Exchange does not have sufficient advance notice of the listing of a new OTS.*

- (3) The Exchange may reassign a security if
  - (a) the number of Designated Market Makers increases;
  - (b) the Designated Market Maker for that security requests a reassignment due to specific circumstances;
  - (c) the term of the appointment of the Designated Market Maker to an Assigned Security expires; or
  - (d) the Exchange withdraws its approval of the Designated Market Maker for that security.
- (4) Any reassignment will be made in accordance with the Exchange procedures set out under Section 10.07.
- (5) If a reassignment request has been made and the security cannot be reassigned, the Designated Market Maker will continue to have responsibility for the Assigned Security.

***DIVISION 3 – ASSESSMENT OF PERFORMANCE OF DESIGNATED MARKET MAKERS***

**10.08 Assessment of Performance**

- (1) As set out in the applicable Market Maker Agreement, from time to time and at least quarterly, the Exchange will assess the performance of Designated Market Makers.
- (2) On completion of the quarterly assessment of performance, the Exchange may, for such factors as it sees fit
  - (a) continue the appointment of the Member as a Designated Market Maker in any or all of its Assigned Securities;
  - (b) continue the appointment of the Member as a Designated Market Maker in any or all of its Assigned Securities and impose additional terms and condition; or

- (c) withdraw approval of the Member as a Designated Market Maker in any or all of its Assigned Securities.
- (3) The Exchange may withdraw approval of or impose additional terms and conditions on a Designated Market Maker, its Designated Market Maker Contact, any Designated Market Maker Approved Traders or backups, if the Exchange determines that any of these parties has contravened or is contravening any the Exchange Requirement or Market Regulator rule.

## PART XI. ORDER PROTECTION RULE (OPR) COMPLIANCE

### 11.01 Order Protection Rule Compliance

- (1) In order for the Exchange to comply with its Order Protection Rule (OPR) obligations under National Instrument 23-101 – *Trading Rules*, orders submitted to the Lit Book must be designated as either:
  - (a) a Directed Action Order;
  - (b) Protect and Cancel; or
  - (c) Protect and Reprice.

**Commentary:**

*When determining Protect and Cancel and Protect and Reprice functionality, the Exchange may consider:*

- *whether a regulatory or non-regulatory trading halt is in effect for the security;*
- *whether an away marketplace is not in a continuous trading session;*
- *whether an away marketplace is not disseminating order information, is not distributing data in relation to its order book in a timely manner or the Exchange considers, in its discretion, that such data is not reliable. This covers the case when a system failure or degradation of service occurs at an away marketplace during continuous trading at that marketplace; or*
- *whether connectivity to an away marketplace is lost.*

*Protect and Reprice is not available for FOK orders in any Trading Book (including Neo Take Orders and LST Take Orders in the Neo Book™).*

*In the Neo Book™, LST Take Orders, whether or not marked Directed Action Order will be checked for OPR compliance after the delay is applied.*

## **PART XII. CLEARING AND SETTLEMENT**

### **12.01 Clearing and Settlement**

- (1) All trades on the Exchange Systems will be reported, confirmed and settled through the Clearing Corporation pursuant to the Clearing Corporation's rules and procedures, unless otherwise authorized or directed by the Exchange.
- (2) A Member must clear and settle all of their the Exchange trades by:
  - (a) self-clearing as a participant of the Clearing Corporation; or
  - (b) maintaining a clearing and settlement arrangement with a carrying broker, custodian or other institution that is a participant of the Clearing Corporation.
- (3) Except in circumstances where the transaction is settled outside Canada or where the Member and the settlement agent are not participants in the same securities depository, the client or settlement agent shall use the facilities or services of a securities depository for the affirmation and settlement of all depository eligible transactions, including both book entry settlements and certificate based settlements.
- (4) A Member shall provide a client, by electronic, facsimile or physical means, a confirmation as soon as possible on the next business day following execution, with respect to the execution of any order, in whole or in part, for the purchase or delivery of securities where payment for or delivery of the securities is to be made to or by a settlement agent of the client, and shall indicate that the trade occurred on the Exchange.
- (5) Members shall obtain agreement from their clients that the client will provide instructions with respect to the receipt or delivery of the securities to the settlement agent promptly upon receipt by the client of the confirmation referred to in Section 7.1(4) and that the client will ensure that its settlement agent affirms the transaction in accordance with National Instrument 24-101.

### **12.02 Settlement of the Exchange Trades of OTSs**

- (1) Unless otherwise provided by the parties to the trade by mutual agreement, trades of OTSs on the Exchange must settle on the date and terms fixed for settlement by the exchange on which the security is listed.

### 12.03 Settlement of the Exchange Trades of Listed Securities

- (1) Unless otherwise provided by the Exchange or the parties to the trade by mutual agreement, trades of Listed Securities on the Exchange must settle on the third settlement day following the trade.
- (2) Notwithstanding Section 12.03(1), unless otherwise provided by the Exchange or the parties to the trade by mutual agreement:
  - (a) trades on a when issued basis made on Listed Securities:
    - (i) prior to the second trading day before the anticipated date of issue of the security must settle on the anticipated date of issue of such security, and
    - (ii) on or after the second trading day before the anticipated date of issue of the security must settle on the third settlement day after the trade date,

provided if the security has not been issued on the date for settlement such trades shall settle on the date that the security is actually issued and provided that if the security will not be issued all trades made on a when issued basis will be cancelled;

- (b) trades for rights, warrants and instalment receipts made on Listed Securities:
  - (i) on the third trading day before the expiry or payment date must settle on the settlement day before the expiry or payment date;
  - (ii) on the second and first trading day before the expiry or payment date, must be made as cash trades for next day settlement, and
  - (iii) on expiry or payment date must be made as cash trades for immediate settlement and trading will cease at 12:00 noon (unless the expiry or payment time is set prior to the close of business, in which case trading will cease at the close of business on the trading day preceding the expiry or payment), and
  - (iv) selling Members must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;



- (c) cash trades on Listed Securities for next day delivery must be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over-the-counter, by noon of the first settlement day following the trade; and
  - (d) cash trades on Listed Securities for same day settlement must be settled by over-the-counter delivery no later than 2:00 p.m. on the trade day.
- (3) Notwithstanding Section 12.03(1), a trade on the Exchange may specify delayed delivery, which gives the seller the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery will be at the option of the seller within thirty days from the date of the trade.

#### **12.04 When Security Disqualified, Suspended or No Fair Market**

- (1) The Exchange may postpone the time for delivery on the Exchange trades if:
  - (a) the security is delisted;
  - (b) trading is suspended in the security; or
  - (c) the Exchange is of the opinion that there is not a fair market in the security.
- (2) If the Exchange is of the opinion that a fair market in the security is not likely to exist, the Exchange may provide that trades on the Exchange be settled by payment of a fair settlement price and if the parties to a Trading Contract cannot agree on the amount, the Exchange may at its discretion fix the fair settlement price after providing each party with an opportunity to be heard.

#### **12.05 Failed Trades in Rights, Warrants and Instalment Receipts**

- (1) Should fail positions in exchange traded products which are exercisable, exchangeable or convertible into other securities (the “**subject securities**”) exist on the expiry or payment date, purchasing Members have the option of demanding delivery of the securities into which the subject securities are exercisable, exchangeable or convertible, any additional subscription privilege, and any subscription fee payable to a Member, that may be available, such demand shall be made before 4:00 p.m. on the expiry date.
- (2) Where a demand has been made in accordance with Section 12.05(1), payment by purchasing Members for:

- (a) the subject securities shall be in accordance with normal settlement procedures, but delivery of the subject securities, as the case may be, is not required; and
  - (b) the securities into which the subject securities are exercisable, exchangeable or convertible and payment for any additional subscription privilege shall be made upon delivery of the securities.
- (3) Where a demand has not been made in accordance with Section 12.05(1), settlement shall be in accordance with normal settlement procedures, but delivery of the subject securities, as the case may be, is not required.

#### **12.06 Defaulters**

- (1) If a Member against which an the Exchange trade is closed out under the Clearing Corporation's rules and procedures fails to make payment of the money difference between the contract price and the buy-in price within the time specified, the Member concerned shall become a defaulter, and Notice of such default shall be provided by the Exchange to each Member.
- (2) A Member failing to make delivery to the Clearing Corporation of securities and/or a certified cheque within the time limited by the rules governing the Clearing Corporation may be adjudged a defaulter.

#### **12.07 Delivering Member Responsible for Good Delivery Form**

- (1) The delivering Member is responsible for the genuineness and complete regularity of the security, and a certificate that is not in proper negotiable form shall be replaced forthwith by one which is valid and in prior negotiable form, or by a certified cheque in lieu thereof, if a replacement certificate is not available.
- (2) A Member that has received delivery of a certificate that is not acceptable as good transfer by the transfer agent shall return it to the delivering Member, which shall make delivery of a certificate that is good delivery or of a certified cheque in lieu thereof.

#### **12.08 Delisted Securities**

- (1) Any open orders on a Listed Security or an OTS that will no longer be listed on its applicable exchange will be cancelled after the closing on the day preceding the delisting.

## **PART XIII. APPLICATION OF UMIR**

### **13.01 Application**

- (1) The provisions of UMIR as amended from time to time apply to trading on the Exchange Systems and form part of the Exchange Requirements.
- (2) Any investigations and enforcement actions concerning a violation of a provision of UMIR will be conducted by the Market Regulator following the procedures set out in UMIR.

## PART XIV. APPEALS

### 14.01 Appeals of Decision

- (1) A Member or any other person adversely affected by a Decision, other than a Decision of the Market Regulator, may appeal such Decision to the Exchange' Board of Directors (or a designated committee thereof).

**Commentary:**

*Appeals shall be conducted according to the procedures established by the Exchange Board of Directors.*

- (2) A Member or other person who has appealed a decision pursuant to Subsection (1) may appeal the decision of the Exchange Board by following the arbitration procedures set out in the Member Agreement and/or by appeal to the securities regulatory authority.
- (3) A Member or any other person adversely affected by a Decision of the Market Regulator may appeal such Decision pursuant to the provisions of UMIR.

## **PART XV. ADMINISTRATION**

### **15.01 Method of Notifications**

- (1) Unless otherwise specifically provided in any the Exchange Requirement, Notice shall be sufficiently given and be reasonably expected to come to the attention of such person if:
  - (a) delivered to the person to whom it is to be given;
  - (b) delivered to the last address of such Person as recorded by the Exchange or any recognized self-regulatory organization; or
  - (c) mailed or sent electronically, including e-mail, to such person.
- (2) The Exchange may change the address of any person on the records of the Exchange in accordance with any information believed by the Exchange to be reliable.
- (3) A Notice delivered in accordance with this policy shall be deemed to have been given when it is sent.
- (4) The Exchange will provide Notice of updates to this Trading Policies within 30 days prior to the change and provide the link to the updated or newly added section.

### **15.02 Computation of Time**

- (1) In computing the time when a Notice must be given for the doing of anything or taking any proceeding under any provision of an Exchange Requirement, the date of giving of the Notice or of such event shall be excluded and the date of the meeting, hearing, doing of the act or taking of the proceedings shall be included.
- (2) Where the time limited for a proceeding or the doing of anything under any provision of an Exchange policy or requirement expires, the time so limited extends to and the thing may be done on the next day following.

### **15.03 Waiver of Notice**

- (1) Any Person referred to in Section 15.01 may waive any Notice required to be given to such person and such waiver, whether given before or after the meeting, hearing or other event of which Notice is required to be given, shall cure any default in giving such Notice.

#### **15.04 Omission or Errors in Giving Notice**

- (1) The accidental omission to give any Notice to any person or the non-receipt of any Notice by any person or any error in any Notice not affecting the substance thereof shall not invalidate any action or proceeding founded thereon or taken at any hearing held pursuant thereto.

#### **15.05 Withdrawal of Approval and Changes in Exchange Requirements**

- (1) Any Exchange Approval and any Exchange Requirement may at any time be changed, suspended, withdrawn or revoked by the Exchange, with 30 days' Notice unless otherwise provided in these Trading Policies, agreements or as required by circumstance subject to the rule approval process of the securities regulatory authorities.
- (2) Each Member and each Approved Trader will comply with such change, suspension, withdrawal or revocation and any Decisions made by the Exchange.

#### **15.06 Contact Information**

For information on Member and Market Services please contact:

[•]

[Aequitas Neo Exchange Letterhead]

**MEMBER AGREEMENT and INFORMATION FORM**

<b>I. GENERAL</b>			
Legal Name of Applicant			
Broker Number	CUID	Sub ID	IIROC ID
Type of Organization <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other, please specify:			
Address of Head Office			
Business Continuity Address			
Phone No.	Fax No.	Website	
Principal business activities		Sponsored DEA Clients <input type="checkbox"/> YES <input type="checkbox"/> NO	
Will Applicant apply to be a Market Maker? <input type="checkbox"/> YES <input type="checkbox"/> NO If YES, complete the Market Maker Application Form and Agreement on page ●		Algorithmic Trading <input type="checkbox"/> YES <input type="checkbox"/> NO	Program Trading <input type="checkbox"/> YES <input type="checkbox"/> NO
Independent Software Vendor (ISV) (if more than one, please use an attachment)			
Data Vendor (if more than one, please use an attachment)			
Connectivity Provider(s)			
Type of Service(s) <sup>1</sup>			
<b>AUTHORIZED REPRESENTATIVE(S)</b> Senior Officer, Director or Partner)			
Primary Contact Name and Title		Secondary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>TRADING CONTACTS</b> (If more than two, please use an attachment)			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	

<sup>1</sup> Please specify the type of services (e.g., managed, private circuit or cross connect) and required bandwidth for the connection.

<b>ACCOUNTING / BILLING CONTACTS</b>			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>COMPLIANCE CONTACTS</b>			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>BACK OFFICE CONTACTS</b>			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>LEGAL CONTACTS</b>			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>INCIDENT NOTIFICATION CONTACTS</b>			
Primary Contact Name and Title		Secondary Contact Name and Title	
Email		Email	
(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.	(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.
<b>TECHNICAL / SERVICE DESK CONTACTS</b>			
Primary Contact Name and Title		Secondary Contact Name and Title	
Email		Email	
(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.	(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.
<b>INCIDENT RESOLUTION CONTACTS</b>			
Primary Contact Name and Title		Secondary Contact Name and Title	
Email	Pager	Email	Pager
(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.	(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.



**II. APPROVED TRADER IDS AND IDENTIFICATION OF RETAIL AND TIP QUALIFIED IDS**

**INSTRUCTIONS:**

- (1) If there is insufficient space, please use an attachment.
- (2) If the address of any Approved Trader listed below or on the attachment, if any, is different from the head office of the Applicant provided above, please include the address(es) for the relevant Approved Trader(s) on an attachment.
- (3) If the Applicant is connecting through more than one ISV, please provide the Approved Trader IDs for each ISV on a separate attachment.
- (4) See Part V for Trader IDs assigned to DEA clients
- (5) See section 6 of the Member Agreement regarding the qualification of Retail and TIP IDs.
- (6) Please attach a copy of your order entry business structure.

Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES

**III. DEA CLIENT**

**INSTRUCTIONS:**

- (1) Please provide information for each DEA Client on a separate attachment.
- (2) If there is insufficient space, please use an attachment.

<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES

IV. FIX COPY DROP ORDER FORM			
[Note to Draft: TBD, including priced v. free]			

V. ORDER ENTRY REQUIREMENTS			
[Note to Draft: TBD, including priced v. free]			

## MEMBER AGREEMENT

This agreement (the “**Member Agreement**”), with an effective date as of the date executed on the signature page hereto, is made between Aequitas Neo Exchange Inc., a Canadian corporation, with its principal place of business at [•] (the “**Exchange**”), and the member referenced on the signature page hereto (“**Member**”).

**1. Definitions.** Capitalized words and phrases used but not defined in this Member Agreement have the respective meanings given to them in the Trading Policies.

**2. Incorporation of Trading Policies.** The Trading Policies are incorporated by reference into and form part of this Member Agreement. The Trading Policies, as amended from time to time, shall prevail in the event of any conflict or inconsistency between the application or interpretation of any provision of this Member Agreement and the application or interpretation of the Trading Policies.

### **3. Services**

- (a) Subject to the terms and conditions of this Member Agreement, the Exchange shall provide Member with:
  - (i) access to the Exchange Systems to enter, view and cancel orders, receive execution reports and status updates and execute trades against orders on the Trading Books; and (ii) the Exchange Private Data in accordance with section 11(b) (collectively, the “**Services**”).
- (b) The Exchange reserves the right to make additions to, deletions from and otherwise modify the Services and the Exchange Systems; provided that the Exchange shall notify Member before such addition, deletion or other modification becomes effective (which notice may be provided by way of a notice to members generally posted to the Exchange’s website or sent electronically to the Authorized Representative). Any use of the Services or access or use of the Exchange Systems by Member after the expiration of the notice period shall be deemed acceptance by Member of such addition, deletion or other modification.
- (c) Nothing in this Member Agreement constitutes an undertaking by the Exchange to continue any aspect of the Services or the Exchange Systems in their current forms.

### **4. Fees**

- (a) Fees. Member shall make timely payment of all fees relating to the use of the Services and access to and use of the Exchange Systems (as set forth in Schedule A attached hereto or posted from time to time on the Exchange’s website) as well as any and all other amounts payable in connection with this Member Agreement. Subject to all applicable laws and the Exchange Requirements, the Exchange reserves the right to change its fee schedule upon 30 days’ prior notice to Member (which notice may be provided by way of a notice to members generally posted to the Exchange’s website).
- (b) Method of Payment. Member may elect a method of payment as set forth in Schedule B attached hereto. If Member does not complete and deliver Schedule B to the Exchange, the Exchange shall collect all fees and other amounts directly from Member.
- (c) Payment; Failure to Pay. Fees are payable within 30 days of the invoice date. Member shall pay to the Exchange interest in the amounts set forth in Schedule A attached hereto or as posted from time to time on the Exchange’s website on all past due fees and other amounts that are not the subject of a legitimate and *bona fide* dispute. Failure to make full payment of outstanding fees or other amounts within 30 days from the invoice date may result in suspension of the Services, without notice to Member, which suspension may continue until full payment of all outstanding fees and other amounts has been made. If all outstanding

fees and other amounts have not been paid in full within 15 days of the date of suspension of the Services, the Exchange may terminate the Services and this Member Agreement.

- (d) Member will pay all fees and other amounts required under this Member Agreement or the Exchange Requirements without regard to any right of setoff or counterclaim it may have against the Exchange or any of its affiliates, subsidiaries or related entities.

**5. Representations and Warranties of Member.** Member represents and warrants that:

- (a) it has the power and capacity to enter into, and perform its obligations under, this Member Agreement and all necessary corporate and other actions and approvals have been taken or obtained to authorize the execution and delivery of this Member Agreement by Member and the performance of its obligations hereunder;
- (b) this Member Agreement is a valid and binding obligation of Member, enforceable against Member in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other applicable laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (c) it is, and during the term of this Agreement will be, a dealer member in good standing of IIROC and will promptly notify the Exchange if it ceases to be so qualified;
- (d) it has received and reviewed the Trading Policies and will use reasonable efforts to ensure that it has and enforces procedures to monitor changes thereto;
- (e) it will be bound by, and will only use the Services and access the Exchange Systems in compliance with, the Exchange Requirements;
- (f) it has the authority, pursuant to all applicable laws and regulations, including the Exchange Requirements, to engage in the activities contemplated by this Member Agreement and will promptly notify the Exchange if it ceases to be so authorized; and
- (g) it has notified each Person for whom personal information has been or is being collected, used and disclosed to the Exchange: (i) that such personal information is being collected, used and disclosed for the purposes of this Member Agreement and the administration and enforcement of the Exchange Requirements and such Person has authorized such collection, use and disclosure; and (ii) of the title, business address and business telephone number of the privacy officer at the Exchange who can answer questions about the Exchange's collection, use and disclosure of such personal information.

**6. Appropriate Policies and Procedures for Compliance.** Member confirms and certifies that:

- (a) it has appropriate resources, policies and procedures in place to ensure compliance with all Exchange Requirements and the requirements of any Clearing Corporation used by the Exchange when undertaking any activity on the Exchange Systems in furtherance of a trade and has the capacity to settle all trades executed on or through the use of the Exchange Systems;
- (b) it has established, maintains and enforces policies and procedures designed to achieve trade matching in accordance with National Instrument 24-101 (*Trade Matching and Settlement*);
- (c) it will maintain and keep current a list of all Approved Traders and DEA Clients who may use the Services and obtain access to the Exchange Systems on behalf of Member and/or any DEA Client;

- (d) it will familiarize its Approved Traders and DEA Clients with all of Member's obligations under this Member Agreement and will ensure that they receive appropriate training before any use of the Services or access to or use of the Exchange Systems;
- (e) if it submits, or intends to submit orders to the Exchange Systems marked as "Neo Orders", "Dark Liquidity Taking Orders", "Neo Take Orders", "LST Take Orders" or "Retail Orders", it has established, maintains and monitors, and enforces compliance with, written policies and procedures that are reasonably designed to assure:
  - (i) that orders that are not "Neo Orders", "Dark Liquidity Taking Orders", "Neo Take Orders", "LST Take Orders" or "Retail Orders" are not designated as such when submitted to the Exchange Systems;
  - (ii) that the Member is in compliance with the Trading Policies and this Agreement when submitting orders that are marked as "Neo Orders", "Dark Liquidity Taking Orders", "Neo Take Orders", "LST Take Orders" or "Retail Orders"; and
  - (iii) Member has provided to the Exchange the names and identifiers of Approved Traders eligible to submit "Neo Orders", "Dark Liquidity Taking Orders", "Neo Take Orders", "LST Take Orders" or "Retail Orders", as identified in Part IV of the Member's Information Form or as otherwise from time to time disclosed to the Exchange in writing; and
- (f) where it is a Sponsoring Member or has entered into a routing or other arrangement to submit orders to the Exchange Systems, the policies and procedures implemented by the Member set out in Section 6(e) will apply to orders submitted by the DEA Client or other order originator.

**7. DEA Clients.** Member represents and warrants that, where the Member is a Sponsoring Member and provides to DEA Clients direct electronic access to the Exchange Systems:

- (a) the Member is in compliance with National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplace* ("**NI 23-103**") and UMIR in respect of each such DEA Client, and the written agreement between the Member and each such DEA Client required under NI 23-103 and UMIR provides, in addition to the requirements prescribed under NI 23-103 and UMIR, that:
- (b) the Exchange may immediately suspend the DEA Client's access to the Exchange Systems, without prior notice:
  - (i) on instruction from IIROC; or
  - (ii) if the Exchange concludes that the DEA Client has:
    - (A) abused or misused the Exchange Systems or has caused a disorderly market;
    - (B) failed to comply or is not in compliance with any Exchange Requirement; or
    - (C) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of the Exchange;

- (c) the Member must immediately terminate the DEA Client's access to the Exchange Systems upon notice from the Exchange or the Market Regulator and must not reinstate the DEA Client's access to the Exchange Systems without the Exchange's prior written approval;
- (d) the Member must immediately notify the Exchange if the Market Regulator requests that the DEA Client's access to the Exchange Systems be terminated; and
- (e) upon termination of the DEA Client's access to the Exchange Systems, the Exchange may, in its sole discretion, cancel all open orders entered by the DEA Client.

**8. Connectivity.** Member is solely responsible for providing and maintaining all necessary electronic communications with the Exchange Systems, including, wiring, computer hardware, software, communication line access and networking devices. Member will be solely responsible for any and all telecommunications costs and all other expenses incurred in linking to, and maintaining its link to, the Exchange Systems.

**9. Responsibility for and Settlement of Transactions.** The Exchange shall not be, directly or indirectly, a party to any trade or other transaction posted to or consummated on the Exchange Systems. The Exchange shall not be responsible for or otherwise guarantee any trade or other transaction effected by Member through the Exchange Systems. It is Member's absolute, unconditional and non-assignable obligation, in connection with each trade or other transaction effected by Member on the Exchange Systems, to ensure the accuracy, completeness and integrity of all information used by it and any resulting trade or other transaction, including the timely delivery of the subject securities and/or funds as well as any required remittance of interest, dividend payments and/or other distributions in compliance with applicable laws and rules, including, without limitation, relevant rules under National Instrument 24-101 *Clearing and Settlement*, as well as the rules of any Clearing Corporation. Member will promptly notify the Exchange in writing upon becoming aware of any material change in or to Member's clearing arrangements. The Exchange retains the right to break any trade or other transaction, without liability to Member or any of Member's clients or customers, in accordance with the Exchange Requirements. Member shall be responsible for maintaining all required records relating to trades and other transactions sent and received by it on the Exchange Systems.

**10. Acknowledgment of Obligations.** Member acknowledges and agrees that the Exchange may, when required to do so in fulfilment of its statutory or regulatory obligations and in accordance with Exchange Requirements, temporarily or permanently, unilaterally condition, modify, suspend or terminate the right of any and all Persons, including Member, to receive or use any of the Services or access or use the Exchange Systems. The Exchange shall undertake reasonable efforts to notify Member of any such condition, modification, suspension or termination, and Member shall promptly comply with any requirement that may be contained in such notice within such period of time as may be determined in good faith by the Exchange to be necessary and consistent with its statutory and regulatory obligations.

**11. Data**

- (a) Member's Originating Data. Member represents and warrants that: (i) Member owns or has sufficient rights in and to the pre-trade information and data that Member or Member's agent enters into the Exchange Systems ("**Member's Originating Data**") to permit the Exchange to use Member's Originating Data to perform all of its obligations under this Member Agreement, the Exchange Requirements and all applicable laws and regulations; (ii) use or delivery of Member's Originating Data by Member to the Exchange will not violate the proprietary rights (including, without limitation, any privacy rights) of any Person; and (iii) use or delivery of Member's Originating Data by Member to the Exchange will not violate any applicable law or regulation.
- (b) Exchange Private Data. Member may use the information and data relating to pre-trade orders and post-trade transactions relating to Member's trading-related activities on the Exchange Systems (the "**Exchange**



**Private Data**") solely for its own internal purposes. Such Exchange Private Data may be obtained from the Exchange or from a service provider authorized by the Exchange.

- (c) Exchange Public Data and Exchange Trading Data. All Information and data relating to pre-trade orders and post-trade transactions covering trading-related activities excluding the Exchange Private Data (the "**Exchange Public Data**") and all Exchange Public Data combined with Exchange Private Data (together the "**Exchange Trading Data**") shall be the subject matter of one or more data agreements between Member and the Exchange (or a data service provider authorized by the Exchange) (each a "**Data Agreement**"). Member may not use, disclose, provide access to or otherwise exploit the Exchange Public Data, Exchange Trading Data or any data feed containing quotation or trade information originating from the Exchange Systems except as provided in section 11(b) or pursuant to a Data Agreement.

## 12. **Ownership, Restrictions on Use, and Security of, the Exchange Systems**

- (a) Ownership by the Exchange. The Exchange retains ownership of the Exchange Systems and all rights, title and interest therein, including all inventions, patents, copyrights, trade secrets and other intellectual property rights associated with the Exchange Systems, and Member's sole rights in relation thereto are those granted under this Member Agreement.
- (b) Restrictions on Use. Unless otherwise required by law, Member may not sell, lease, license, furnish or otherwise permit or provide access to the Services or the Exchange Systems to any Person that is not an Approved Trader, employee, officer, director, client, customer, agent or DEA Client of Member.
- (c) Security. Member accepts full responsibility for the use of the Services and access to and use of the Exchange Systems by its Approved Traders, employees, officers, directors, clients, customers, agents and DEA Clients, which use and access must comply with the Exchange Requirements and Member's obligations under this Member Agreement. Member will implement security systems and policies and take all other reasonable security precautions to prevent unauthorized use of the Services or access to or use of the Exchange Systems, including unauthorized entry of information into the Exchange Systems, or the information and data made available thereby. Member acknowledges and agrees that Member is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of Member's Approved Traders, and for the trading and other consequences thereof, except in the event of wilful misconduct, fraud or a breach of this Member Agreement by the Exchange that results in unauthorized access by other Persons.

## 13. **Confidential Information**

- (a) Personal Information. The Exchange will retain, use and disclose personal information in accordance with its Privacy Statement (as amended from time to time) posted on its website.
- (b) Confidentiality. Member acknowledges that: (i) the Exchange Systems and the information and data made available thereby incorporate confidential and proprietary information created, developed or acquired by or licensed to the Exchange; and (ii) Member may receive or have access to other proprietary or confidential information disclosed and reasonably understood as confidential by the Exchange (collectively, the "**Confidential Information**"). Member will take all precautions necessary to safeguard the confidentiality of the Confidential Information, including without limitation: (i) those taken by Member to protect its own confidential information; and (ii) those which the Exchange may reasonably request from time to time. the Exchange will not disclose the identity of Member or Member's clients or customers to any of its other members or to any other Person in connection with orders, trades and other messages and instructions entered or executed by Member through use of the Services, except: (i) as required by a court of competent jurisdiction or a regulatory or self-regulatory authority with jurisdiction over the Exchange or Member; (ii)

to facilitate the clearance and settlement of trades;(iii) on an aggregate basis for analytical or reporting purposes; or (iv) with written consent from Member.

- (c) Disclosure. Member will not disclose, in whole or in part, the Confidential Information to any Person, except as specifically authorized under this Member Agreement. All Persons receiving Confidential Information shall: (i) have a need to know such Confidential Information for the purpose of administering this Member Agreement or the Exchange Requirements; (ii) have been informed of the confidential nature of such Confidential Information; and (iii) be bound by the terms of their employment or engagement to maintain the confidentiality of the Confidential Information.
- (d) Unauthorized Use or Disclosure. Member acknowledges that any unauthorized use, disclosure or dissemination of the Confidential Information may cause irreparable damage to the Exchange. If an unauthorized use, disclosure or dissemination occurs, Member will immediately notify the Exchange and take, at its expense, all steps necessary to recover the Confidential Information and to prevent its subsequent unauthorized use, disclosure or dissemination, including availing itself of equitable remedies including by way of injunction and specific performance. If Member fails to take such steps in a timely and adequate manner, the Exchange may take them at Member's expense and Member will provide the Exchange with its reasonable co-operation in such actions as the Exchange may request.
- (e) Permitted Disclosure. Member will have no confidentiality obligation with respect to any portion of the Confidential Information that: (i) Member independently developed before receiving the Confidential Information; (ii) Member lawfully obtained from a third party under no obligation of confidentiality; (iii) is or becomes available to the public other than as a result of an act or omission of any Person bound by any obligation not to disclose such information; or (iv) Member is compelled to disclose by law, regulation or legal process provided by a court of competent jurisdiction or other governmental or regulatory authority to whose jurisdiction Member is subject. If Member is requested or required (by order of a court of competent jurisdiction or other governmental or regulatory authority having competent jurisdiction) to disclose any Confidential Information, Member shall, to the extent permitted by law, provide the Exchange with prompt written notice of such request or requirement so that the Exchange may seek an appropriate protective order or waive compliance by Member with the provisions hereof. If, in the absence of a protective order or the receipt of a waiver hereunder, Member is, in the opinion of Member's legal counsel, legally compelled to disclose the Confidential Information, Member may disclose such Confidential Information without liability hereunder; provided, however, that Member shall disclose only that portion of the Confidential Information which it is legally compelled to disclose.

#### 14. Use of Marks

- (a) Use of the Exchange Marks. The Exchange hereby grants to Member a worldwide, revocable, non-transferable, non-exclusive right to use the names "Aequitas Neo Exchange" or other names or logos as provided to Member from time to time by the Exchange and any other related logos, trademarks or trade names (collectively, the "**Exchange Marks**") solely for the purpose of identifying the Exchange as the provider of the Services; provided, that Member does not: (i) modify the Exchange Marks in any manner or use them for any purpose other than as set forth in this section; (ii) engage in any action that adversely affects the good name, good will, image or reputation of the Exchange or the good name, good will, image or reputation associated with the Exchange Marks; or (iii) fail to use at all times, the appropriate trade or service mark notice as applicable or other such notices as the Exchange may from time to time specify on any item or material bearing the Exchange Marks.
- (b) Use of Member Marks. Member hereby grants to the Exchange a worldwide, revocable, non-transferable (except to the extent and manner otherwise provided in this Member Agreement), non-exclusive, right to use the name of Member and other logos as provided to the Exchange from time to time by Member and

any other related logos, trademarks or trade names (collectively, the “**Member Marks**”) solely for the purpose of identifying Member as a consumer of the Services; provided, that the Exchange does not: (i) modify the Member Marks in any manner or use them for any purpose other than as set forth in this section; (ii) engage in any action that adversely affects the good name, good will, image or reputation of Member or the good name, good will, image or reputation associated with the Member Marks; or (iii) fail to use at all times, the appropriate trade or service mark notice as applicable or other such notices as Member may from time to time specify on any item or material bearing the Member Marks.

**15. DISCLAIMER OF WARRANTY.** THE SERVICES AND THE EXCHANGE SYSTEMS ARE PROVIDED “AS-IS”, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED CONDITIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, ANY IMPLIED WARRANTY ARISING FROM TRADE USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE, AND OF ANY OTHER WARRANTY OR OBLIGATION WITH RESPECT TO THE SERVICES OR THE EXCHANGE SYSTEM OR ANY SOFTWARE OR OTHER MATERIALS MADE AVAILABLE TO MEMBER AND ALL OTHER SUCH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. THERE IS NO GUARANTEE THAT THE SERVICES PROVIDED BY THE EXCHANGE OR THE EXCHANGE SYSTEMS WILL MEET MEMBER’S REQUIREMENTS, BE ERROR-FREE OR OPERATE WITHOUT DELAY OR INTERRUPTION. THE EXCHANGE GIVES NO WARRANTIES OF ANY KIND AS TO THE FITNESS, CAPACITY OR CONDUCT OF ANY OTHER PERSON HAVING ACCESS TO THE SERVICES OR THE EXCHANGE SYSTEMS AND SHALL NOT BE HELD LIABLE TO OR THROUGH MEMBER OR OTHERWISE FOR ANY USE OR ABUSE WHATSOEVER OF THE SERVICES OR THE EXCHANGE SYSTEMS BY ANY PERSON HAVING ACCESS TO THE SERVICES OR THE EXCHANGE SYSTEMS, INCLUDING, WITHOUT LIMITATION, ANY FAILURE TO CONCLUDE TRANSACTIONS OR OBSERVE APPLICABLE MARKET REGULATIONS OR CONVENTIONS OR TO PAY REQUISITE TAXES OR OTHER CHARGES ON ANY TRANSACTIONS OR TO OTHERWISE ACT LAWFULLY. THE EXCHANGE SHALL NOT HAVE ANY RESPONSIBILITY TO MAINTAIN THE SERVICES OR THE EXCHANGE SYSTEMS OR TO SUPPLY ANY CORRECTIONS, UPDATES OR RELEASES IN CONNECTION THEREWITH.

**16. LIMITATION ON LIABILITIES**

- (A) LIMITATIONS. IN THE ABSENCE OF FRAUD, GROSS NEGLIGENCE OR DELIBERATE MISCONDUCT OR A CLAIM ARISING OUT OF THE EXCHANGE’S INDEMNIFICATION OBLIGATIONS HEREUNDER, NONE OF THE EXCHANGE, ITS AFFILIATES, SUBSIDIARIES, RELATED ENTITIES OR LICENSORS, NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, EMPLOYEES, CONTRACTORS, AGENTS, REPRESENTATIVES OR RELATED ENTITIES, WILL BE LIABLE FOR ANY LOSS OR CLAIM, INCLUDING WITHOUT LIMITATION, LOST PROFITS, LOSS OF OPPORTUNITY, LOSS OF USE, TRADING LOSSES, LOSS OF OTHER COSTS OR SAVINGS, NOR FOR ANY DAMAGES SUFFERED, OR COST OR EXPENSES INCURRED BY MEMBER OR BY ANY CUSTOMER OR ACCOUNT OF MEMBER OR ANY OTHER PERSON, OF ANY NATURE OR FROM ANY CAUSE WHATSOEVER, WHETHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL, ARISING OUT OF THE FURNISHING, PERFORMANCE, MAINTENANCE OR USE OF THE SERVICES, THE EXCHANGE SYSTEMS, EQUIPMENT, COMMUNICATION LINES, SOFTWARE, DATABASES, MANUALS OR ANY OTHER MATERIAL FURNISHED BY OR ON BEHALF OF THE EXCHANGE, OR CAUSED OR BASED UPON ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF THE TRANSMISSION OR DELIVERY OF THE SERVICES, WHETHER TO DELIVER, DISPLAY, TRANSMIT, EXECUTE, COMPARE, SUBMIT FOR CLEARANCE AND SETTLEMENT, OR OTHERWISE PROCESS AN ORDER, MESSAGE OR OTHER DATA ENTERED INTO OR CREATED BY THE EXCHANGE SYSTEMS, NOTWITHSTANDING THAT THE EXCHANGE MAY HAVE BEEN ADVISED OF THE POSSIBILITY THAT DAMAGES MAY OR WILL ARISE IN ANY GIVEN SITUATION. NEITHER MEMBER NOR ANY OF ITS DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, EMPLOYEES, CONTRACTORS OR REPRESENTATIVES IS AN EMPLOYEE, OFFICER, AGENT, REPRESENTATIVE OR OTHER PERSON WHO HAS THE AUTHORITY OR CAPACITY TO ACT FOR OR ON BEHALF OF THE EXCHANGE.
- (b) MONETARY DAMAGES. ABSENT A CLAIM ARISING OUT OF THE EXCHANGE’S INDEMNIFICATION OBLIGATIONS HEREUNDER OR A BREACH OF ITS OBLIGATIONS UNDER SECTION 13, THE EXCHANGE’S ENTIRE AGGREGATE LIABILITY ARISING FROM OR RELATED TO THIS MEMBER AGREEMENT AND ITS OBLIGATIONS HEREUNDER SHALL NOT EXCEED THE FEES CHARGED TO THE MEMBER AND COLLECTED BY

THE EXCHANGE IN THE TWO MONTHS PRECEDING THE DATE THAT THE FIRST CAUSE OF ACTION AROSE, INCLUDING A CAUSE OF ACTION THAT IS CONTINUING.

**17. Indemnification by Member.** Member agrees to indemnify, defend and hold harmless the Exchange, its affiliates, subsidiaries and related entities, and their respective directors, officers, shareholders, employees, agents and other representatives, from and against all liabilities, obligations, losses, damages, penalties, costs and expenses (including reasonable legal fees and expenses), whether direct, consequential or incidental in nature, claims, demands, proceedings, suits, actions, settlements and judgments (collectively, “**Losses and Claims**”) arising from, arising out of, or in respect of, the use, misuse or abuse of the Services or the Exchange Systems by Member or any of its officers, employees, Approved Traders or DEA Clients, or Member’s failure to comply with its obligations under this Member Agreement and the Exchange Requirements and for any Losses and Claims which may arise from a claim that any order, trade or other transaction in securities on the Exchange Systems by Member or any of its officers, employees, Approved Traders or DEA Clients was in violation of applicable securities or other laws or the Exchange Requirements.

**18. Indemnification by the Exchange**

- (a) Indemnity. Subject to section 18(c), the Exchange agrees to indemnify, defend and hold harmless Member from and against all Losses and Claims arising from, in connection with or arising out of, any threatened or actual third party claim that the Services or the Exchange Systems, or Member’s use thereof, infringes or misappropriates any copyright, patent, trademark, trade secret or other intellectual property right of a third party; provided that: (i) Member notifies the Exchange in writing of any claim, action, proceeding or allegation; (ii) the Exchange shall have sole control of the defence and settlement of any such claim, action, proceeding or allegation; and (iii) Member co-operates with the Exchange to facilitate the defence or settlement of such claim, action, proceeding or allegation. Failure by Member to promptly notify the Exchange of any claim, action, proceeding or allegation shall not relieve the Exchange of its indemnification obligations hereunder except to the extent that such failure prejudices the rights of the Exchange or results in additional liabilities, obligations, expenses or costs to the Exchange.
- (b) Process. Upon request by Member, the Exchange shall inform Member of the status of any claim, action, proceeding, settlement or negotiations. the Exchange, in defending any such claim, action, proceeding or allegation, shall not, without the written consent of Member, consent to the entry of any judgment or enter into any settlement which: (i) does not include, as an unconditional term, the grant by the claimant to Member of a release of all liabilities in respect of such claim, action, proceeding or allegation; and (ii) subjects Member to any obligation in addition to those set forth herein.
- (c) Exclusions. The Exchange shall have no obligation to indemnify, defend or hold harmless Member for any and all Losses and Claims imposed on, incurred by or asserted against Member Indemnified Party as a result of any allegation of infringement or misappropriation: (i) if the Services or the Exchange Systems have not been accessed or used in accordance with this Member Agreement which resulted in such infringement or misappropriation; (ii) if any Member Indemnified Party uses the Services or the Exchange Systems after the Exchange notifies Member of a potential or actual infringement claim; (iii) if the infringement or misappropriation claim, action, proceeding or allegation is the result of the combination, operation or use of the Services or the Exchange Systems as furnished by the Exchange with hardware, software or materials other than those provided by the Exchange; or (iv) in relation to the Member Originating Data.
- (d) Remedies. In the event of a claim, action, proceeding or allegation of infringement or misappropriation or if, in the Exchange’s reasonable opinion, such claim, action, proceeding or allegation is likely to occur or the use of Services or access or use of the Exchange Systems is enjoined because of infringement or misappropriation, the Exchange may, at its sole option and expense: (i) procure for Member the right to continue using the Services and the Exchange Systems without infringement or misappropriation; (ii)

replace or modify that portion of the Services or the Exchange Systems, as the case may be, to be non-infringing and require the return of the potentially infringing or misappropriating items, if applicable, without liability to Member or any other Person; or (iii) terminate this Member Agreement immediately without liability to Member (other than indemnification by the Exchange in accordance with this section) or any other Person.

- (e) Exclusivity. Despite section 16(b), this section 18 sets forth the entire liability of the Exchange and the exclusive remedy of Member in respect of any infringement or misappropriation of any intellectual property right of a third party by the Exchange.

## 19. Term and Termination

- (a) Term. This Member Agreement will continue until terminated pursuant to the terms hereof.
- (b) Termination with Notice. The Exchange or Member may terminate this Member Agreement by giving not less than 30 days' advance notice to the other party. The Exchange may postpone the effective date of such termination if Member: (i) is the subject of disciplinary proceedings or is under investigation for failure to comply with Exchange Requirements; or (ii) has any trades outstanding.
- (c) Termination by the Exchange without Notice. The Exchange may terminate this Member Agreement by giving not less than five days' advance notice to Member if Aequitas has concluded, after reasonable investigation, that Member is: (i) not in compliance with Exchange Requirements; or (ii) engaged in conduct, business or affairs that is unbecoming or is inconsistent with just and equitable principles of trade or detrimental to the interests of the Exchange.
- (d) Effect of Termination. Upon termination of this Member Agreement for any reason, all rights granted to Member hereunder will cease. If the Exchange or Member terminates this Member Agreement, immediately following the effective date of termination, Member shall: (i) permit the Exchange to immediately remove Member's access to the Services and the Exchange Systems; and (ii) return or destroy all materials provided by the Exchange pursuant to this Member Agreement relating to the Services and the Exchange Systems, except where the retention of such materials is required by law or pursuant to the Exchange Requirements.
- (e) Survival. Sections 4, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 26, 28, 29, 30, 31, 34 and 35 shall survive the expiration or termination of this Member Agreement. In no event will expiration or termination of this Member Agreement relieve Member of: (i) any obligations, including the obligation to pay all fees and other amounts, incurred up to the expiration or termination or through use of the Services or access or connection to the Exchange Systems; or (ii) any obligations to complete or implement any transaction entered into before such termination or arising from or accruing from authorized activities of Member up to the effective time of expiration or termination.

## 20. Dispute Resolution

- (a) Appeal to the Exchange Board. In the event of any dispute between Member and the Exchange which is not resolved to the satisfaction of Member, Member may appeal to the Exchange's Board in accordance with Division XIV of the Trading Policies.
- (b) Referral to Regulatory Authority or Arbitration. If Member refuses to accept or comply with any Decision of the Exchange's Board, Member may give notice (a "**Dispute Referral Notice**") to the Exchange of Member's intention to refer the dispute to either the securities regulatory authority having competent jurisdiction or to final binding arbitration in accordance with this section 20. Member shall deliver the

Dispute Referral Notice to the Exchange within **[10]** days after delivery of the Decision of the Exchange's Board. If Member fails to deliver the Dispute Referral Notice to the Exchange within such time period, Member will be deemed to have accepted, and shall comply with, and the Exchange shall be entitled to enforce, the Decision of the Exchange's Board.

- (c) Arbitration - General. The arbitration shall be conducted in Toronto, Ontario (with appropriate teleconferencing facilities being made available to Member if attendance in person is unduly onerous), in English, and in accordance with the *Arbitrations Act, 1991* (Ontario). All disputes referred to arbitration shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The arbitration shall be conducted before a single arbitrator, who shall be qualified and knowledgeable in the subject matter of the dispute, impartial, and independent of Member and the Exchange. Absent an award to the contrary, the fees and expenses of the arbitration shall be shared and paid by the Exchange and Member equally. In the event of any dispute relating to any of Member's orders, trades or other transactions executed through use of the Services or access or use of the Exchange Systems, the electronic records of the Exchange will be, in the absence of evidence to the contrary, proof of such orders or transactions.
- (d) Appointment of Arbitrator. If Member refers the dispute to arbitration, the Dispute Referral Notice shall include the name of three qualified individuals whom Member is prepared to appoint as arbitrator. Within 10 days of receipt of a Dispute Referral Notice referring a dispute to arbitration, the Exchange will, by notice to Member: agree to the appointment of one of the three individuals named by Member in the Dispute Referral Notice; or (ii) apply to the Ontario Superior Court of Justice for the appointment of a sole arbitrator. If the Exchange fails to otherwise notify Member within such 10-day period, Member may apply to the Ontario Superior Court of Justice for the appointment of a sole arbitrator.
- (e) Arbitration Procedures. Within **[20]** business days following the appointment of the arbitrator, Member shall deliver to the Exchange and the arbitrator a statement (a "**Complaint**") concisely setting forth the facts and law upon which it relies and the relief or remedy sought. Within **[20]** business days following receipt of the Complaint, the Exchange shall deliver to Member and the arbitrator a response (an "**Answer**") to the Complaint concisely setting forth its position and the facts and law upon which it relies supporting the Decision. If the Exchange fails to deliver an Answer within such **[20]**-business day period, the Exchange shall be deemed to have admitted the allegations of fact alleged in the Complaint and have accepted Member's entitlement to the relief and remedy set out in the Complaint. Within **[10]** business days after receipt of the Answer, Member may deliver to the Exchange and the arbitrator a reply to the Answer concisely setting forth its response, if any, to the Answer. Within **[10]** business days after the later of: (i) delivery of the Answer by the Exchange; and (ii) delivery of any reply to the Answer by Member, in either case, Member or the Exchange may, upon notice to the other party and the arbitrator, request the arbitrator to give directions and make any order which is, in the discretion of the arbitrator, reasonable regarding any procedural matters which properly should be resolved before the arbitrator proceeds further, including, without limitation, the amendment of any pleadings, the production of documents and the need for examinations for discovery, either by way of oral examination or written interrogatories, and a determination as to the manner in which evidence shall be presented to the arbitrator. In making any order or giving any direction in respect of any procedural matter, the arbitrator may impose such terms as are reasonable in order to ensure the completion of the arbitration in a timely manner. If neither the Exchange nor Member requests directions as provided above, within an additional **[10]** business days, the arbitrator shall give directions regarding the further procedural steps in the arbitration, including any production of documents, any examinations for discovery and the time and place of the first hearing. Member and the Exchange shall be present at each hearing and produce any and all records, books, documents and papers respect the subject matter of the dispute. Each of Member and the Exchange shall have an opportunity to make oral submissions to the arbitrator.

- (f) Award. The arbitrator shall have the authority to award any remedy or relief that a court or judge of the Ontario Superior Court of Justice or a securities regulatory authority having competent jurisdiction could order or grant. Unless the time for making an award is extended by agreement of Member and the Exchange or by court order, the arbitrator shall make an award within **[20]** Business Days after completion of any hearing or other final procedure step in which evidence or argument is provided to the arbitrator. The award shall be in writing and shall state the reasons on which it is based. The award may include an award of costs, including reasonable legal fees and disbursements, and fees and expenses of the arbitrator. Executed copies of all awards shall be delivered by the arbitrator to Member and the Exchange as soon as is reasonably possible. The award shall be final and binding on the parties. The arbitration shall be kept confidential and the existence of the proceeding and any element of it (including pleadings or awards) shall be kept confidential except as disclosure may be required by applicable law or self-regulatory organizations or for enforcement purposes.
- (g) Extension of Time Periods. The time limits referred to in this section 20 may be extended by agreement of Member and the Exchange.

## 21. Notices

- (a) Excluding notices that the Exchange may provide to members generally, whether posted to the Exchange's website or otherwise, all notices and other communications required or permitted to be given under this Member Agreement shall be in writing and shall be delivered to the addressee: (i) in person; (ii) by registered or certified mail; (iii) by courier service; or (iii) by confirmed facsimile or by electronic form that is accessible by the addressee so as to be usable for subsequent reference and capable of being retained by the addressee.
- (b) Any notice or communication to Member under this Member Agreement shall be sent to Member's last head office address as shown in the Exchange's records.
- (c) Any notice or communication to the Exchange under this Member Agreement shall be sent to:

**[Aequitas Neo Exchange]**  
**[address]**  
Attention: **[Head of Legal / General Counsel]**  
Fax: ●  
Email: ●

- (d) A notice or communication required or permitted to be given under this Member Agreement shall be effective at the time the delivery is made if the notice or communication is delivered personally, by courier service or by facsimile or other electronic form; or four days after the day the notice or communication is deposited in the mail if the notice or communication is sent by registered or certified mail. Despite the foregoing, if any such effective day is not a Business Day, the notice or communication is not effective until the next Business Day.
- (e) The Exchange or Member may, from time to time, change its address by notice to the other given in accordance with the provisions of this section.
- (f) The Exchange and Member consent to the use of electronic means for the delivery of all notices and other communications required or permitted to be given under this Member Agreement for purposes of administering this Member Agreement.

**22. Related Registrants.** Member acknowledges that individuals who are members of the Exchange's Board may be employees, officers, directors or partners of registrants under applicable Ontario and other securities laws. The Exchange has developed policies and procedures to address real or perceived conflicts of interest arising as a result of any real, perceived or potential conflicts of interest that may arise as a result of such relationships.

**23. Information Provided**

- (a) Member will promptly furnish to the Exchange such additional information and documentation as may be requested from time to time by the Exchange; and
- (b) Member warrants and represents that all information contained herein, and all other information provided to or to be provided to, and statements made to, the Exchange is, or will be at the time made, current, true and complete.

**24. Assignment.** Member's license to use the Services and the access and use the Exchange Systems during the term of this Member Agreement is personal, non-exclusive and non-transferable. Member shall not assign, delegate or otherwise transfer this Member Agreement or any of its rights or obligations hereunder without the Exchange's prior approval. The Exchange may, upon notice to Member (which notice may be provided by way of a notice to members generally and posted to the Exchange's website), assign or transfer this Member Agreement or any of its rights or obligations hereunder to another Person that is controlled by the Exchange, controls the Exchange or is under common control with the Exchange.

**25. Force Majeure.** Neither party will be liable for delay or failure to perform its obligations under this Member Agreement (other than failure to pay fees and other amounts when due) caused by an event that is beyond the party's control; provided, however, that such party will not have contributed in any way to such event and the other party shall be excused from performing its obligations under this Member Agreement (other than the payment of fees and other amounts when due) to the extent such party's obligations relate to the obligations of the first party that cannot be performed.

**26. Severability.** Each provision of this Member Agreement is intended to be severable. If any provision of this Member Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect: (i) the legality, validity or enforceability of the remaining provisions of this Member Agreement; or (ii) the legality, validity or enforceability of that provision in any other jurisdiction.

**27. Amendments.** The Exchange may, subject to receipt of all required approvals including those of the applicable securities regulatory authorities, amend any term or condition of this Member Agreement and the Trading Policies on 30 days' notice to Member (which notice may be provided by way of a notice to members generally and posted to the Exchange's website). Any use of the Services or access or use of the Exchange Systems by Member after the expiration of the notice period shall be deemed acceptance by Member of the amendment. Member may not alter any terms or conditions of this Member Agreement, and no modification to this Member Agreement proposed by Member will be effective or binding on the Exchange, unless in writing and signed by an authorized representative of the Exchange.

**28. Waivers.** A waiver of any provision of this Member Agreement will not be effective unless in writing and signed by the other party and then such waiver shall be limited to the circumstances set forth in such written waiver. No failure or delay of a party in exercising any right, power or remedy shall operate as a waiver nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.



**29. Persons Bound.** This Member Agreement is binding upon the parties and their respective successors and permitted assigns. Except as provided under sections 17 and 18, nothing in this Member Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

**30. Governing Law.** This Member Agreement and all other documents contemplated by or delivered in connection with this Member Agreement will be governed by and construed in accordance with the laws of the Provinces of Ontario and the federal laws of Canada applicable therein (without regard to conflicts of law principles that would impose the laws of another jurisdiction). For all matters not subject to section 20 (Dispute Resolution), the parties unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.

**31. Currency.** Unless otherwise specified, all references to dollar amounts (without further description) are to the currency of Canada and all calculations and payments are to be made in the currency of Canada.

**32. Further Assurances.** Member shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the Exchange may reasonably require from time to time for the purpose of giving effect to this Member Agreement and shall use reasonable efforts and take all steps as may be reasonably within its power to implement to their full extent the provisions of this Member Agreement.

**33. Time of the Essence.** Time is of the essence in all respects of this Member Agreement.

**34. Entire Agreement.** This Member Agreement (including the documents and instruments referred to herein) and the Exchange Requirements constitutes the entire agreement between the Exchange and Member with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof.

**35. Language.** The parties confirm that it is their wish that this Member Agreement be written in the English language only. *Les signatories conferment leur volonté que la présente membre convention soient rédigés en anglais seulement.*

**36. Counterparts, etc.** This Member Agreement may be executed in counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument and may be delivered by facsimile or e-mail transmission of an Adobe Acrobat file.

*[INTENTIONALLY BLANK – SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the parties have caused this Member Agreement to be executed by their authorized officers.

\_\_\_\_\_  
(Name of Applicant/Member - please print)

By: \_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Signatory – please print)

\_\_\_\_\_  
(Title – please print)

**AEQUITAS NEO EXCHANGE INC.**

By: \_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Signatory – please print)

\_\_\_\_\_  
(Title – please print)

Date: \_\_\_\_\_

**Schedule A**

**SCHEDULE OF FEES**

**[Note to Draft: To be inserted – A. Ropar to provide.]**

**Schedule B**

**CDS FEE COLLECTION AUTHORIZATION AND INFORMATION FORM**

For fees to be collected by the Exchange through CDS Clearing and Depository Services Inc. ("**CDS**"), a member must either:

- (a) be a CDS participant with a valid CUID; or
- (b) have established an introducing carrying broker relationship with a CDS participant with a valid CUID.

**Complete Part A or Part B, as applicable.**

**Part A – CDS Participant with a Valid CUID:**

The Exchange shall provide CDS with instructions detailing the total amount to be collected from \_\_\_\_\_ ("**Member**") for each monthly collection cycle. Instructions will be provided to CDS on or before the fourth business day of each month. Fees shall be remitted to the Exchange from CDS on behalf of Member on the 10<sup>th</sup> business day of every month.

<b>AUTHORIZATION TO COLLECT FEES THROUGH CDS</b>	
Member certifies that the information and statements contained herein for the purpose of fee collection through CDS is current, true and complete.	
Name of Member	CUID
Signature	Date
Name of Signatory	Title of Signatory

**[Part B appears on the following page]**

**Part B – Carrying Broker Relationship with a CDS Participant with a Valid CUID:**

The Exchange shall provide CDS with instructions detailing the total amount to be collected from \_\_\_\_\_ (Member’s carrying broker) for each monthly collection cycle. Instructions will be provided to CDS on or before the fourth business day of each month. Fees shall be remitted to the Exchange from CDS on behalf of Member on the 10<sup>th</sup> business day of every month.

<b>AUTHORIZATION TO COLLECT FEES THROUGH CDS VIA CARRYING BROKER</b>	
Member certifies that the information and statements contained herein for the purpose of fee collection through CDS via a carrying broker is current, true and complete.	
Name of Member	CUID
Signature	Date
Name of Signatory	Title of Signatory
<b>CARRYING BROKER AUTHORIZATION TO COLLECT FEES THROUGH CDS ON BEHALF OF MEMBER</b>	
Carrying Broker certifies that the information and statements contained below for the purpose of fee collection through CDS via a carrying broker is current, true and complete.	
Name of Carrying Broker	CUID
Signature	Date
Name of Signatory	Title of Signatory

Schedule C

**DESIGNATED MARKET MAKER APPLICATION FORM AND AGREEMENT**

*[Note to Draft: To be inserted.]*

[Aequitas Neo Exchange Letterhead]

**MEMBER AGREEMENT and INFORMATION FORM**

<b>I. GENERAL</b>			
Legal Name of Applicant			
Broker Number	CUID	Sub ID	IIROC ID
Type of Organization <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other, please specify:			
Address of Head Office			
Business Continuity Address			
Phone No.	Fax No.	Website	
Principal business activities		Sponsored DEA Clients <input type="checkbox"/> YES <input type="checkbox"/> NO	
Will Applicant apply to be a Market Maker? <input type="checkbox"/> YES <input type="checkbox"/> NO If YES, complete the Market Maker Application Form and Agreement on page ●		Algorithmic Trading <input type="checkbox"/> YES <input type="checkbox"/> NO	Program Trading <input type="checkbox"/> YES <input type="checkbox"/> NO
Independent Software Vendor (ISV) (if more than one, please use an attachment)			
Data Vendor (if more than one, please use an attachment)			
Connectivity Provider(s)			
Type of Service(s) <sup>1</sup>			
<b>AUTHORIZED REPRESENTATIVE(S)</b> Senior Officer, Director or Partner)			
Primary Contact Name and Title		Secondary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>TRADING CONTACTS</b> (If more than two, please use an attachment)			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	

<sup>1</sup> Please specify the type of services (e.g., managed, private circuit or cross connect) and required bandwidth for the connection.

<b>ACCOUNTING / BILLING CONTACTS</b>			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>COMPLIANCE CONTACTS</b>			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>BACK OFFICE CONTACTS</b>			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>LEGAL CONTACTS</b>			
Primary Contact Name and Title		Primary Contact Name and Title	
Email		Email	
Phone No.		Phone No.	
<b>INCIDENT NOTIFICATION CONTACTS</b>			
Primary Contact Name and Title		Secondary Contact Name and Title	
Email		Email	
(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.	(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.
<b>TECHNICAL / SERVICE DESK CONTACTS</b>			
Primary Contact Name and Title		Secondary Contact Name and Title	
Email		Email	
(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.	(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.
<b>INCIDENT RESOLUTION CONTACTS</b>			
Primary Contact Name and Title		Secondary Contact Name and Title	
Email	Pager	Email	Pager
(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.	(Trading Hours) Phone No.	(Non-Trading Hours) Phone No.



**II. APPROVED TRADER IDS AND IDENTIFICATION OF RETAIL AND TIP QUALIFIED IDS**

**INSTRUCTIONS:**

- (1) If there is insufficient space, please use an attachment.
- (2) If the address of any Approved Trader listed below or on the attachment, if any, is different from the head office of the Applicant provided above, please include the address(es) for the relevant Approved Trader(s) on an attachment.
- (3) If the Applicant is connecting through more than one ISV, please provide the Approved Trader IDs for each ISV on a separate attachment.
- (4) See Part V for Trader IDs assigned to DEA clients
- (5) See section 6 of the Member Agreement regarding the qualification of Retail and TIP IDs.
- (6) Please attach a copy of your order entry business structure.

Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES

**III. DEA CLIENT**

**INSTRUCTIONS:**

- (1) Please provide information for each DEA Client on a separate attachment.
- (2) If there is insufficient space, please use an attachment.

<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES
<b>Name of DEA Client</b>	<b>DEA Identifier</b>	<b>Name of DEA Client</b>	<b>DEA Identifier</b>
Trader ID	Name	Trader ID	Name
Trading Division	Email	Trading Division	Email
Phone No.	Fax No.	Phone No.	Fax No.
Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES	Approved for Retail <input type="checkbox"/> YES	Approved for Neo Trader <input type="checkbox"/> YES

IV. FIX COPY DROP ORDER FORM			
[Note to Draft: TBD, including priced v. free]			

V. ORDER ENTRY REQUIREMENTS			
[Note to Draft: TBD, including priced v. free]			

## MEMBER AGREEMENT

This agreement (the “**Member Agreement**”), with an effective date as of the date executed on the signature page hereto, is made between Aequitas Neo Exchange Inc., a Canadian corporation, with its principal place of business at [•] (the “**Exchange**”), and the member referenced on the signature page hereto (“**Member**”).

**1. Definitions.** Capitalized words and phrases used but not defined in this Member Agreement have the respective meanings given to them in the Trading Policies.

**2. Incorporation of Trading Policies.** The Trading Policies are incorporated by reference into and form part of this Member Agreement. The Trading Policies, as amended from time to time, shall prevail in the event of any conflict or inconsistency between the application or interpretation of any provision of this Member Agreement and the application or interpretation of the Trading Policies.

### **3. Services**

- (a) Subject to the terms and conditions of this Member Agreement, the Exchange shall provide Member with:
  - (i) access to the Exchange Systems to enter, view and cancel orders, receive execution reports and status updates and execute trades against orders on the Trading Books; and (ii) the Exchange Private Data in accordance with section 11(b) (collectively, the “**Services**”).
- (b) The Exchange reserves the right to make additions to, deletions from and otherwise modify the Services and the Exchange Systems; provided that the Exchange shall notify Member before such addition, deletion or other modification becomes effective (which notice may be provided by way of a notice to members generally posted to the Exchange’s website or sent electronically to the Authorized Representative). Any use of the Services or access or use of the Exchange Systems by Member after the expiration of the notice period shall be deemed acceptance by Member of such addition, deletion or other modification.
- (c) Nothing in this Member Agreement constitutes an undertaking by the Exchange to continue any aspect of the Services or the Exchange Systems in their current forms.

### **4. Fees**

- (a) Fees. Member shall make timely payment of all fees relating to the use of the Services and access to and use of the Exchange Systems (as set forth in Schedule A attached hereto or posted from time to time on the Exchange’s website) as well as any and all other amounts payable in connection with this Member Agreement. Subject to all applicable laws and the Exchange Requirements, the Exchange reserves the right to change its fee schedule upon 30 days’ prior notice to Member (which notice may be provided by way of a notice to members generally posted to the Exchange’s website).
- (b) Method of Payment. Member may elect a method of payment as set forth in Schedule B attached hereto. If Member does not complete and deliver Schedule B to the Exchange, the Exchange shall collect all fees and other amounts directly from Member.
- (c) Payment; Failure to Pay. Fees are payable within 30 days of the invoice date. Member shall pay to the Exchange interest in the amounts set forth in Schedule A attached hereto or as posted from time to time on the Exchange’s website on all past due fees and other amounts that are not the subject of a legitimate and *bona fide* dispute. Failure to make full payment of outstanding fees or other amounts within 30 days from the invoice date may result in suspension of the Services, without notice to Member, which suspension may continue until full payment of all outstanding fees and other amounts has been made. If all outstanding

fees and other amounts have not been paid in full within 15 days of the date of suspension of the Services, the Exchange may terminate the Services and this Member Agreement.

- (d) Member will pay all fees and other amounts required under this Member Agreement or the Exchange Requirements without regard to any right of setoff or counterclaim it may have against the Exchange or any of its affiliates, subsidiaries or related entities.

**5. Representations and Warranties of Member.** Member represents and warrants that:

- (a) it has the power and capacity to enter into, and perform its obligations under, this Member Agreement and all necessary corporate and other actions and approvals have been taken or obtained to authorize the execution and delivery of this Member Agreement by Member and the performance of its obligations hereunder;
- (b) this Member Agreement is a valid and binding obligation of Member, enforceable against Member in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other applicable laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (c) it is, and during the term of this Agreement will be, a dealer member in good standing of IIROC and will promptly notify the Exchange if it ceases to be so qualified;
- (d) it has received and reviewed the Trading Policies and will use reasonable efforts to ensure that it has and enforces procedures to monitor changes thereto;
- (e) it will be bound by, and will only use the Services and access the Exchange Systems in compliance with, the Exchange Requirements;
- (f) it has the authority, pursuant to all applicable laws and regulations, including the Exchange Requirements, to engage in the activities contemplated by this Member Agreement and will promptly notify the Exchange if it ceases to be so authorized; and
- (g) it has notified each Person for whom personal information has been or is being collected, used and disclosed to the Exchange: (i) that such personal information is being collected, used and disclosed for the purposes of this Member Agreement and the administration and enforcement of the Exchange Requirements and such Person has authorized such collection, use and disclosure; and (ii) of the title, business address and business telephone number of the privacy officer at the Exchange who can answer questions about the Exchange's collection, use and disclosure of such personal information.

**6. Appropriate Policies and Procedures for Compliance.** Member confirms and certifies that:

- (a) it has appropriate resources, policies and procedures in place to ensure compliance with all Exchange Requirements and the requirements of any Clearing Corporation used by the Exchange when undertaking any activity on the Exchange Systems in furtherance of a trade and has the capacity to settle all trades executed on or through the use of the Exchange Systems;
- (b) it has established, maintains and enforces policies and procedures designed to achieve trade matching in accordance with National Instrument 24-101 (*Trade Matching and Settlement*);
- (c) it will maintain and keep current a list of all Approved Traders and DEA Clients who may use the Services and obtain access to the Exchange Systems on behalf of Member and/or any DEA Client;

- (d) it will familiarize its Approved Traders and DEA Clients with all of Member's obligations under this Member Agreement and will ensure that they receive appropriate training before any use of the Services or access to or use of the Exchange Systems;
- (e) if it submits, or intends to submit orders to the Exchange Systems marked as "Neo Orders", "Dark Liquidity Taking Orders", "Neo Take Orders", "LST Take Orders" or "Retail Orders", it has established, maintains and monitors, and enforces compliance with, written policies and procedures that are reasonably designed to assure:
  - (i) that orders that are not "Neo Orders", "Dark Liquidity Taking Orders", "Neo Take Orders", "LST Take Orders" or "Retail Orders" are not designated as such when submitted to the Exchange Systems;
  - (ii) that the Member is in compliance with the Trading Policies and this Agreement when submitting orders that are marked as "Neo Orders", "Dark Liquidity Taking Orders", "Neo Take Orders", "LST Take Orders" or "Retail Orders"; and
  - (iii) Member has provided to the Exchange the names and identifiers of Approved Traders eligible to submit "Neo Orders", "Dark Liquidity Taking Orders", "Neo Take Orders", "LST Take Orders" or "Retail Orders", as identified in Part IV of the Member's Information Form or as otherwise from time to time disclosed to the Exchange in writing; and
- (f) where it is a Sponsoring Member or has entered into a routing or other arrangement to submit orders to the Exchange Systems, the policies and procedures implemented by the Member set out in Section 6(e) will apply to orders submitted by the DEA Client or other order originator.

**7. DEA Clients.** Member represents and warrants that, where the Member is a Sponsoring Member and provides to DEA Clients direct electronic access to the Exchange Systems:

- (a) the Member is in compliance with National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplace* ("**NI 23-103**") and UMIR in respect of each such DEA Client, and the written agreement between the Member and each such DEA Client required under NI 23-103 and UMIR provides, in addition to the requirements prescribed under NI 23-103 and UMIR, that:
- (b) the Exchange may immediately suspend the DEA Client's access to the Exchange Systems, without prior notice:
  - (i) on instruction from IIROC; or
  - (ii) if the Exchange concludes that the DEA Client has:
    - (A) abused or misused the Exchange Systems or has caused a disorderly market;
    - (B) failed to comply or is not in compliance with any Exchange Requirement; or
    - (C) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of the Exchange;

- (c) the Member must immediately terminate the DEA Client's access to the Exchange Systems upon notice from the Exchange or the Market Regulator and must not reinstate the DEA Client's access to the Exchange Systems without the Exchange's prior written approval;
- (d) the Member must immediately notify the Exchange if the Market Regulator requests that the DEA Client's access to the Exchange Systems be terminated; and
- (e) upon termination of the DEA Client's access to the Exchange Systems, the Exchange may, in its sole discretion, cancel all open orders entered by the DEA Client.

**8. Connectivity.** Member is solely responsible for providing and maintaining all necessary electronic communications with the Exchange Systems, including, wiring, computer hardware, software, communication line access and networking devices. Member will be solely responsible for any and all telecommunications costs and all other expenses incurred in linking to, and maintaining its link to, the Exchange Systems.

**9. Responsibility for and Settlement of Transactions.** The Exchange shall not be, directly or indirectly, a party to any trade or other transaction posted to or consummated on the Exchange Systems. The Exchange shall not be responsible for or otherwise guarantee any trade or other transaction effected by Member through the Exchange Systems. It is Member's absolute, unconditional and non-assignable obligation, in connection with each trade or other transaction effected by Member on the Exchange Systems, to ensure the accuracy, completeness and integrity of all information used by it and any resulting trade or other transaction, including the timely delivery of the subject securities and/or funds as well as any required remittance of interest, dividend payments and/or other distributions in compliance with applicable laws and rules, including, without limitation, relevant rules under National Instrument 24-101 *Clearing and Settlement*, as well as the rules of any Clearing Corporation. Member will promptly notify the Exchange in writing upon becoming aware of any material change in or to Member's clearing arrangements. The Exchange retains the right to break any trade or other transaction, without liability to Member or any of Member's clients or customers, in accordance with the Exchange Requirements. Member shall be responsible for maintaining all required records relating to trades and other transactions sent and received by it on the Exchange Systems.

**10. Acknowledgment of Obligations.** Member acknowledges and agrees that the Exchange may, when required to do so in fulfilment of its statutory or regulatory obligations and in accordance with Exchange Requirements, temporarily or permanently, unilaterally condition, modify, suspend or terminate the right of any and all Persons, including Member, to receive or use any of the Services or access or use the Exchange Systems. The Exchange shall undertake reasonable efforts to notify Member of any such condition, modification, suspension or termination, and Member shall promptly comply with any requirement that may be contained in such notice within such period of time as may be determined in good faith by the Exchange to be necessary and consistent with its statutory and regulatory obligations.

**11. Data**

- (a) Member's Originating Data. Member represents and warrants that: (i) Member owns or has sufficient rights in and to the pre-trade information and data that Member or Member's agent enters into the Exchange Systems ("**Member's Originating Data**") to permit the Exchange to use Member's Originating Data to perform all of its obligations under this Member Agreement, the Exchange Requirements and all applicable laws and regulations; (ii) use or delivery of Member's Originating Data by Member to the Exchange will not violate the proprietary rights (including, without limitation, any privacy rights) of any Person; and (iii) use or delivery of Member's Originating Data by Member to the Exchange will not violate any applicable law or regulation.
- (b) Exchange Private Data. Member may use the information and data relating to pre-trade orders and post-trade transactions relating to Member's trading-related activities on the Exchange Systems (the "**Exchange**



**Private Data**") solely for its own internal purposes. Such Exchange Private Data may be obtained from the Exchange or from a service provider authorized by the Exchange.

- (c) Exchange Public Data and Exchange Trading Data. All Information and data relating to pre-trade orders and post-trade transactions covering trading-related activities excluding the Exchange Private Data (the "**Exchange Public Data**") and all Exchange Public Data combined with Exchange Private Data (together the "**Exchange Trading Data**") shall be the subject matter of one or more data agreements between Member and the Exchange (or a data service provider authorized by the Exchange) (each a "**Data Agreement**"). Member may not use, disclose, provide access to or otherwise exploit the Exchange Public Data, Exchange Trading Data or any data feed containing quotation or trade information originating from the Exchange Systems except as provided in section 11(b) or pursuant to a Data Agreement.

## 12. **Ownership, Restrictions on Use, and Security of, the Exchange Systems**

- (a) Ownership by the Exchange. The Exchange retains ownership of the Exchange Systems and all rights, title and interest therein, including all inventions, patents, copyrights, trade secrets and other intellectual property rights associated with the Exchange Systems, and Member's sole rights in relation thereto are those granted under this Member Agreement.
- (b) Restrictions on Use. Unless otherwise required by law, Member may not sell, lease, license, furnish or otherwise permit or provide access to the Services or the Exchange Systems to any Person that is not an Approved Trader, employee, officer, director, client, customer, agent or DEA Client of Member.
- (c) Security. Member accepts full responsibility for the use of the Services and access to and use of the Exchange Systems by its Approved Traders, employees, officers, directors, clients, customers, agents and DEA Clients, which use and access must comply with the Exchange Requirements and Member's obligations under this Member Agreement. Member will implement security systems and policies and take all other reasonable security precautions to prevent unauthorized use of the Services or access to or use of the Exchange Systems, including unauthorized entry of information into the Exchange Systems, or the information and data made available thereby. Member acknowledges and agrees that Member is responsible for any and all orders, trades and other messages and instructions entered, transmitted or received under identifiers, passwords and security codes of Member's Approved Traders, and for the trading and other consequences thereof, except in the event of wilful misconduct, fraud or a breach of this Member Agreement by the Exchange that results in unauthorized access by other Persons.

## 13. **Confidential Information**

- (a) Personal Information. The Exchange will retain, use and disclose personal information in accordance with its Privacy Statement (as amended from time to time) posted on its website.
- (b) Confidentiality. Member acknowledges that: (i) the Exchange Systems and the information and data made available thereby incorporate confidential and proprietary information created, developed or acquired by or licensed to the Exchange; and (ii) Member may receive or have access to other proprietary or confidential information disclosed and reasonably understood as confidential by the Exchange (collectively, the "**Confidential Information**"). Member will take all precautions necessary to safeguard the confidentiality of the Confidential Information, including without limitation: (i) those taken by Member to protect its own confidential information; and (ii) those which the Exchange may reasonably request from time to time. the Exchange will not disclose the identity of Member or Member's clients or customers to any of its other members or to any other Person in connection with orders, trades and other messages and instructions entered or executed by Member through use of the Services, except: (i) as required by a court of competent jurisdiction or a regulatory or self-regulatory authority with jurisdiction over the Exchange or Member; (ii)

to facilitate the clearance and settlement of trades;(iii) on an aggregate basis for analytical or reporting purposes; or (iv) with written consent from Member.

- (c) Disclosure. Member will not disclose, in whole or in part, the Confidential Information to any Person, except as specifically authorized under this Member Agreement. All Persons receiving Confidential Information shall: (i) have a need to know such Confidential Information for the purpose of administering this Member Agreement or the Exchange Requirements; (ii) have been informed of the confidential nature of such Confidential Information; and (iii) be bound by the terms of their employment or engagement to maintain the confidentiality of the Confidential Information.
- (d) Unauthorized Use or Disclosure. Member acknowledges that any unauthorized use, disclosure or dissemination of the Confidential Information may cause irreparable damage to the Exchange. If an unauthorized use, disclosure or dissemination occurs, Member will immediately notify the Exchange and take, at its expense, all steps necessary to recover the Confidential Information and to prevent its subsequent unauthorized use, disclosure or dissemination, including availing itself of equitable remedies including by way of injunction and specific performance. If Member fails to take such steps in a timely and adequate manner, the Exchange may take them at Member's expense and Member will provide the Exchange with its reasonable co-operation in such actions as the Exchange may request.
- (e) Permitted Disclosure. Member will have no confidentiality obligation with respect to any portion of the Confidential Information that: (i) Member independently developed before receiving the Confidential Information; (ii) Member lawfully obtained from a third party under no obligation of confidentiality; (iii) is or becomes available to the public other than as a result of an act or omission of any Person bound by any obligation not to disclose such information; or (iv) Member is compelled to disclose by law, regulation or legal process provided by a court of competent jurisdiction or other governmental or regulatory authority to whose jurisdiction Member is subject. If Member is requested or required (by order of a court of competent jurisdiction or other governmental or regulatory authority having competent jurisdiction) to disclose any Confidential Information, Member shall, to the extent permitted by law, provide the Exchange with prompt written notice of such request or requirement so that the Exchange may seek an appropriate protective order or waive compliance by Member with the provisions hereof. If, in the absence of a protective order or the receipt of a waiver hereunder, Member is, in the opinion of Member's legal counsel, legally compelled to disclose the Confidential Information, Member may disclose such Confidential Information without liability hereunder; provided, however, that Member shall disclose only that portion of the Confidential Information which it is legally compelled to disclose.

#### 14. Use of Marks

- (a) Use of the Exchange Marks. The Exchange hereby grants to Member a worldwide, revocable, non-transferable, non-exclusive right to use the names "Aequitas Neo Exchange" or other names or logos as provided to Member from time to time by the Exchange and any other related logos, trademarks or trade names (collectively, the "**Exchange Marks**") solely for the purpose of identifying the Exchange as the provider of the Services; provided, that Member does not: (i) modify the Exchange Marks in any manner or use them for any purpose other than as set forth in this section; (ii) engage in any action that adversely affects the good name, good will, image or reputation of the Exchange or the good name, good will, image or reputation associated with the Exchange Marks; or (iii) fail to use at all times, the appropriate trade or service mark notice as applicable or other such notices as the Exchange may from time to time specify on any item or material bearing the Exchange Marks.
- (b) Use of Member Marks. Member hereby grants to the Exchange a worldwide, revocable, non-transferable (except to the extent and manner otherwise provided in this Member Agreement), non-exclusive, right to use the name of Member and other logos as provided to the Exchange from time to time by Member and

any other related logos, trademarks or trade names (collectively, the “**Member Marks**”) solely for the purpose of identifying Member as a consumer of the Services; provided, that the Exchange does not: (i) modify the Member Marks in any manner or use them for any purpose other than as set forth in this section; (ii) engage in any action that adversely affects the good name, good will, image or reputation of Member or the good name, good will, image or reputation associated with the Member Marks; or (iii) fail to use at all times, the appropriate trade or service mark notice as applicable or other such notices as Member may from time to time specify on any item or material bearing the Member Marks.

**15. DISCLAIMER OF WARRANTY.** THE SERVICES AND THE EXCHANGE SYSTEMS ARE PROVIDED “AS-IS”, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED CONDITIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, ANY IMPLIED WARRANTY ARISING FROM TRADE USAGE, COURSE OF DEALING OR COURSE OF PERFORMANCE, AND OF ANY OTHER WARRANTY OR OBLIGATION WITH RESPECT TO THE SERVICES OR THE EXCHANGE SYSTEM OR ANY SOFTWARE OR OTHER MATERIALS MADE AVAILABLE TO MEMBER AND ALL OTHER SUCH WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. THERE IS NO GUARANTEE THAT THE SERVICES PROVIDED BY THE EXCHANGE OR THE EXCHANGE SYSTEMS WILL MEET MEMBER’S REQUIREMENTS, BE ERROR-FREE OR OPERATE WITHOUT DELAY OR INTERRUPTION. THE EXCHANGE GIVES NO WARRANTIES OF ANY KIND AS TO THE FITNESS, CAPACITY OR CONDUCT OF ANY OTHER PERSON HAVING ACCESS TO THE SERVICES OR THE EXCHANGE SYSTEMS AND SHALL NOT BE HELD LIABLE TO OR THROUGH MEMBER OR OTHERWISE FOR ANY USE OR ABUSE WHATSOEVER OF THE SERVICES OR THE EXCHANGE SYSTEMS BY ANY PERSON HAVING ACCESS TO THE SERVICES OR THE EXCHANGE SYSTEMS, INCLUDING, WITHOUT LIMITATION, ANY FAILURE TO CONCLUDE TRANSACTIONS OR OBSERVE APPLICABLE MARKET REGULATIONS OR CONVENTIONS OR TO PAY REQUISITE TAXES OR OTHER CHARGES ON ANY TRANSACTIONS OR TO OTHERWISE ACT LAWFULLY. THE EXCHANGE SHALL NOT HAVE ANY RESPONSIBILITY TO MAINTAIN THE SERVICES OR THE EXCHANGE SYSTEMS OR TO SUPPLY ANY CORRECTIONS, UPDATES OR RELEASES IN CONNECTION THEREWITH.

**16. LIMITATION ON LIABILITIES**

- (A) LIMITATIONS. IN THE ABSENCE OF FRAUD, GROSS NEGLIGENCE OR DELIBERATE MISCONDUCT OR A CLAIM ARISING OUT OF THE EXCHANGE’S INDEMNIFICATION OBLIGATIONS HEREUNDER, NONE OF THE EXCHANGE, ITS AFFILIATES, SUBSIDIARIES, RELATED ENTITIES OR LICENSORS, NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, EMPLOYEES, CONTRACTORS, AGENTS, REPRESENTATIVES OR RELATED ENTITIES, WILL BE LIABLE FOR ANY LOSS OR CLAIM, INCLUDING WITHOUT LIMITATION, LOST PROFITS, LOSS OF OPPORTUNITY, LOSS OF USE, TRADING LOSSES, LOSS OF OTHER COSTS OR SAVINGS, NOR FOR ANY DAMAGES SUFFERED, OR COST OR EXPENSES INCURRED BY MEMBER OR BY ANY CUSTOMER OR ACCOUNT OF MEMBER OR ANY OTHER PERSON, OF ANY NATURE OR FROM ANY CAUSE WHATSOEVER, WHETHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL, ARISING OUT OF THE FURNISHING, PERFORMANCE, MAINTENANCE OR USE OF THE SERVICES, THE EXCHANGE SYSTEMS, EQUIPMENT, COMMUNICATION LINES, SOFTWARE, DATABASES, MANUALS OR ANY OTHER MATERIAL FURNISHED BY OR ON BEHALF OF THE EXCHANGE, OR CAUSED OR BASED UPON ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF THE TRANSMISSION OR DELIVERY OF THE SERVICES, WHETHER TO DELIVER, DISPLAY, TRANSMIT, EXECUTE, COMPARE, SUBMIT FOR CLEARANCE AND SETTLEMENT, OR OTHERWISE PROCESS AN ORDER, MESSAGE OR OTHER DATA ENTERED INTO OR CREATED BY THE EXCHANGE SYSTEMS, NOTWITHSTANDING THAT THE EXCHANGE MAY HAVE BEEN ADVISED OF THE POSSIBILITY THAT DAMAGES MAY OR WILL ARISE IN ANY GIVEN SITUATION. NEITHER MEMBER NOR ANY OF ITS DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, EMPLOYEES, CONTRACTORS OR REPRESENTATIVES IS AN EMPLOYEE, OFFICER, AGENT, REPRESENTATIVE OR OTHER PERSON WHO HAS THE AUTHORITY OR CAPACITY TO ACT FOR OR ON BEHALF OF THE EXCHANGE.
- (b) MONETARY DAMAGES. ABSENT A CLAIM ARISING OUT OF THE EXCHANGE’S INDEMNIFICATION OBLIGATIONS HEREUNDER OR A BREACH OF ITS OBLIGATIONS UNDER SECTION 13, THE EXCHANGE’S ENTIRE AGGREGATE LIABILITY ARISING FROM OR RELATED TO THIS MEMBER AGREEMENT AND ITS OBLIGATIONS HEREUNDER SHALL NOT EXCEED THE FEES CHARGED TO THE MEMBER AND COLLECTED BY

THE EXCHANGE IN THE TWO MONTHS PRECEDING THE DATE THAT THE FIRST CAUSE OF ACTION AROSE, INCLUDING A CAUSE OF ACTION THAT IS CONTINUING.

**17. Indemnification by Member.** Member agrees to indemnify, defend and hold harmless the Exchange, its affiliates, subsidiaries and related entities, and their respective directors, officers, shareholders, employees, agents and other representatives, from and against all liabilities, obligations, losses, damages, penalties, costs and expenses (including reasonable legal fees and expenses), whether direct, consequential or incidental in nature, claims, demands, proceedings, suits, actions, settlements and judgments (collectively, “**Losses and Claims**”) arising from, arising out of, or in respect of, the use, misuse or abuse of the Services or the Exchange Systems by Member or any of its officers, employees, Approved Traders or DEA Clients, or Member’s failure to comply with its obligations under this Member Agreement and the Exchange Requirements and for any Losses and Claims which may arise from a claim that any order, trade or other transaction in securities on the Exchange Systems by Member or any of its officers, employees, Approved Traders or DEA Clients was in violation of applicable securities or other laws or the Exchange Requirements.

**18. Indemnification by the Exchange**

- (a) Indemnity. Subject to section 18(c), the Exchange agrees to indemnify, defend and hold harmless Member from and against all Losses and Claims arising from, in connection with or arising out of, any threatened or actual third party claim that the Services or the Exchange Systems, or Member’s use thereof, infringes or misappropriates any copyright, patent, trademark, trade secret or other intellectual property right of a third party; provided that: (i) Member notifies the Exchange in writing of any claim, action, proceeding or allegation; (ii) the Exchange shall have sole control of the defence and settlement of any such claim, action, proceeding or allegation; and (iii) Member co-operates with the Exchange to facilitate the defence or settlement of such claim, action, proceeding or allegation. Failure by Member to promptly notify the Exchange of any claim, action, proceeding or allegation shall not relieve the Exchange of its indemnification obligations hereunder except to the extent that such failure prejudices the rights of the Exchange or results in additional liabilities, obligations, expenses or costs to the Exchange.
- (b) Process. Upon request by Member, the Exchange shall inform Member of the status of any claim, action, proceeding, settlement or negotiations. the Exchange, in defending any such claim, action, proceeding or allegation, shall not, without the written consent of Member, consent to the entry of any judgment or enter into any settlement which: (i) does not include, as an unconditional term, the grant by the claimant to Member of a release of all liabilities in respect of such claim, action, proceeding or allegation; and (ii) subjects Member to any obligation in addition to those set forth herein.
- (c) Exclusions. The Exchange shall have no obligation to indemnify, defend or hold harmless Member for any and all Losses and Claims imposed on, incurred by or asserted against Member Indemnified Party as a result of any allegation of infringement or misappropriation: (i) if the Services or the Exchange Systems have not been accessed or used in accordance with this Member Agreement which resulted in such infringement or misappropriation; (ii) if any Member Indemnified Party uses the Services or the Exchange Systems after the Exchange notifies Member of a potential or actual infringement claim; (iii) if the infringement or misappropriation claim, action, proceeding or allegation is the result of the combination, operation or use of the Services or the Exchange Systems as furnished by the Exchange with hardware, software or materials other than those provided by the Exchange; or (iv) in relation to the Member Originating Data.
- (d) Remedies. In the event of a claim, action, proceeding or allegation of infringement or misappropriation or if, in the Exchange’s reasonable opinion, such claim, action, proceeding or allegation is likely to occur or the use of Services or access or use of the Exchange Systems is enjoined because of infringement or misappropriation, the Exchange may, at its sole option and expense: (i) procure for Member the right to continue using the Services and the Exchange Systems without infringement or misappropriation; (ii)

replace or modify that portion of the Services or the Exchange Systems, as the case may be, to be non-infringing and require the return of the potentially infringing or misappropriating items, if applicable, without liability to Member or any other Person; or (iii) terminate this Member Agreement immediately without liability to Member (other than indemnification by the Exchange in accordance with this section) or any other Person.

- (e) Exclusivity. Despite section 16(b), this section 18 sets forth the entire liability of the Exchange and the exclusive remedy of Member in respect of any infringement or misappropriation of any intellectual property right of a third party by the Exchange.

## 19. Term and Termination

- (a) Term. This Member Agreement will continue until terminated pursuant to the terms hereof.
- (b) Termination with Notice. The Exchange or Member may terminate this Member Agreement by giving not less than 30 days' advance notice to the other party. The Exchange may postpone the effective date of such termination if Member: (i) is the subject of disciplinary proceedings or is under investigation for failure to comply with Exchange Requirements; or (ii) has any trades outstanding.
- (c) Termination by the Exchange without Notice. The Exchange may terminate this Member Agreement by giving not less than five days' advance notice to Member if Aequitas has concluded, after reasonable investigation, that Member is: (i) not in compliance with Exchange Requirements; or (ii) engaged in conduct, business or affairs that is unbecoming or is inconsistent with just and equitable principles of trade or detrimental to the interests of the Exchange.
- (d) Effect of Termination. Upon termination of this Member Agreement for any reason, all rights granted to Member hereunder will cease. If the Exchange or Member terminates this Member Agreement, immediately following the effective date of termination, Member shall: (i) permit the Exchange to immediately remove Member's access to the Services and the Exchange Systems; and (ii) return or destroy all materials provided by the Exchange pursuant to this Member Agreement relating to the Services and the Exchange Systems, except where the retention of such materials is required by law or pursuant to the Exchange Requirements.
- (e) Survival. Sections 4, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 26, 28, 29, 30, 31, 34 and 35 shall survive the expiration or termination of this Member Agreement. In no event will expiration or termination of this Member Agreement relieve Member of: (i) any obligations, including the obligation to pay all fees and other amounts, incurred up to the expiration or termination or through use of the Services or access or connection to the Exchange Systems; or (ii) any obligations to complete or implement any transaction entered into before such termination or arising from or accruing from authorized activities of Member up to the effective time of expiration or termination.

## 20. Dispute Resolution

- (a) Appeal to the Exchange Board. In the event of any dispute between Member and the Exchange which is not resolved to the satisfaction of Member, Member may appeal to the Exchange's Board in accordance with Division XIV of the Trading Policies.
- (b) Referral to Regulatory Authority or Arbitration. If Member refuses to accept or comply with any Decision of the Exchange's Board, Member may give notice (a "**Dispute Referral Notice**") to the Exchange of Member's intention to refer the dispute to either the securities regulatory authority having competent jurisdiction or to final binding arbitration in accordance with this section 20. Member shall deliver the

Dispute Referral Notice to the Exchange within **[10]** days after delivery of the Decision of the Exchange's Board. If Member fails to deliver the Dispute Referral Notice to the Exchange within such time period, Member will be deemed to have accepted, and shall comply with, and the Exchange shall be entitled to enforce, the Decision of the Exchange's Board.

- (c) Arbitration - General. The arbitration shall be conducted in Toronto, Ontario (with appropriate teleconferencing facilities being made available to Member if attendance in person is unduly onerous), in English, and in accordance with the *Arbitrations Act, 1991* (Ontario). All disputes referred to arbitration shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The arbitration shall be conducted before a single arbitrator, who shall be qualified and knowledgeable in the subject matter of the dispute, impartial, and independent of Member and the Exchange. Absent an award to the contrary, the fees and expenses of the arbitration shall be shared and paid by the Exchange and Member equally. In the event of any dispute relating to any of Member's orders, trades or other transactions executed through use of the Services or access or use of the Exchange Systems, the electronic records of the Exchange will be, in the absence of evidence to the contrary, proof of such orders or transactions.
- (d) Appointment of Arbitrator. If Member refers the dispute to arbitration, the Dispute Referral Notice shall include the name of three qualified individuals whom Member is prepared to appoint as arbitrator. Within 10 days of receipt of a Dispute Referral Notice referring a dispute to arbitration, the Exchange will, by notice to Member: agree to the appointment of one of the three individuals named by Member in the Dispute Referral Notice; or (ii) apply to the Ontario Superior Court of Justice for the appointment of a sole arbitrator. If the Exchange fails to otherwise notify Member within such 10-day period, Member may apply to the Ontario Superior Court of Justice for the appointment of a sole arbitrator.
- (e) Arbitration Procedures. Within **[20]** business days following the appointment of the arbitrator, Member shall deliver to the Exchange and the arbitrator a statement (a "**Complaint**") concisely setting forth the facts and law upon which it relies and the relief or remedy sought. Within **[20]** business days following receipt of the Complaint, the Exchange shall deliver to Member and the arbitrator a response (an "**Answer**") to the Complaint concisely setting forth its position and the facts and law upon which it relies supporting the Decision. If the Exchange fails to deliver an Answer within such **[20]**-business day period, the Exchange shall be deemed to have admitted the allegations of fact alleged in the Complaint and have accepted Member's entitlement to the relief and remedy set out in the Complaint. Within **[10]** business days after receipt of the Answer, Member may deliver to the Exchange and the arbitrator a reply to the Answer concisely setting forth its response, if any, to the Answer. Within **[10]** business days after the later of: (i) delivery of the Answer by the Exchange; and (ii) delivery of any reply to the Answer by Member, in either case, Member or the Exchange may, upon notice to the other party and the arbitrator, request the arbitrator to give directions and make any order which is, in the discretion of the arbitrator, reasonable regarding any procedural matters which properly should be resolved before the arbitrator proceeds further, including, without limitation, the amendment of any pleadings, the production of documents and the need for examinations for discovery, either by way of oral examination or written interrogatories, and a determination as to the manner in which evidence shall be presented to the arbitrator. In making any order or giving any direction in respect of any procedural matter, the arbitrator may impose such terms as are reasonable in order to ensure the completion of the arbitration in a timely manner. If neither the Exchange nor Member requests directions as provided above, within an additional **[10]** business days, the arbitrator shall give directions regarding the further procedural steps in the arbitration, including any production of documents, any examinations for discovery and the time and place of the first hearing. Member and the Exchange shall be present at each hearing and produce any and all records, books, documents and papers respect the subject matter of the dispute. Each of Member and the Exchange shall have an opportunity to make oral submissions to the arbitrator.

- (f) Award. The arbitrator shall have the authority to award any remedy or relief that a court or judge of the Ontario Superior Court of Justice or a securities regulatory authority having competent jurisdiction could order or grant. Unless the time for making an award is extended by agreement of Member and the Exchange or by court order, the arbitrator shall make an award within **[20]** Business Days after completion of any hearing or other final procedure step in which evidence or argument is provided to the arbitrator. The award shall be in writing and shall state the reasons on which it is based. The award may include an award of costs, including reasonable legal fees and disbursements, and fees and expenses of the arbitrator. Executed copies of all awards shall be delivered by the arbitrator to Member and the Exchange as soon as is reasonably possible. The award shall be final and binding on the parties. The arbitration shall be kept confidential and the existence of the proceeding and any element of it (including pleadings or awards) shall be kept confidential except as disclosure may be required by applicable law or self-regulatory organizations or for enforcement purposes.
- (g) Extension of Time Periods. The time limits referred to in this section 20 may be extended by agreement of Member and the Exchange.

## 21. Notices

- (a) Excluding notices that the Exchange may provide to members generally, whether posted to the Exchange's website or otherwise, all notices and other communications required or permitted to be given under this Member Agreement shall be in writing and shall be delivered to the addressee: (i) in person; (ii) by registered or certified mail; (iii) by courier service; or (iii) by confirmed facsimile or by electronic form that is accessible by the addressee so as to be usable for subsequent reference and capable of being retained by the addressee.
- (b) Any notice or communication to Member under this Member Agreement shall be sent to Member's last head office address as shown in the Exchange's records.
- (c) Any notice or communication to the Exchange under this Member Agreement shall be sent to:

**[Aequitas Neo Exchange]**  
**[address]**  
Attention: **[Head of Legal / General Counsel]**  
Fax: ●  
Email: ●

- (d) A notice or communication required or permitted to be given under this Member Agreement shall be effective at the time the delivery is made if the notice or communication is delivered personally, by courier service or by facsimile or other electronic form; or four days after the day the notice or communication is deposited in the mail if the notice or communication is sent by registered or certified mail. Despite the foregoing, if any such effective day is not a Business Day, the notice or communication is not effective until the next Business Day.
- (e) The Exchange or Member may, from time to time, change its address by notice to the other given in accordance with the provisions of this section.
- (f) The Exchange and Member consent to the use of electronic means for the delivery of all notices and other communications required or permitted to be given under this Member Agreement for purposes of administering this Member Agreement.

**22. Related Registrants.** Member acknowledges that individuals who are members of the Exchange's Board may be employees, officers, directors or partners of registrants under applicable Ontario and other securities laws. The Exchange has developed policies and procedures to address real or perceived conflicts of interest arising as a result of any real, perceived or potential conflicts of interest that may arise as a result of such relationships.

**23. Information Provided**

- (a) Member will promptly furnish to the Exchange such additional information and documentation as may be requested from time to time by the Exchange; and
- (b) Member warrants and represents that all information contained herein, and all other information provided to or to be provided to, and statements made to, the Exchange is, or will be at the time made, current, true and complete.

**24. Assignment.** Member's license to use the Services and the access and use the Exchange Systems during the term of this Member Agreement is personal, non-exclusive and non-transferable. Member shall not assign, delegate or otherwise transfer this Member Agreement or any of its rights or obligations hereunder without the Exchange's prior approval. The Exchange may, upon notice to Member (which notice may be provided by way of a notice to members generally and posted to the Exchange's website), assign or transfer this Member Agreement or any of its rights or obligations hereunder to another Person that is controlled by the Exchange, controls the Exchange or is under common control with the Exchange.

**25. Force Majeure.** Neither party will be liable for delay or failure to perform its obligations under this Member Agreement (other than failure to pay fees and other amounts when due) caused by an event that is beyond the party's control; provided, however, that such party will not have contributed in any way to such event and the other party shall be excused from performing its obligations under this Member Agreement (other than the payment of fees and other amounts when due) to the extent such party's obligations relate to the obligations of the first party that cannot be performed.

**26. Severability.** Each provision of this Member Agreement is intended to be severable. If any provision of this Member Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect: (i) the legality, validity or enforceability of the remaining provisions of this Member Agreement; or (ii) the legality, validity or enforceability of that provision in any other jurisdiction.

**27. Amendments.** The Exchange may, subject to receipt of all required approvals including those of the applicable securities regulatory authorities, amend any term or condition of this Member Agreement and the Trading Policies on 30 days' notice to Member (which notice may be provided by way of a notice to members generally and posted to the Exchange's website). Any use of the Services or access or use of the Exchange Systems by Member after the expiration of the notice period shall be deemed acceptance by Member of the amendment. Member may not alter any terms or conditions of this Member Agreement, and no modification to this Member Agreement proposed by Member will be effective or binding on the Exchange, unless in writing and signed by an authorized representative of the Exchange.

**28. Waivers.** A waiver of any provision of this Member Agreement will not be effective unless in writing and signed by the other party and then such waiver shall be limited to the circumstances set forth in such written waiver. No failure or delay of a party in exercising any right, power or remedy shall operate as a waiver nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.



**29. Persons Bound.** This Member Agreement is binding upon the parties and their respective successors and permitted assigns. Except as provided under sections 17 and 18, nothing in this Member Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

**30. Governing Law.** This Member Agreement and all other documents contemplated by or delivered in connection with this Member Agreement will be governed by and construed in accordance with the laws of the Provinces of Ontario and the federal laws of Canada applicable therein (without regard to conflicts of law principles that would impose the laws of another jurisdiction). For all matters not subject to section 20 (Dispute Resolution), the parties unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.

**31. Currency.** Unless otherwise specified, all references to dollar amounts (without further description) are to the currency of Canada and all calculations and payments are to be made in the currency of Canada.

**32. Further Assurances.** Member shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the Exchange may reasonably require from time to time for the purpose of giving effect to this Member Agreement and shall use reasonable efforts and take all steps as may be reasonably within its power to implement to their full extent the provisions of this Member Agreement.

**33. Time of the Essence.** Time is of the essence in all respects of this Member Agreement.

**34. Entire Agreement.** This Member Agreement (including the documents and instruments referred to herein) and the Exchange Requirements constitutes the entire agreement between the Exchange and Member with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof.

**35. Language.** The parties confirm that it is their wish that this Member Agreement be written in the English language only. *Les signatories conferment leur volonté que la présente membre convention soient rédigés en anglais seulement.*

**36. Counterparts, etc.** This Member Agreement may be executed in counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument and may be delivered by facsimile or e-mail transmission of an Adobe Acrobat file.

*[INTENTIONALLY BLANK – SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the parties have caused this Member Agreement to be executed by their authorized officers.

\_\_\_\_\_  
(Name of Applicant/Member - please print)

By: \_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Signatory – please print)

\_\_\_\_\_  
(Title – please print)

**AEQUITAS NEO EXCHANGE INC.**

By: \_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Signatory – please print)

\_\_\_\_\_  
(Title – please print)

Date: \_\_\_\_\_

**Schedule A**

**SCHEDULE OF FEES**

**[Note to Draft: To be inserted – A. Ropar to provide.]**

**Schedule B**

**CDS FEE COLLECTION AUTHORIZATION AND INFORMATION FORM**

For fees to be collected by the Exchange through CDS Clearing and Depository Services Inc. ("**CDS**"), a member must either:

- (a) be a CDS participant with a valid CUID; or
- (b) have established an introducing carrying broker relationship with a CDS participant with a valid CUID.

**Complete Part A or Part B, as applicable.**

**Part A – CDS Participant with a Valid CUID:**

The Exchange shall provide CDS with instructions detailing the total amount to be collected from \_\_\_\_\_ ("**Member**") for each monthly collection cycle. Instructions will be provided to CDS on or before the fourth business day of each month. Fees shall be remitted to the Exchange from CDS on behalf of Member on the 10<sup>th</sup> business day of every month.

<b>AUTHORIZATION TO COLLECT FEES THROUGH CDS</b>	
Member certifies that the information and statements contained herein for the purpose of fee collection through CDS is current, true and complete.	
Name of Member	CUID
Signature	Date
Name of Signatory	Title of Signatory

**[Part B appears on the following page]**

**Part B – Carrying Broker Relationship with a CDS Participant with a Valid CUID:**

The Exchange shall provide CDS with instructions detailing the total amount to be collected from \_\_\_\_\_ (Member’s carrying broker) for each monthly collection cycle. Instructions will be provided to CDS on or before the fourth business day of each month. Fees shall be remitted to the Exchange from CDS on behalf of Member on the 10<sup>th</sup> business day of every month.

<b>AUTHORIZATION TO COLLECT FEES THROUGH CDS VIA CARRYING BROKER</b>	
Member certifies that the information and statements contained herein for the purpose of fee collection through CDS via a carrying broker is current, true and complete.	
Name of Member	CUID
Signature	Date
Name of Signatory	Title of Signatory
<b>CARRYING BROKER AUTHORIZATION TO COLLECT FEES THROUGH CDS ON BEHALF OF MEMBER</b>	
Carrying Broker certifies that the information and statements contained below for the purpose of fee collection through CDS via a carrying broker is current, true and complete.	
Name of Carrying Broker	CUID
Signature	Date
Name of Signatory	Title of Signatory

Schedule C

**DESIGNATED MARKET MAKER APPLICATION FORM AND AGREEMENT**

*[Note to Draft: To be inserted.]*

[Aequitas Neo Exchange Letterhead]

**DESIGNATED MARKET MAKER APPLICATION FORM AND AGREEMENT**

This agreement (the “**DMM Agreement**”), with an effective date as of the date executed on the signature page hereof, is made between Aequitas Neo Exchange Inc., a Canadian corporation, with its principal place of business at [address] (“**the Exchange**”), and the member referenced in the signature page hereto (the “**DMM**”).

1. **INCORPORATION OF MEMBER AGREEMENT.** The member agreement, entered into between the Exchange and the DMM (as a “Member” of the Exchange), as it may be amended from time to time (the “**Member Agreement**”), is hereby incorporated into and forms a part of this DMM Agreement. The provisions of the Member Agreement, including without limitation all provisions with respect to the definitions, rights and responsibilities of the parties, representations and warranties, confidentiality, warranty, limitation on liability, indemnification, and dispute resolution provisions, to the extent that they are not inconsistent with the provisions hereof, apply *mutatis mutandis* to this DMM Agreement. In the case of any inconsistency between the terms of this DMM Agreement and the terms of the Member Agreement, the terms of the Member Agreement shall govern.
2. **DEFINITIONS.** Capitalized words and phrases used but not defined in this DMM Agreement have the respective meanings given to them in the Member Agreement and the Trading Policies.
3. **MARKET MAKER RESPONSIBILITIES**
  - (a) Appointment of DMM. Upon execution of this DMM Agreement, the DMM agrees to act as a “Designated Market Maker” (within the meaning of the Trading Policies) for all securities assigned to it by the Exchange. The Exchange may approve the DMM for specific securities in accordance with the terms of the Trading Policies or in such other manner as the Exchange may deem appropriate, in its sole discretion.
  - (b) Status as a Member. The DMM agrees to maintain its status as a “Member” (as that term is used in the Member Agreement and the Trading Policies) of the Exchange.
  - (c) Market Making Obligations. For its assigned securities, the DMM agrees to comply with all obligations of a “DMM” as set out in the Exchange Requirements, including but not limited to those obligations set out in Appendix “A” to this DMM Agreement (which may be amended by the Exchange upon notice to the DMM or by notice provided to Members or DMMs) and the Trading Policies, or as otherwise directed by the Exchange. Where the DMM does not comply with such requirements it will immediately advise the Exchange

of such failure in writing. Such notification will include specific information as to the nature of such failure to comply.

- (d) Resources. The DMM represents and warrants that it has and will continue to have necessary resources, including trained personnel, technology and capital, to allow it to:
- i. carry out all of its obligations under this DMM Agreement; and
  - ii. ensure compliance with all applicable Exchange Requirements when undertaking any activity on the Exchange System in furtherance of a trade, and has the capacity to settle all trades executed on or through the use of the System.
- (e) Policies and Procedures. The DMM shall implement policies and procedures to achieve and maintain compliance with its obligations under this DMM Agreement and the Exchange Requirements applicable to a "DMM", including but not limited to those obligations set out in Appendix "A" (which may be amended by the Exchange upon notice to the DMM or by notice provided to Members or DMMs) and the Trading Policies.
- (f) Odd Lot Responsibilities. The DMM will carry out all obligations as an odd lot dealer in its assigned securities as set out in the Trading Policies or as otherwise directed by the Exchange.
- (g) Term. Subject to each party's right to terminate in accordance with the provisions of this DMM Agreement or the Trading Policies, the DMM agrees to act as a "DMM" for:
- i. all Listed Securities assigned to it by the Exchange for an initial term of three (3) years following the date of assignment; and
  - ii. all Other Listed Securities assigned to it by the Exchange for an initial term of one (1) year following the date of assignment.

In each case, if the DMM has not given notice of its intention to terminate its status as a DMM for a Listed Security or Other Traded Security, the Exchange may reassign the Assigned Security to the current DMM for successive one year terms after the respective initial terms.

#### **4. MARKET MAKER BENEFITS**

- (a) Benefits. The DMM is entitled to the benefits set out in the Trading Policies and in Appendix "B" of this DMM Agreement (which may be amended by the Exchange upon notice to the DMM or by notice provided to Members or DMMs) in relation to the securities to which it is acting as the "DMM".



- (b) Invoicing. All cash benefits earned hereunder will be aggregated with fees payable under the Member Agreement in a single invoice payable monthly.

## 5. RESPONSIBILITIES OF THE EXCHANGE

- (a) Access to Information. The Exchange shall take reasonable steps to provide the DMM with access to information necessary to allow the DMM to evaluate the performance of its obligations hereunder. The Exchange will provide monthly (or more frequently at the Exchange's discretion) reports regarding the DMM's performance of its obligations. Such information shall be deemed to be confidential information, and subject to the confidentiality obligations of the DMM under the Member Agreement.
- (b) Changes to Trading Policies. Where practical to do so, the Exchange shall take reasonable steps to notify the DMM of proposed changes to the Trading Policies not less than 30 days prior to the implementation of such a change. Notwithstanding this obligation, the Exchange may implement any change in Trading Policies without such notification where the Exchange deems the immediate implementation of such change is necessary or desirable, in its absolute discretion. Nothing in this section shall be construed to affect the DMM's responsibility to comply with its obligations under section 3 herein.

## 6. TERMINATION OF RESPONSIBILITIES

- (a) Breach of Obligations. The Exchange shall be entitled to revoke or suspend the DMM's appointment as a "DMM" for any or all securities or attach such additional terms or conditions to this DMM Agreement as the Exchange deems to be necessary, where:
- i. the DMM fails to comply with any term of this DMM Agreement, the Member Agreement or the Exchange Requirements or if the DMM fails to consistently perform at an adequate level to the satisfaction of the Exchange (determined in the Exchange's sole discretion);
  - ii. the Exchange determines, in its sole discretion, that the DMM or its officers, employees, directors or agents have violated any applicable Exchange Requirements;
  - iii. the Exchange believes, in its sole discretion, that the DMM cannot or may not in the future carry out its obligations as a "DMM" under this DMM Agreement or the Trading Policies; or
  - iv. the Exchange determines, in its sole discretion, that the DMM or its officers, employees, directors or agents have in any way acted in a manner that is detrimental to the interests of the Exchange or the public.

- (b) Termination for Convenience. The DMM shall be entitled to terminate its responsibilities hereunder, in relation to some or all of the securities for which it acts as a “DMM”, by providing not less than sixty (60) days’ written notice of its intention to do so.
- (c) Transition. The DMM agrees to comply with all provisions of the Trading Policies relating to the transition responsibilities as a “DMM” wherever its responsibilities have been terminated or suspended hereunder.
- (d) Effect of Termination. Termination of this DMM Agreement or the DMM’s appointment as a “DMM” for a security shall not terminate or negate any obligations of the DMM to complete or implement any transaction entered into prior to such termination or arising from or accruing from authorized activities of the DMM up to the effective time of termination.

## 7. **LIMITATION ON LIABILITIES**

- (a) LIMITATIONS. IN THE ABSENCE OF FRAUD, GROSS NEGLIGENCE OR DELIBERATE MISCONDUCT OR A CLAIM ARISING OUT OF THE EXCHANGE’S INDEMNIFICATION OBLIGATIONS HEREUNDER, NONE OF THE EXCHANGE, ITS AFFILIATES, SUBSIDIARIES, RELATED ENTITIES OR LICENSORS, NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, EMPLOYEES, CONTRACTORS, AGENTS, REPRESENTATIVES OR RELATED ENTITIES, WILL BE LIABLE FOR ANY LOSS OR CLAIM, INCLUDING WITHOUT LIMITATION, LOST PROFITS, LOSS OF OPPORTUNITY, LOSS OF USE, TRADING LOSSES, LOSS OF OTHER COSTS OR SAVINGS, NOR FOR ANY DAMAGES SUFFERED, OR COST OR EXPENSES INCURRED BY THE MARKET MAKER OR ANY OTHER PERSON, OF ANY NATURE OR FROM ANY CAUSE WHATSOEVER, WHETHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL, ARISING OUT OF THE FURNISHING, PERFORMANCE, MAINTENANCE OR USE OF THE SERVICES, THE EXCHANGE SYSTEMS, EQUIPMENT, COMMUNICATION LINES, SOFTWARE, DATABASES, MANUALS OR ANY OTHER MATERIAL FURNISHED BY OR ON BEHALF OF THE EXCHANGE, OR CAUSED OR BASED UPON ANY INACCURACY, ERROR OR DELAY IN, OR OMISSION OF THE TRANSMISSION OR DELIVERY OF THE SERVICES, WHETHER TO DELIVER, DISPLAY, TRANSMIT, EXECUTE, COMPARE, SUBMIT FOR CLEARANCE AND SETTLEMENT, OR OTHERWISE PROCESS AN ORDER, MESSAGE OR OTHER DATA ENTERED INTO OR CREATED BY THE EXCHANGE SYSTEMS, NOTWITHSTANDING THAT THE EXCHANGE MAY HAVE BEEN ADVISED OF THE POSSIBILITY THAT DAMAGES MAY OR WILL ARISE IN ANY GIVEN SITUATION. NEITHER THE MARKET MAKER NOR ANY OF ITS DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS, EMPLOYEES, CONTRACTORS OR REPRESENTATIVES IS AN EMPLOYEE, OFFICER, AGENT, REPRESENTATIVE OR OTHER PERSON WHO HAS THE AUTHORITY OR CAPACITY TO ACT FOR OR ON BEHALF OF THE EXCHANGE.
- (b) MONETARY DAMAGES. ABSENT A CLAIM ARISING OUT OF THE EXCHANGE’S INDEMNIFICATION OBLIGATIONS HEREUNDER OR A BREACH OF ITS CONFIDENTIALITY

OBLIGATIONS HEREUNDER, THE EXCHANGE'S ENTIRE AGGREGATE LIABILITY ARISING FROM OR RELATED TO THIS MARKET MAKER AGREEMENT AND ITS OBLIGATIONS HEREUNDER SHALL NOT EXCEED THE FEES CHARGED TO THE MARKET MAKER AND COLLECTED BY THE EXCHANGE IN THE TWO MONTHS PRECEDING THE DATE THAT THE FIRST CAUSE OF ACTION AROSE, INCLUDING A CAUSE OF ACTION THAT IS CONTINUING.

**8. INDEMNIFICATION BY MARKET MAKER.** The DMM agrees to indemnify, defend and hold harmless the Exchange, its affiliates, subsidiaries and related entities, and their respective directors, officers, shareholders, employees, agents and other representatives, from and against all liabilities, obligations, losses, damages, penalties, costs and expenses (including reasonable legal fees and expenses), whether direct, consequential or incidental in nature, claims, demands, proceedings, suits, actions, settlements and judgments (collectively, "**Losses and Claims**") arising from, arising out of, or in respect of, the use, misuse or abuse of the Services or the Exchange Systems by the DMM or any of its officers, employees or Approved Traders, or the DMM's failure to comply with its obligations under this DMM Agreement and the Exchange Requirements and for any Losses and Claims which may arise from a claim that any order, trade or other transaction in securities on the Exchange Systems by the DMM or any of its officers, employees or Approved Traders was in violation of applicable securities or other laws or the Exchange Requirements.

**9. INDEMNIFICATION BY THE EXCHANGE**

(a) Indemnity. Subject to section 9(c), the Exchange agrees to indemnify, defend and hold harmless the DMM from and against all Losses and Claims arising from, in connection with or arising out of, any threatened or actual third party claim that the Services or the Exchange Systems, or the DMM's use thereof, infringes or misappropriates any copyright, patent, trademark, trade secret or other intellectual property right of a third party; provided that: (i) the DMM notifies the Exchange in writing of any claim, action, proceeding or allegation; (ii) the Exchange shall have sole control of the defence and settlement of any such claim, action, proceeding or allegation; and (iii) the DMM cooperates with the Exchange to facilitate the defence or settlement of such claim, action, proceeding or allegation. Failure by the DMM to promptly notify the Exchange of any claim, action, proceeding or allegation shall not relieve the Exchange of its indemnification obligations hereunder except to the extent that such failure prejudices the rights of the Exchange or results in additional liabilities, obligations, expenses or costs to the Exchange.

(b) Process. Upon request by the DMM, the Exchange shall inform the DMM of the status of any claim, action, proceeding, settlement or negotiations. The Exchange, in defending any such claim, action, proceeding or allegation, shall not, without the written consent of the DMM, consent to the entry of any judgment or enter into any settlement which: (i) does not include, as an unconditional term, the grant by the claimant to the DMM of a release

of all liabilities in respect of such claim, action, proceeding or allegation; and (ii) subjects the DMM to any obligation in addition to those set forth herein.

- (c) Exclusions. The Exchange shall have no obligation to indemnify, defend or hold the DMM harmless for any and all Losses and Claims imposed on, incurred by or asserted against the DMM as a result of any allegation of infringement or misappropriation: (i) if the Services or the Exchange Systems have not been accessed or used in accordance with this DMM Agreement or the Member Agreement which resulted in such infringement or misappropriation; (ii) if the DMM uses the Services or the Exchange Systems after the Exchange notifies the DMM of a potential or actual infringement claim; (iii) if the infringement or misappropriation claim, action, proceeding or allegation is the result of the combination, operation or use of the Services or the Exchange Systems as furnished by the Exchange with hardware, software or materials other than those provided by the Exchange; or (iv) in relation to the Member Originating Data.
- (d) Remedies. In the event of a claim, action, proceeding or allegation of infringement or misappropriation or if, in the Exchange's reasonable opinion, such claim, action, proceeding or allegation is likely to occur or the use of Services or access or use of the Exchange Systems is enjoined because of infringement or misappropriation, the Exchange may, at its sole option and expense: (i) procure for the DMM the right to continue using the Services and the Exchange Systems without infringement or misappropriation; (ii) replace or modify that portion of the Services or the Exchange Systems, as the case may be, to be non-infringing and require the return of the potentially infringing or misappropriating items, if applicable, without liability to the DMM or any other person; or (iii) terminate this DMM Agreement immediately without liability to the DMM (other than indemnification by the Exchange in accordance with this section) or any other person.
- (e) Exclusivity. Despite section 7(b), this section 9 sets forth the entire liability of the Exchange and the exclusive remedy of the DMM in respect of any infringement or misappropriation of any intellectual property right of a third party by the Exchange.

## 10. GENERAL

- (a) Assignment of rights. The DMM may not transfer or assign its rights and obligations hereunder, including the performance and benefits of its market making and odd lot responsibilities, to any party without the prior written approval of the Exchange.
- (b) Severability. Each provision of this DMM Agreement is intended to be severable. If any provision of this DMM Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect: (i) the legality, validity or enforceability of the remaining provisions of this DMM Agreement; or (ii) the legality, validity or enforceability of that provision in any other jurisdiction.

- (c) Amendments in writing. The Exchange may, subject to receipt of all required approvals including those of the applicable securities regulatory authorities, amend any term or condition of this DMM Agreement and the Trading Policies on 30 days' notice to DMM (which notice may be provided by way of a notice to all Members or DMMs and posted to the Exchange's website). Any use of the Services or access or use of the Exchange Systems by the DMM after the expiration of the notice period shall be deemed acceptance by the DMM of the amendment. The DMM may not alter any terms or conditions of this DMM Agreement, and no modification to this DMM Agreement proposed by the DMM will be effective or binding on the Exchange, unless in writing and signed by an authorized representative of the Exchange.
- (d) Waiver. The Exchange may, in its discretion, waive in writing any requirement of this DMM Agreement or the Trading Policies.
- (e) Governing law. This DMM Agreement shall be governed by the laws of the Province of Ontario and both parties unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario.
- (f) Counterparts, etc. This DMM Agreement may be executed in counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument and may be delivered by facsimile or e-mail transmission of an Adobe Acrobat file.

IN WITNESS WHEREOF, the parties have caused this DMM Agreement to be executed by their authorized officers.

\_\_\_\_\_  
(Name of Member / DMM - please print)

By: \_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Signatory – please print)

\_\_\_\_\_  
(Title – please print)

**AEQUITAS NEO EXCHANGE INC.**

By: \_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Name of Signatory – please print)

\_\_\_\_\_  
(Title – please print)

Date: \_\_\_\_\_

**Attachment “A” to the DMM Agreement  
 – Assigned Securities and Quoting Obligations**

Securities Assigned:	
Name of Member/DMM:	
DMM Approved Trader and ID:	
DMM Approved Back-up Trader and ID:	

**QUOTING OBLIGATIONS\***

<b>Listed Securities (securities listed on the Exchange)</b>			
	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>Quoting Requirement</b>	Two-sided quote obligation [*]% of the time between 9:30AM-4:00PM		
<b>Size &amp; Spread Percentage Requirement</b>	[*] Board Lots within [*]% of NLSP	[*]Board Lots within [*]% of NLSP	[*]Board Lots within [*]% of NLSP
<b>Presence Requirement</b>	[*]% of the time @ NBB and NBO	[*]% of the time @ NBB and NBO	[*]% of the time @ NBB and NBO
<b>Quote Range</b>	<b>Range</b> [*]% with <b>Defined Limit</b> of [*]% from NBB/O	<b>Range</b> of [*]% with <b>Defined Limit</b> of [*]% from NBB/O	<b>Range</b> of [*]% with <b>Defined Limit</b> of [*]% from NBB/O

<b>Other Listed Securities</b>			
	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>Quoting Requirement</b>	Two-sided quote obligation [*]% of the time between 9:30AM-4:00PM		
<b>Size &amp; Spread Percentage Requirement</b>	[*] Board Lots within [*]% of NLSP	[*] Board Lots within [*]% of NLSP	[*] Board Lots within [*]% of NLSP
<b>Presence Requirement</b>	[*]% of the time @ NBB and NBO	[*]% of the time @ NBB and NBO	[*]% of the time @ NBB and NBO
<b>Quote Range</b>	<b>Range</b> of [*]% with <b>Defined Limit</b> of [*]% from NBB/O	<b>Range</b> of [*]% with <b>Defined Limit</b> of [*]% from NBB/O	<b>Range</b> of [*]% with <b>Defined Limit</b> of [*]% from NBB/O

**\* All obligations apply to each of the Lit Book and Neo Book separately**

**Attachment “B” to the DMM Agreement  
– Benefits**

**Performance Bonus:**

The Exchange may contribute an amount monthly to a performance bonus pool, to be divided proportionally between all eligible DMMs. For a particular month, the Exchange will confirm the amount to be contributed to the performance bonus pool by general notice to DMMs at least 30 days in advance.

To be eligible for a performance bonus, DMMs must meet or exceed their obligations in all securities of responsibility (Listed Securities and Other Listed Securities) for the month; failure to meet the obligation in a single security disqualifies the DMM from the performance bonus for that particular month.

**Issuer Support Program:**

Listed Issuers may make payments to reward its DMM for meeting the obligations set by the Exchange. The Exchange will confirm the amount which may be contributed by Listed Issuers, and the timing of contributions and distributions.

The payments will be made to the Exchange, which will be responsible for monitoring and confirming that the DMM has met or exceeded its obligations prior to awarding the payment.



**IN THE MATTER OF  
THE SECURITIES ACT,  
R.S.O. 1990, CHAPTER S.5, AS AMENDED  
(the “Act”)**

**AND**

**IN THE MATTER OF  
AEQUITAS INNOVATIONS INC.  
AND  
AEQUITAS NEO EXCHANGE INC.**

**AND**

**IN THE MATTER OF  
BCE INC.  
BARCLAYS CORPORATION LIMITED  
BRILLIANT ORANGE HOLDINGS LTD.  
CI INVESTMENTS INC.  
IGM FINANCIAL INC.  
ITG CANADA CORP.  
OMERS OCM INVESTMENTS II INC.  
PSP PUBLIC MARKETS INC.  
AND  
RBC DOMINION SECURITIES INC.**

**ORDER  
(Sections 21 and 144 of the Act)**

**WHEREAS** Aequitas Innovations Inc. (Aequitas) and Aequitas Neo Exchange Inc. (Aequitas Neo Exchange) (the Applicants) have filed an application requesting recognition of Aequitas and Aequitas Neo Exchange as an exchange pursuant to section 21 of the Act (Application);

**AND WHEREAS** at the time of granting this order, Aequitas is the sole shareholder of the Exchange and BCE Inc., Barclays Corporation Limited, Brilliant Orange Holdings Ltd., CI Investments Inc., IGM Financial Inc., ITG Canada Corp., OMERS OCM Investments II Inc., PSP Public Markets Inc. and RBC Dominion Securities Inc. are each shareholders in Aequitas;

**AND WHEREAS** near the time of the launch of Aequitas Neo Exchange, Aequitas will conduct a financing whereby additional voting shares will be issued to buy-side and other non-dealer firms and sell-side firms;

**AND WHEREAS** the Commission has received certain representations and undertakings from the Applicants in connection with the Application;

**AND WHEREAS** the Applicants represent that Aequitas and Aequitas Neo Exchange satisfy the criteria for recognition as an exchange in Schedule 1 of this order;

**AND WHEREAS** the Commission has determined that the recognition of Aequitas and Aequitas Neo Exchange would not be prejudicial to the public interest;

**AND WHEREAS** Aequitas, Aequitas Neo Exchange and the founding shareholders (as defined in Schedule 2) have agreed to the applicable terms and conditions set out in Schedules 1 to 4 to the Order;

**AND WHEREAS** each of the launch shareholders that is also a significant shareholder (as defined in Schedule 2) will, upon acquisition of its shares, agree to the applicable terms and conditions set out in Schedule 4 to the Order and will execute and become a party to the Aequitas shareholders' agreement;

**IT IS ORDERED** that:

- (a) pursuant to section 21 of the Act, Aequitas is recognized as an exchange, and
- (b) pursuant to section 21 of the Act, Aequitas Neo Exchange is recognized as an exchange,

provided that the Applicants, the founding shareholders and the launch shareholders that are significant shareholders (as defined in Schedule 2) comply with the terms and conditions set out in Schedules 2, 3 and 4 to the Order, as applicable.

**DATED THIS**

## SCHEDULE 1

### CRITERIA FOR RECOGNITION

#### PART 1 COMPLIANCE WITH NI 21-101 AND NI 23-101

##### 1.1 Compliance with NI 21-101 and NI 23-101

The exchange complies with the requirements set out in National Instrument 21-101 *Marketplace Operation* (NI 21-101) and in National Instrument 23-101 *Trading Rules*, each as amended from time to time, which include requirements relating to:

- (a) access;
- (b) marketplace operations;
- (c) exchange rules, policies and other similar instruments;
- (d) order and trade transparency;
- (e) transparency of marketplace operations;
- (f) record keeping;
- (g) marketplace systems and business continuity planning;
- (h) confidentiality of information;
- (i) outsourcing;
- (j) clearing and settlement;
- (k) fair and orderly markets;
- (l) the management of conflicts of interest; and
- (m) filing of financial statements.

#### PART 2 GOVERNANCE

##### 2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

- (a) effective oversight of the exchange;
- (b) that business and regulatory decisions are in keeping with the exchange's public interest mandate;
- (c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:

- (i) appropriate representation of independent directors, and
- (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange;
- (d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest; and
- (e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

## **2.2 Fitness**

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person.

## **PART 3 ACCESS**

### **3.1 Fair Access**

- (a) The exchange has established appropriate written standards for access to its services including requirements to ensure participants are appropriately registered under Ontario securities laws, or exempted from these requirements.
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

## **PART 4 REGULATION OF PARTICIPANTS AND ISSUERS ON THE EXCHANGE**

### **4.1 Regulation**

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of participants and issuers, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

## **PART 5 RULES AND RULEMAKING**

### **5.1 Rules and Rulemaking**

- (a) The exchange has rules, policies, and other similar instruments (Rules) that are designed to appropriately govern and regulate the operations and activities of participants and issuers.
- (b) In addition to meeting the requirements of NI 21-101 relating to market operations and exchange rules, policies and other similar instruments as referred to in paragraphs 1.1(b) and (c) of this Schedule, respectively, the Rules are also designed to

- (i) ensure a fair and orderly market; and
- (ii) provide a framework for disciplinary and enforcement actions.

## **PART 6 DUE PROCESS**

### **6.1 Due Process**

For any decision made by the exchange that affects a participant or issuer, or an applicant to be a participant or issuer, including a decision in relation to access, listing, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and
- (b) it keeps a record of, gives reasons for and provides for appeals or reviews of its decisions.

## **PART 7 CLEARING AND SETTLEMENT**

### **7.1 Clearing and Settlement**

The exchange has appropriate arrangements for the clearing and settlement of trades.

## **PART 8 SYSTEMS AND TECHNOLOGY**

### **8.1 Information Technology Risk Management Procedures**

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

## **PART 9 FINANCIAL VIABILITY**

### **9.1 Financial Viability**

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

## **PART 10 FEES**

### **10.1 Fees**

- (a) All fees imposed by the exchange are reasonable and equitably allocated and are consistent with the requirements in Ontario securities laws, including those listed in paragraphs 1.1(a) and (e) of this Schedule.
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.

## **PART 11 INFORMATION SHARING AND REGULATORY COOPERATION**

### **11.1 Information Sharing and Regulatory Cooperation**

The exchange has mechanisms in place to enable it to share information and otherwise cooperate with the Commission, recognized self-regulatory organizations, other recognized or exempt exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

## SCHEDULE 2

### TERMS AND CONDITIONS APPLICABLE TO AEQUITAS NEO EXCHANGE

#### 1. DEFINITIONS AND INTERPRETATION

(a) For the purposes of this Schedule:

“accounting principles” means accounting principles as defined in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“Aequitas Neo Exchange dealer” means a dealer that is also a significant shareholder;

“Aequitas Neo Exchange marketplace participant” means a marketplace participant of Aequitas Neo Exchange;

“Aequitas Neo Exchange issuer” means a person or company whose securities are listed on Aequitas Neo Exchange;

“affiliated entity” has the meaning ascribed to it in section 1.3 of National Instrument 21-101 *Marketplace Operation*;

“associate” has the meaning ascribed to it in subsection 1(1) of the Act;

“Board” means the board of directors of Aequitas or Aequitas Neo Exchange, as the context requires;

“criteria for recognition” means all the criteria for recognition set out in Schedule 1 to the Order;

“dealer” means “investment dealer”, as that term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements*;

“founding shareholder” means each of the BCE Inc., Barclays Corporation Limited, Brilliant Orange Holdings Inc., CI Investments Inc., IGM Financial Inc., ITG Canada Corp., OMERS OCM Investments II Inc., PSP Public Markets Inc. and RBC Dominion Securities Inc.;

“IIROC” means the Investment Industry Regulatory Organization of Canada;

“launch shareholder” means a person or company that acquired any class of voting shares of Aequitas in financing completed in connection with the launch of Aequitas Neo Exchange;

“marketplace” has the meaning ascribed to it in subsection 1.(1) of the Act;

“marketplace participant” has the meaning ascribed to it in section 1.1 of NI 21-101;

“Nominating Committee” means the committee established by Aequitas Neo Exchange

pursuant to section 6 of this Schedule or by Aequitas pursuant to section 27 of Schedule 3, as the context requires;

“officer” has the meaning ascribed to it in subsection 1(1) of the Act;

“Regulatory Oversight Committee” means the committee established by Aequitas Neo Exchange pursuant to section 7 of this Schedule;

“Rule” means a rule, policy, or other similar instrument of Aequitas Neo Exchange;

“shareholder” means a founding shareholder or a launch shareholder;

“significant shareholder” means a person or company that:

- (i) is a founding shareholder;
- (ii) is a launch shareholder whose nominee is on the Board of Aequitas or Aequitas Neo Exchange, for so long as the nominee of the launch shareholder remains on the Board of Aequitas or Aequitas Neo Exchange;
- (iii) is a launch shareholder that has a partner, director or employee who is a director on the board of Aequitas or Aequitas Neo Exchange, for so long as such partner, officer, director or employee remains a member on this board;  
or
- (iv) beneficially owns or controls, directly or indirectly, more than 5% of any class or series of voting shares of Aequitas.

“unaudited consolidated financial statements” means financial statements that are prepared in the same manner as audited consolidated financial statements, except that they are not audited; and

“unaudited non-consolidated financial statements” means financial statements that are prepared in the same manner as audited consolidated financial statements, except that

- (i) they are not audited; and
  - (ii) investments in subsidiary entities, jointly controlled entities and associates are accounted for as specified for separate financial statements in International Accounting Standard 27 Separate Financial Statements.
- (b) For the purposes of this Schedule, an individual is independent if the individual is “independent” within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*, as amended from time to time, but is not independent if the individual:
- (i) is a partner, officer, director or employee of an Aequitas Neo Exchange marketplace participant or an associate of that partner, officer or employee;
  - (ii) is a partner, officer, director or employee of an affiliated entity of an



Aequitas Neo Exchange marketplace participant who is responsible for or is actively engaged in the day-to-day operations or activities of that Aequitas Neo Exchange marketplace participant;

- (iii) is an officer or an employee of Aequitas or any of its affiliates;
  - (iv) is a partner, officer or employee of a founding shareholder or launch shareholder of Aequitas or any of its affiliated entities or an associate of that partner, officer or employee;
  - (v) is a director of a founding shareholder or launch shareholder or any of its affiliated entities or an associate of that director;
  - (vi) is a person who owns or controls, or is the officer or employee of a person or company that owns or controls, directly or indirectly, more than 5% of the shares of Aequitas;
  - (vii) is the director of a person or company that beneficially owns or controls, directly or indirectly, more than 5% of any class or series of voting shares of Aequitas;
  - (viii) is a director that was nominated, and as a result appointed or elected, by a founding shareholder or launch shareholder; or
  - (ix) has, or has had, any relationship with a founding shareholder or a launch shareholder or a person or company that owns or controls, directly or indirectly, more than 5% of the shares of Aequitas, that could, in the view of the Nomination Committee, having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgment as a director of Aequitas or Aequitas Neo Exchange.
- (c) For the purposes of paragraph (b), the Nominating Committee may waive the restrictions set out in subparagraphs (b)(v), (b)(vii) and (viii) provided that:
- (i) the individual being considered does not have, and has not had, any relationship with a shareholder that could, in the view of the Nominating Committee, having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgement as a director of Aequitas Neo Exchange;
  - (ii) Aequitas Neo Exchange publicly discloses the use of the waiver with reasons why the particular candidate was selected;
  - (iii) Aequitas Neo Exchange provides advance notice to the Commission, at least 15 business days before the public disclosure in sub-paragraph (c)(ii) is made, and
  - (iv) the Commission does not object within 15 business days of its receipt of the notice provided under sub-paragraph (c)(iii) above.

## **2. PUBLIC INTEREST RESPONSIBILITIES**

- (a) Aequitas Neo Exchange shall conduct its business and operations in a manner that is consistent with the public interest.
- (b) The mandate of the board of Aequitas Neo Exchange shall expressly include regulatory and public interest responsibilities of Aequitas Neo Exchange.

## **3. SHARE OWNERSHIP RESTRICTIONS**

- (a) Without the prior approval of the Commission, and subject to terms and conditions considered appropriate by the Commission, no person or company and no combination of persons or companies acting jointly or in concert shall beneficially own or exercise control or direction over:
  - (i) more than 10% of any class or series of voting shares of Aequitas Neo Exchange, and
  - (ii) more than 50% of any class or series of voting shares of Aequitas Neo Exchange.
- (b) The articles of Aequitas Neo Exchange shall contain the share ownership restrictions and provisions respecting the enforcement of such restrictions which, without limiting the foregoing, may provide for the filing of declarations, the suspension of voting rights, the forfeiture of dividends, the refusal of the issue or registration of voting shares and the sale or redemption of voting shares held contrary to the restrictions and payment of net proceeds of the sale or redemption to the person entitled thereto.

## **4. RECOGNITION CRITERIA**

Aequitas Neo Exchange shall continue to meet the criteria for recognition set out in Schedule 1 to the Order.

## **5. BOARD OF DIRECTORS**

- (a) Aequitas Neo Exchange shall ensure that at least 50% of its Board members are independent.
- (b) The chair of the Board shall be independent.
- (c) In the event that Aequitas Neo Exchange fails to meet the requirements of paragraphs (a) or (b) of this section, it shall immediately advise the Commission and take appropriate measures to promptly remedy such failure.
- (d) Aequitas Neo Exchange shall ensure that its Board is subject to requirements that the quorum for the Board consists of a majority of the Board members, with at least 50% being independent.

## **6. NOMINATING COMMITTEE**

Aequitas Neo Exchange shall maintain a Nominating Committee of the Board that, at a minimum:

- (a) is made up of at least three directors, at least 50% of which shall be independent;
- (b) confirms the status of a nominee to the Board as independent before the name of the individual is submitted to shareholders of Aequitas Neo Exchange as a nominee for election to the Board;
- (c) confirms, on an annual basis, that the status of the directors that are independent has not changed;
- (d) assesses and approves all nominees of management to the Board; and
- (e) has a requirement that the quorum consist of at least 50% of independent directors.

## **7. REGULATORY OVERSIGHT COMMITTEE**

- (a) Aequitas Neo Exchange shall establish and maintain a Regulatory Oversight Committee that, at a minimum:
  - (i) is made up of at least three directors, a majority of which shall be independent;
  - (ii) reviews and decides, or makes recommendations to the Board, on proposed regulation and rules that must be submitted to the OSC for review and approval under *Schedule 5 Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto* of this Order;
  - (iii) considers real or perceived conflicts of interest that may arise, including but not limited to the following contexts:
    - (A) ownership interests in Aequitas by any Aequitas Neo Exchange marketplace participant with representation on the Board of Aequitas or the Board of Aequitas Neo Exchange,
    - (B) increased concentration of ownership of Aequitas, and
    - (C) the profit-making objective and the public interest responsibilities of Aequitas Neo Exchange, including general oversight of the management of the regulatory and public interest responsibilities of Aequitas Neo Exchange.
  - (iv) oversees the establishment of mechanisms to avoid and appropriately managed conflicts of interest or potential conflicts of interest, perceived or real, including any policies and procedures that are developed by Aequitas Neo Exchange, including those that are required to be established pursuant

to the Schedules of the Order;

- (v) monitors the operation of mechanisms that deal with conflicts of interest, including oversight of reporting of issuer regulation activities and conflicts of interest by Aequitas Neo Exchange;
  - (vi) reviews regularly, and at least annually, the effectiveness of the policies and procedures regarding conflicts of interest;
  - (vii) annually prepares a written report examining the avoidance and management of conflicts of interest, the mechanisms used and the effectiveness of those mechanisms and provides the report to the Board promptly, and to the Commission within 30 days of providing it to its Board;
  - (viii) reports in writing directly to the Commission on any matter that the Regulatory Oversight Committee deems appropriate or that is required by the Commission without first requiring Board approval for such reporting.
- (b) The mandate of the Regulatory Oversight Committee shall be publicly available on the website of Aequitas Neo Exchange.
  - (c) The Regulatory Oversight Committee shall provide to the Commission meeting materials provided to the Regulatory Oversight Committee members in conjunction with each meeting, within 30 days after any meeting it held, and will include a list of the matters considered and a detailed summary of the Regulatory Oversight Committee's considerations, how those matters were addressed and any other information required by the Commission.
  - (d) The Regulatory Oversight Committee shall provide such information as may be required by the Commission from time to time.

## **8. CONFLICTS OF INTEREST AND CONFIDENTIALITY**

- (a) Aequitas Neo Exchange shall establish, maintain and require compliance with policies and procedures that:
  - (i) identify and manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from the operation of the marketplace or the services it provides including, but not limited to, the following:
    - (A) conflicts of interest or potential conflicts of interest that arise from the involvement of any partner, director, officer or employee of a significant shareholder in the management or oversight of the exchange operations or regulation functions of Aequitas Neo Exchange and the services or products it provides;
    - (B) conflicts of interest or potential conflicts of interest that arise from any interactions between Aequitas Neo Exchange and a significant shareholder where Aequitas Neo Exchange may be exercising discretion that involves or affects the significant shareholder either

directly or indirectly, and

- (C) conflicts of interest or potential conflicts of interest that arise between the regulation functions and the business activities of Aequitas Neo Exchange, particularly with respect to conflicts of interest or potential conflicts of interest that arise between the Aequitas Neo Exchange issuer regulation functions and the business activities of Aequitas Neo Exchange, and
- (ii) require that confidential information regarding marketplace operations, regulation functions, an Aequitas Neo Exchange marketplace participant or an Aequitas Neo Exchange issuer that is obtained by a partner, director, officer or employee of a significant shareholder through that individual's involvement in the management or oversight of marketplace operations or regulation functions of Aequitas Neo Exchange:
  - (A) be kept separate and confidential from the business or other operations of the significant shareholder, except with respect to information regarding marketplace operations where disclosure is necessary to carry out the individual's responsibilities for the management or oversight of marketplace operations and the individual can and does exercise due care in his or her disclosure of the information, and
  - (B) not be used to provide an advantage to the significant shareholder or its affiliated entities.
- (b) Aequitas Neo Exchange shall establish, maintain and require compliance with policies and procedures that identify and manage conflicts of interest or potential conflicts of interest arising from the listing of the shares of any significant shareholder or an affiliate of a significant shareholder on Aequitas Neo Exchange.
- (c) Aequitas Neo Exchange shall require each shareholder that is a dealer and each affiliate of shareholder that is a dealer to disclose its relationship to Aequitas Neo Exchange to:
  - (i) clients whose orders might be, and clients whose orders have been, routed to Aequitas Neo Exchange; and
  - (ii) entities for which the dealer is acting or proposing to act as underwriter in connection with the issuance of securities to be listed on Aequitas Neo Exchange.
- (d) Aequitas Neo Exchange shall regularly review compliance with the policies and procedures established in accordance with paragraphs 8(a), (b) and (c), and shall document each review, and any deficiencies, and how those deficiencies were remedied. A report detailing review(s) conducted shall be provided to the Commission on an annual basis.
- (e) The policies established in accordance with paragraphs 8(a), (b) and (c) shall be

made publicly available on the website of Aequitas Neo Exchange.

## **9. ACCESS**

Aequitas Neo Exchange's requirements shall provide access to the facilities of Aequitas Neo Exchange only to properly registered investment dealers that are members of IIROC and satisfy reasonable access requirements established by Aequitas Neo Exchange.

## **10. REGULATION OF AEQUITAS NEO EXCHANGE MARKETPLACE PARTICIPANTS AND AEQUITAS NEO EXCHANGE ISSUERS**

- (a) Aequitas Neo Exchange shall establish, maintain and require compliance with policies and procedures that effectively monitor and enforce the Rules against Aequitas Neo Exchange marketplace participants and Aequitas Neo Exchange issuers, either directly or indirectly through a regulation services provider.
- (b) Aequitas Neo Exchange has retained and shall continue to retain IIROC as a regulation services provider to provide, as agent for Aequitas Neo Exchange, certain regulation services that have been approved by the Commission. Aequitas Neo Exchange shall provide to the Commission, on an annual basis, a list outlining the regulation services performed by IIROC and the regulation functions performed by Aequitas Neo Exchange. Aequitas Neo Exchange shall obtain approval of the Commission before amending the listed services.
- (c) Aequitas Neo Exchange shall perform all other regulation functions not performed by IIROC, and shall maintain adequate staffing, systems and other resources in support of those functions. Aequitas Neo Exchange shall obtain prior Commission approval before outsourcing such regulation functions to any party, including affiliated entities or associates of Aequitas Neo Exchange.
- (d) Aequitas Neo Exchange shall at least annually assess the performance by IIROC of the regulation services it provides to Aequitas Neo Exchange and self-assess the performance by Aequitas Neo Exchange of any regulation functions not performed by IIROC, and provide a written report to its Board and the Regulatory Oversight Committee, together with any recommendations for improvements. Aequitas Neo Exchange shall provide the Commission with copies of such reports and advise the Commission of the views of its Board and the Regulatory Oversight Committee on the recommendations and any proposed actions arising therefrom within 30 days of the presentation of the report to the Board.
- (e) Aequitas Neo Exchange shall notify the Commission of any violations of Ontario securities law of which it becomes aware in the ordinary course of its business or otherwise.

## **11. RULES, RULEMAKING AND FORM 21-101F1**

Aequitas Neo Exchange shall comply with the process for review and approval of Rules and the information contained in Form 21-101F1 and the exhibits thereto, as set out in Schedule 5, as amended from time to time.

## 12. DUE PROCESS

- (a) Aequitas Neo Exchange shall ensure that the requirements of Aequitas Neo Exchange relating to access to the trading and listing facilities of Aequitas Neo Exchange, the imposition of limitations or conditions on access, and denial of access are fair and reasonable, including in respect of notice, an opportunity to be heard or make representations, the keeping of a record, the giving of reasons and the provisions of appeals.
- (b) Aequitas Neo Exchange shall, within ninety days of the effective date of recognition of Aequitas Neo Exchange as an exchange pursuant to this Order, establish written procedural requirements governing the process for appeals or review of decisions referred to in section 6.1 of the criteria for recognition and file the procedures with the Commission for approval.
- (c) For greater clarity, the procedural requirements referred to in paragraph (b) shall be considered to be Rules and therefore subject to the rule review process established in accordance with Schedule 5.

## 13. FEES, FEE MODELS AND INCENTIVES

- (a) Aequitas Neo Exchange shall not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide:
  - (i) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a particular marketplace participant or any other particular person or company, or
  - (ii) any discount, rebate, allowance, price concession or other similar arrangement for any service or product offered by Aequitas Neo Exchange that is conditional upon:
    - (A) the requirement to have Aequitas Neo Exchange be set as the default or first marketplace a marketplace participant routes to, or
    - (B) the router of Aequitas Neo Exchange being used as the marketplace participant's primary router;
- (b) Except with the prior approval of the Commission, Aequitas Neo Exchange shall not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide:
  - (i) any discount, rebate, allowance, price concession or other similar arrangement on any services or products offered by Aequitas Neo Exchange that is conditional upon the purchase of any other service or product provided by Aequitas Neo Exchange or any affiliated entity, or

- (ii) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a class of marketplace participants or of any other persons or companies.
- (c) Aequitas Neo Exchange shall obtain prior Commission approval before implementing any new, or amendments to, fees and fee models, including any new, or amendments to any, incentives relating to arrangements that provide for equity ownership in Aequitas for marketplace participants or their affiliated entities based on trading volumes of values on Aequitas Neo Exchange.
- (d) Except with the prior approval of the Commission, Aequitas Neo Exchange shall not require another person or company to purchase or otherwise obtain products or services from Aequitas Neo Exchange or a significant shareholder as a condition of Aequitas Neo Exchange supplying or continuing to supply a product or service.
- (e) If the Commission considers that it would be in the public interest, the Commission may require Aequitas Neo Exchange to submit for approval by the Commission a fee, fee model or incentive that has previously been filed with and/or approved by the Commission.
- (f) Where the Commission decides not to approve the fee, fee model or incentive submitted under paragraph (e), any previous approval for the fee, fee model or incentive shall be revoked, if applicable, and Aequitas Neo Exchange shall no longer be permitted to offer the fee, fee model or incentive.
- (g) Any fee, fee model or incentive, or amendment thereto, shall be filed in accordance with the Rule and Form 21-101F1 Filing Protocol attached as Schedule 5.

#### **14. ORDER ROUTING**

Aequitas Neo Exchange shall not support, encourage or incent, either through fee incentives or otherwise, Aequitas Neo Exchange marketplace participants to coordinate the routing of their orders to Aequitas Neo Exchange.

#### **15. FINANCIAL REPORTING**

- (a) Within 90 days of its financial year end, Aequitas Neo Exchange shall deliver to the Commission audited consolidated financial statements and unaudited non-consolidated financial statements without notes for its latest financial year.
- (b) Within 60 days of each quarter end, Aequitas Neo Exchange shall deliver to the Commission unaudited consolidated financial statements and unaudited non-consolidated financial statements without notes for its latest financial quarter.
- (c) Aequitas Neo Exchange shall deliver to the Commission its annual financial budget, together with the underlying assumptions, that has been approved by its Board, within 30 days from the commencement of each fiscal year.



## 16. FINANCIAL VIABILITY MONITORING AND REPORTING

- (a) Aequitas Neo Exchange shall calculate the following financial ratios monthly:
- (i) a current ratio, being the ratio of current assets to current liabilities;
  - (ii) a debt to cash flow ratio, being the ratio of total debt (including any line of credit draw downs, and the current and long-term portions of any loans, but excluding accounts payable, accrued expenses and other liabilities) to EBITDA (earnings before interest, taxes, stock-based compensation, depreciation and amortization) for the most recent 12 months; and
  - (iii) a financial leverage ratio, being the ratio of total assets to shareholders' equity,

in each case following the same accounting principles as those used for the unaudited non-consolidated financial statements of Aequitas Neo Exchange.

- (b) Aequitas Neo Exchange shall report quarterly in writing to the Commission, along with the financial statements required to be delivered pursuant to this Schedule, the monthly calculations for the previous quarter of the financial ratios as required to be calculated under paragraph (a).
- (c) If Aequitas Neo Exchange determines that it does not have, or anticipates that, in the next twelve months, it will not have:
- (i) a current ratio of greater than or equal to 1.1/1,
  - (ii) a debt to cash flow ratio of less than or equal to 4.0/1, or
  - (iii) a financial leverage ratio of less than or equal to 4.0/1,

it will immediately notify Commission staff of the above ratio(s) that it is not maintaining, the reasons, along with an estimate of the length of time before the ratio(s) will be met.

- (d) Upon receipt of a notification made by Aequitas Neo Exchange under paragraph (c), the Commission may, as determined appropriate, impose any of the terms and conditions set out in paragraph (e) below.
- (e) If Aequitas Neo Exchange's current ratio, debt to cash flow ratio or financial leverage ratio falls below the levels outlined in subparagraphs 16(c)(i), 16(c)(ii) and 16(c)(iii) above for a period of more than three months, Aequitas Neo Exchange will:
- (i) immediately deliver a letter advising the Commission staff of the reasons for the continued ratio deficiencies and the steps being taken to rectify the situation;

- (ii) deliver to Commission staff, on a monthly basis, within 30 days of the end of each month:
  - (A) unaudited monthly financial statements and a status update on any pending capital raising transaction(s) including the amount, terms and name(s) of individuals/entities that have committed to providing funding and their commitment,
  - (B) a comparison of the monthly revenues and expenses incurred by Aequitas Neo Exchange against the projected monthly revenues and expenses included in Aequitas Neo Exchange's most recently updated budget for that fiscal year,
  - (C) for each revenue item whose actual amount was significantly lower than its projected amount, and for each expense item whose actual amount was significantly higher than its projected amount, the reasons for the variance, and
  - (D) a calculation of the current ratio, debt to cash flow ratio and financial leverage ratio for the month;
- (iii) prior to making any type of payment to any director, officer, affiliated entity or shareholder that is in excess of the amount included in the most recent annual financial budget delivered to Commission staff, demonstrate to the satisfaction of the Commission staff that it will have sufficient financial resources to continue its operations after the payment; and
- (iv) adhere to any additional terms and conditions imposed by the Commission or its staff, as determined appropriate,

until such time as Aequitas Neo Exchange has maintained each of its current ratio, debt to cash flow ratio and financial leverage ratio at the levels set out in subparagraphs 16(c)(i), 16(c)(ii) and 16(c)(iii) for a period of at least 6 consecutive months.

## **17. ADDITIONAL INFORMATION**

- (a) Aequitas Neo Exchange shall provide the Commission with:
  - (i) the information set out in Appendix A to this Schedule, as amended from time to time; and
  - (ii) any information required to be provided by Aequitas Neo Exchange to IIROC, including all order and trade information, as required by the Commission.
- (b) Aequitas Neo Exchange shall comply with the reporting program set out in the *Automation Review Program for Market Infrastructure Entities in the Canadian Capital Markets*, as amended from time to time, and published on the Commission's website.

## **18. COMPLIANCE**

Aequitas Neo Exchange shall carry out its activities as an exchange recognized under section 21 of the Act and in compliance with Ontario securities law.

## **19. GOVERNANCE REVIEW**

- (a) Aequitas Neo Exchange shall engage an independent consultant, or independent consultants, acceptable to the Commission to prepare a written report assessing the governance structure of Aequitas Neo Exchange (Governance Review) as follows:
  - (i) within one year from the completion of the financing in connection with the launch of Aequitas Neo Exchange;
  - (ii) within six months after Aequitas Neo Exchange meets or exceeds any of the trading thresholds referred to in subsection 6.7(1) of NI 21-101, or
  - (iii) at any other times required by the Commission.
- (b) The written report shall be provided to the Board of Aequitas Neo Exchange promptly after the report's completion and then to the Commission within 30 days of providing it to the Boards.
- (c) The scope of the Governance Review shall be approved by the Commission and shall include, at a minimum, the following:

- (i) a review of the composition of the Board of Aequitas Neo Exchange, in particular whether its composition continues to meet the recognition criteria, including the requirement that there be fair, meaningful and diverse representation on the Board and any committees of the Board, including:
  - (A) appropriate representation of independent directors, and
  - (B) a proper balance among the interests of the different persons or companies using the services and facilities of Aequitas Neo Exchange;
- (ii) a review of the impact of the composition requirements applicable to the Board of Aequitas Neo Exchange, including requirements imposed by all securities regulatory authorities, on their ability to meet the recognition criteria;
- (iii) a review of the degree to which the governance structure of Aequitas Neo Exchange allows for appropriate input into the business and operations of Aequitas Neo Exchange by users of its services and facilities;
- (iv) a review of how the Nominating Committee discharges its mandate and performs its role and functions; and
- (v) a review of how the Regulatory Oversight Committee discharges its mandate and performs its role and functions, including how conflicts of interest and potential conflicts of interest are actually managed, whether they are managed effectively, if there are any identified deficiencies, what they were and how they were remedied and whether further measures are warranted.

## **20. PROVISION OF INFORMATION**

- (a) Aequitas Neo Exchange shall, and shall cause its affiliated entities, to promptly provide to the Commission, on request, any and all data, information and analyses in the custody or control of Aequitas Neo Exchange or any of its affiliated entities, without limitations, redactions, restrictions or conditions, including, without limiting the generality of the foregoing:
  - (i) data, information and analyses relating to all of its or their businesses; and
  - (ii) data, information and analyses of third parties in its or their custody or control.
- (b) Aequitas Neo Exchange shall share information and otherwise cooperate with other recognized or exempt exchanges, recognized self-regulatory organizations, recognized or exempt clearing agencies, investor protection funds, and other appropriate regulatory bodies.

## **21. COMPLIANCE WITH TERMS AND CONDITIONS**

- (a) Aequitas Neo Exchange shall certify in writing to the Commission, in a certificate signed by its CEO and general counsel, within one year of the effective date of its recognition as an exchange pursuant to this Order and every year subsequent to that date, or at any times required by the Commission, that it is in compliance with the terms and conditions applicable to it in the Order and describe in detail:
  - (i) the steps taken to require compliance;
  - (ii) the controls in place to verify compliance;
  - (iii) the names and titles of employees who have oversight of compliance.
- (b) If Aequitas Neo Exchange or any of its directors, officers or employees become aware of a breach or a possible breach of any of the terms and conditions applicable to the Aequitas Neo Exchange under the Schedules to the Order, such person shall, within two business days after becoming aware of the breach or possible breach, notify the Regulatory Oversight Committee of the breach or possible breach. The director, officer or employee of the recognized exchange shall provide to the Regulatory Oversight Committee details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach.
- (c) The Regulatory Oversight Committee shall, within two business days after being notified of the breach or possible breach, notify the Commission and confirm that the breach or possible breach is under investigation as required by section 21(d).
- (d) The Regulatory Oversight Committee shall promptly cause to be conducted an investigation of the breach or possible breach reported under section 21(b). Once the Regulatory Oversight Committee has made a determination as to whether there has been a breach, or that there is an impending breach, of any terms and conditions applicable to Aequitas Neo Exchange under the Schedules to the Order, the Regulatory Oversight Committee shall, within two business days of such determination, notify the Commission of its determination and shall provide details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or impending breach, and any actions that will be taken to address it.

## APPENDIX A

### Additional Reporting Obligations

#### 1. Ad Hoc

- (a) Immediate notification of a decision to enter into a definitive agreement (including a binding letter of intent), memorandum of understanding or other similar agreement with any governmental or regulatory body, self-regulatory obligation, clearing agency, stock exchange, other marketplace or market, except in the case where the agreement or arrangement: (i) is primarily intended to restrict the use or disclosure of confidential information, (ii) is primarily for the purpose of facilitating discussions in connection with a possible definitive agreement, (iii) is necessary to support the provision of the existing exchange services, or (iv) relates to the provision of the existing exchange services and is also subject to the standard form agreements of the exchange (for example, listing agreements, data subscription agreements, etc.)
- (b) Any plans by Aequis Neo Exchange to enter into new businesses (directly or indirectly, including joint ventures) or to cease existing businesses, promptly after the Board has made the decision to implement those plans.
- (c) Immediate notification of:
  - (i) the appointment of any new director or officer of Aequis Neo Exchange , including a description of the individual's employment history; and
  - (ii) the receipt of notice of resignation from, or the resignation of, a director or officer or the auditor of Aequis Neo Exchange , including a statement of the reasons for the resignation.
- (d) Any minutes of the meetings of Board and Board committees of Aequis Neo Exchange, promptly after their approval.
- (e) Immediate notification if Aequis Neo Exchange:
  - (i) becomes the subject of any order, directive or similar action of a governmental or regulatory authority;
  - (ii) becomes aware that it is the subject of a criminal or regulatory investigation; or
  - (iii) becomes, or it is notified in writing that it will become, the subject of a material lawsuit.
- (f) Any strategic plan for Aequis Neo Exchange, within 30 days of approval by the Board.
- (g) Any filings made by Aequis Neo Exchange with a Canadian securities regulatory authority pursuant to a recognition order, exemption order or NI 21-101, filed

concurrently.

- (h) Copies of all notices, bulletins and similar forms of communication that Aequitas Neo Exchange sends to the Aequitas Neo Exchange marketplace participants or Aequitas Neo Exchange issuers.
- (i) Prompt notification of any suspension or delisting of an Aequitas Neo Exchange issuer, including the reasons for the suspension or delisting.
- (j) Prompt notification of any suspension or termination of a marketplace participant's status as an Aequitas Neo Exchange marketplace participant, including the reasons for the suspension or termination.
- (k) Prompt notification of any original listing application received from a significant shareholder or any of its affiliates.
- (l) Prompt notification of any application for exemption or waiver from requirements received from a significant shareholder or any of its affiliates.

## **2. Quarterly Reporting**

- (a) A list of the internal audit reports and risk management reports issued in the previous quarter that relate to the operations and business of Aequitas Neo Exchange, if such reports are produced.
- (b) A quarterly report summarizing all exemptions or waivers granted during the period pursuant to the Rules to any Aequitas Neo Exchange marketplace participant or Aequitas Neo Exchange issuer, which shall include the following information:
  - (i) the name of the Aequitas Neo Exchange marketplace participant or Aequitas Neo Exchange issuer;
  - (ii) the type of exemption or waiver granted during the period;
  - (iii) the date of the exemption or waiver; and
  - (iv) a description of the recognized exchange's reason for the decision to grant the exemption or waiver.
- (c) A quarterly report regarding original listing applications containing the following information:
  - (i) the name of any Aequitas Neo Exchange issuer whose original listing application was conditionally approved, the date of such approval, the type of listing, the category of listing and, if known, whether the issuer was denied an application to list its securities on another marketplace;
  - (ii) the name of any issuer whose original listing application was rejected and the reasons for rejection, by category of listing; and

- (iii) the name of any issuer whose original listing application was withdrawn or abandoned and, if known, the reasons why the application was withdrawn or abandoned, by category of listing.
- (d) The information required by section 2(c)(i) above should disclose whether the issuer is an Emerging Market Issuer, whether the listing involved an agent, underwriter or Canadian Securities Regulatory Authority, and any additional requirements imposed by Aequitas Neo Exchange pursuant to sections 2.10 and 2.11 of the Aequitas Neo Exchange Listing Manual.
- (e) A quarterly report summarizing all significant incidents of non-compliance by Aequitas Neo Exchange issuers identified by Aequitas Neo Exchange during the period, together with a summary of the actions taken to address and resolve the incidents of non-compliance.
- (f) Upon request, Aequitas Neo Exchange will provide to the Commission copies of any information that was provided to Aequitas and any shareholders.

### **3. Annual Reporting**

At least annually, or more frequently if required by the Commission, an assessment of the risks, including business risks, facing Aequitas Neo Exchange and the plan for addressing such risks.



## **APPENDIX B**

### **Listing Related Conditions**

#### **1. DEFINITIONS AND INTERPRETATION**

- 1.1 For purposes of this Appendix B, "Competitor" means any person, the consolidated business and operations or the disclosed business plans of which are in competition, to a significant extent, with the listing functions, trading functions, market data services or other material lines of business of Aequitas or its affiliated entities.
- 1.2 For the purposes of this Appendix B, an individual is independent if the individual is independent as defined in section 1(b) of Schedule 2 to the Order.

#### **2. UNDERLYING PRINCIPLES**

- 2.1 Aequitas Neo Exchange shall report to the Commission certain matters provided for in this Appendix B (Listing-Related Conditions) regarding Aequitas Neo Exchange issuers that raise issues of conflict of interest or potential conflict of interest for Aequitas Neo Exchange.
- 2.2 The purpose of the Listing-Related Conditions is to ensure that Aequitas Neo Exchange follows appropriate standards and procedures regarding the initial and continued listing of Competitors, and that Competitors are treated fairly and not disadvantaged when listed on Aequitas Neo Exchange.

#### **3. CONFLICTS COMMITTEE**

- 3.1 Aequitas Neo Exchange shall establish a committee (Conflicts Committee) that shall review any matters brought before it regarding a conflict of interest or potential conflict of interest relating to the initial or continued listing of Competitors (each, a Conflicts Committee Matter) as follows:
  - (a) matters relating to the continued listing of a Competitor or of a listing of a different class or series of securities of a Competitor from a class or series already listed;
  - (b) any applications for exemptive relief or applications for approval made by a Competitor to Aequitas Neo Exchange;
  - (c) any other requests to Aequitas Neo Exchange made by a Competitor that require an exercise of discretion by Aequitas Neo Exchange; and
  - (d) any listings matter related to an Aequitas Neo Exchange issuer or a listing applicant that asserts that it is a Competitor.
- 3.2 Notwithstanding section 3.1, where a Competitor certifies to Aequitas Neo Exchange that information required to be disclosed to the Conflicts Committee or to Aequitas Neo Exchange in connection with an initial listing or continued listing matter of the Competitor is competitively sensitive and the disclosure of that information would, in its reasonable

view, put it at a competitive disadvantage with respect to Aequitas Neo Exchange or its affiliated entities, Aequitas Neo Exchange shall refer the matter to the Commission's Director, Market Regulation requesting that the Commission's Director, Market Regulation review issues relating to the competitively sensitive information. The Conflicts Committee

shall consider all other aspects of the matter in accordance with the procedures set out in section 3.8. In addition, at any time that a Competitor believes that it is not being treated fairly by Aequitas Neo Exchange as a result of the exchange being in a conflict of interest position, Aequitas Neo Exchange shall refer the matter to the Commission's Director, Market Regulation.

- 3.3 In any initial listing or continued listing matter of a Competitor, the Competitor may waive the application of these Listing Related Conditions by providing a written waiver to Aequitas Neo Exchange and to the Commission's Director, Market Regulation. Where a waiver is provided, Aequitas Neo Exchange shall deal with the initial listing or continued listing matter in the ordinary course, as if no Conflicts Committee Matter exists.
- 3.4 The Conflicts Committee shall be composed of: the general counsel or Chief Compliance Officer of the exchange (Committee Secretary), the senior officer responsible for listings for the exchange, the senior officer responsible for trading operations for the exchange, and two other persons who shall be independent of Aequitas Neo Exchange. At least one such independent member shall participate in meetings of the Conflicts Committee, in order for there to be a quorum.
- 3.5 Aequitas Neo Exchange shall provide instructions to relevant Aequitas Neo Exchange officers and staff so that they are able to identify a Conflicts Committee Matter that may exist or arise in the course of the performance of their functions. Without limiting the generality of the foregoing:
  - (a) Aequitas Neo Exchange shall maintain a list, in an electronic format, of all Competitors that are listed on Aequitas Neo Exchange. Aequitas Neo Exchange shall regularly, and in any event at least quarterly, update the list of Competitors. The Conflicts Committee shall review and approve the list of Competitors at least quarterly and, following approval, shall promptly provide the list to Aequitas Neo Exchange managers responsible for the:
    - (i) review of continuous disclosure;
    - (ii) review of requests/applications for exemptive relief;
    - (iii) performance of timely disclosure and monitoring functions relating to Aequitas Neo Exchange issuers; and
    - (iv) decision making of a discretionary nature regarding issuers listed on the exchange.

In maintaining this list, the exchange shall ensure that the relevant officers and staff responsible for listings for Aequitas Neo Exchange regularly prepare, review and update the list and promptly provide it to the Conflicts Committee and, upon request, to the Commission's Director, Market Regulation.

- (b) Aequitas Neo Exchange shall provide instructions to relevant staff that any initial listing or continued listing matter or a complaint of a Competitor or of any Aequitas Neo Exchange issuer or listing applicant to the exchange that asserts that it is a Competitor shall be immediately brought to the attention of the Committee Secretary.
- (c) Aequitas Neo Exchange shall provide to staff who review initial listing applications and to relevant officers and staff responsible for listings a summary of the material lines of business of Aequitas Neo Exchange and its affiliates, and shall update the list as these material lines of business change, in order that relevant officers and staff responsible for listings for the exchange may recognize a Competitor.

3.6 Unless a waiver of procedures pursuant to section 3.3 or section 4.1 has been provided to Aequitas Neo Exchange, where a Conflicts Committee Matter has been brought to the attention of the Committee Secretary, the Committee Secretary shall convene a meeting of the Conflicts Committee to be held following receipt of a substantially complete application from the Competitor, in no later than three business days.

The Committee Secretary or any member of the Conflicts Committee may also convene a meeting of the Conflicts Committee whenever he or she sees fit, in order to address any conflict issues that may not be related to any one specific matter or issuer.

3.7 Where a Conflicts Committee meeting is called in response to a Conflicts Committee Matter, Aequitas Neo Exchange shall immediately notify the Commission's Director, Market Regulation that it has received notice of a Conflicts Committee Matter. In addition to such notice, Aequitas Neo Exchange shall provide the Commission's Director, Market Regulation with: (i) a written summary of the relevant facts; and (ii) an indication of the required timing for dealing with the matter.

3.8 The Conflicts Committee shall consider the facts and form a determination regarding whether a conflict of interest exists or not, or is likely to arise or not, with respect to the Conflicts Committee Matter. The Conflicts Committee shall then proceed as follows depending on the circumstances:

- (a) If the Conflicts Committee determines that a conflict of interest relating to Aequitas Neo Exchange's proposed course for dealing with the Competitor's listing on the exchange does not exist and is unlikely to arise, it shall notify the Commission's Director, Market Regulation of this determination. If the Commission's Director, Market Regulation approves such determination, the exchange shall deal with the matter in its usual course. When it has dealt with the matter, the exchange shall make a brief written record of such determination, including details of the analysis undertaken and the manner in which the matter was disposed of, and provide it to the Commission's Director, Market Regulation. If the Commission's Director, Market Regulation does not approve the determination and provides notice of such non-approval to the exchange, the exchange shall follow the procedures set out in section 3.8(b).

- (b) If the Conflicts Committee determines that a conflict of interest relating to Aequitas Neo Exchange's proposed course for dealing with the Competitor's listing on the exchange does exist or is likely to arise or if the Commission's Director, Market Regulation provides the exchange with a non-approval notice pursuant to section 3.8(a), Aequitas Neo Exchange shall:
  - (i) formulate a written recommendation of how to deal with the matter, and
  - (ii) provide its recommendation to the Commission's Director, Market Regulation for his or her approval, together with a summary of the issues raised and details of any analysis undertaken.

If the Commission's Director, Market Regulation approves the recommendation, Aequitas Neo Exchange shall take steps to implement the terms of its recommendation.

- 3.9 Where the Commission's Director, Market Regulation has considered the Conflicts Committee Matter based on the information provided to him or her by the Conflicts Committee under section 3.8(b) and has determined that he or she does not agree with the recommendation made by Aequitas Neo Exchange, the Commission's Director, Market Regulation may:
- (a) require Aequitas Neo Exchange to reformulate its recommendation; or
  - (b) direct Aequitas Neo Exchange to take such other action he or she considers appropriate in the circumstances.
- 3.10 Where the Commission's Director, Market Regulation is requested to review a matter pursuant to section 3.9 or 3.2, respectively, Aequitas Neo Exchange shall provide to the Commission's Director, Market Regulation any relevant information in its possession and, if requested by the Commission's Director, Market Regulation any other information in its possession, in order for the Commission's Director, Market Regulation to review or, if appropriate, make a determination regarding the matter, including any notes, reports or information of the exchange regarding the issue, any materials filed by the issuer or issuers involved, any precedent materials of the exchange, and any internal guidelines of the exchange. Aequitas Neo Exchange shall provide its services to assist the matter, if so requested by the Commission's Director, Market Regulation.

#### **4. WAIVER OF PROCEDURES**

Notwithstanding the provisions in section 3, the Commission's Director, Market Regulation may, in his or her discretion on a case by case basis, grant Aequitas Neo Exchange a waiver from the requirement to comply with the procedures outlined in section 3 of the Listing-Related Procedures regarding matters related to the listing of a Competitor on the exchange. Where such waiver is provided, Aequitas Neo Exchange shall deal with the matter in the ordinary course as if no Conflicts Committee Matter exists.

#### **5. TIMELY DISCLOSURE AND MONITORING OF TRADING**

Aequitas Neo Exchange shall use its best efforts to ensure that IIROC at all times is provided with the current list of the Aequitas Neo Exchange issuers that are Competitors.

## **6. MISCELLANEOUS**

- 6.1 Information provided by a Competitor to the Conflicts Committee in connection with a Conflicts Committee Matter shall not be used by the exchange for any purpose other than addressing the Conflicts Committee Matter. Aequitas Neo Exchange shall not disclose any confidential information obtained under these Listing-Related Procedures to a third party other than the Commission unless:
- (a) prior written consent of the other parties is obtained;
  - (b) it is required or authorized by law to disclose the information; or
  - (c) the information has come into the public domain otherwise than as a result of its breach of this clause.
- 6.2 Aequitas Neo Exchange shall provide disclosure on its website and in its Rules to the effect that an Aequitas Neo Exchange issuer can assert that it is a Competitor and shall outline the procedures for making such an assertion, including appeals procedures.

## **SCHEDULE 3**

### **TERMS AND CONDITIONS APPLICABLE TO AEQUITAS**

#### **22. DEFINITIONS AND INTERPRETATION**

Terms used in this Schedule have the same meanings and interpretation as in section 1 of Schedule 2. In addition:

#### **23. PUBLIC INTEREST RESPONSIBILITIES**

- (a) Aequitas shall conduct its business and operations in a manner that is consistent with the public interest.
- (b) The mandate of the board of Aequitas shall expressly include Aequitas's regulatory and public interest responsibilities.

#### **24. SHARE OWNERSHIP RESTRICTIONS**

- (a) Without the prior approval of the Commission, and subject to terms and conditions considered appropriate by the Commission, no person or company and no combination of persons or companies acting jointly or in concert shall beneficially own or exercise control or direction over:
  - (i) more than 10% of any class or series of voting shares of Aequitas, and
  - (ii) more than 50% of any class or series of voting shares of Aequitas.
- (b) The articles of Aequitas shall contain the share ownership restrictions and provisions respecting the enforcement of such restrictions which, without limiting the foregoing, may provide for the filing of declarations, the suspension of voting rights, the forfeiture of dividends, the refusal of the issue or registration of voting shares and the sale or redemption of voting shares held contrary to the restrictions and payment of net proceeds of the sale or redemption to the person entitled thereto.

#### **25. RECOGNITION CRITERIA**

Aequitas shall continue to meet the criteria for recognition set out in Schedule 1 to the Order.

#### **26. BOARD OF DIRECTORS**

- (a) Aequitas shall ensure that at least one third of its Board members are independent.
- (b) In the event that Aequitas fails to meet the requirements of paragraph (a) of this section, it shall immediately advise the Commission and take appropriate measures to remedy such failure.

- (c) Aequitas shall ensure that the Board is subject to requirements that the quorum for the Board consists of a majority of the Board members, with at least three directors being independent.

## **27. NOMINATING AND GOVERNANCE COMMITTEE**

Aequitas shall maintain a Nominating Committee that, at a minimum:

- (a) is made up of at least three directors, at least 50% of which shall be independent;
- (b) confirms the status of a nominee to the Board as independent before the name of the individual is submitted to shareholders as a nominee for election to the Board;
- (c) confirms, on an annual basis, that the status of the directors that are independent has not changed;
- (d) assesses and approves all nominees of management to the Board; and
- (e) has a requirement that the quorum consist of at least 50% of independent directors.

## **28. CONFLICTS AND CONFIDENTIALITY PROCEDURES**

- (a) Aequitas shall establish, maintain and require compliance with policies and procedures that:
  - (i) identify and manage any conflicts of interest or potential conflicts of interest, perceived or real, arising from its ownership interest in Aequitas Neo Exchange, and
  - (ii) require that confidential information regarding marketplace operations, regulation functions, an Aequitas Neo Exchange marketplace participant or an Aequitas Neo Exchange issuer that is obtained by a partner, director, officer or employee of a significant shareholder through that individual's involvement in the management or oversight of the marketplace operations or regulation functions of Aequitas Neo Exchange:
    - (A) be kept separate and confidential from the business or other operations of the significant shareholder, except with respect to information regarding marketplace operations where disclosure is necessary to carry out the individual's responsibilities for the management or oversight of marketplace operations and the individual can and does exercise due care in his or her disclosure of the information, and
    - (B) not be used to provide an advantage to the significant shareholder or its affiliated entities.
- (b) Aequitas shall cause Aequitas Neo Exchange to mandate that each Aequitas Neo Exchange dealer and affiliate of an Aequitas Neo Exchange dealer disclose its

relationship with Aequitas Neo Exchange to:

- (i) clients whose orders might be, and clients whose orders have been, routed to Aequitas Neo Exchange, and
  - (ii) entities for which the Aequitas Neo Exchange dealer or the affiliate of the Aequitas Neo Exchange dealer is acting or proposing to act as underwriter in connection with the issuance of securities to be listed on Aequitas Neo Exchange.
- (c) Aequitas shall regularly review compliance with the policies and procedures established in accordance with sections 28(a) and (b), and shall document each review and any deficiencies and how those deficiencies were remedied. A report detailing the review(s) conducted shall be provided to the Commission on an annual basis.
- (d) The policies established in accordance with paragraph sections 28(a) and (b) shall be made publicly available on the website of Aequitas or Aequitas Neo Exchange.

## **29. ALLOCATION OF RESOURCES**

- (a) Aequitas shall, for so long as Aequitas Neo Exchange carries on business as an exchange, allocate sufficient financial and other resources to Aequitas Neo Exchange to ensure that Aequitas Neo Exchange can carry out its functions in a manner that is consistent with the public interest and in compliance with Ontario securities law.
- (b) Aequitas shall notify the Commission immediately upon being aware that it is or will be unable to allocate sufficient financial and other resources, as required under paragraph (a), to Aequitas Neo Exchange.

## **30. FEES, FEE MODELS AND INCENTIVES**

- (a) Aequitas shall ensure that any of its affiliated entities, including Aequitas Neo Exchange, does not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide:
  - (i) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a particular marketplace participant or any other particular person or company, or
  - (ii) any discount, rebate, allowance, price concession or other similar arrangement for any service or product offered by the affiliated entity, including Aequitas Neo Exchange, that is conditional upon:
    - (A) the requirement to have Aequitas Neo Exchange be set as the default or first marketplace a marketplace participant routes to; or



- (B) the router of Aequitas Neo Exchange being used as the marketplace participant's primary router.
- (b) Aequitas shall ensure that any of its affiliated entities, including Aequitas Neo Exchange, does not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide:
  - (i) any discount, rebate, allowance, price concession or other similar arrangement on any services or products offered by the affiliated entity, including Aequitas Neo Exchange, that is conditional upon the purchase of any other service or product provided by the affiliated entity; or
  - (ii) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a class of marketplace participants or of any other persons or companies.

unless prior approval has been granted by the Commission.

- (c) Aequitas shall ensure that Aequitas Neo Exchange obtains prior Commission approval before implementing any new, or amendments to, fees and fee models, including any new, or amendments to any, incentives relating to arrangements that provide for equity ownership in Aequitas for marketplace participants or their affiliated entities based on trading volumes of values on Aequitas Neo Exchange.
- (d) Aequitas shall ensure that Aequitas Neo Exchange does not require a person or company to purchase or otherwise obtain products or services from Aequitas Neo Exchange or from a significant shareholder as a condition of Aequitas Neo Exchange supplying or continuing to supply a product or service unless prior approval has been granted by the Commission.
- (e) Aequitas shall ensure that any affiliated entity does not require another person or company to obtain products or services from Aequitas Neo Exchange as a condition of the affiliated entity supplying or continuing to supply a product or service.

### **31. ORDER ROUTING**

Aequitas shall not support, encourage or incent, either through fee incentives or otherwise, Aequitas Neo Exchange marketplace participants to coordinate the routing of their order to Aequitas Neo Exchange.

### **32. FINANCIAL REPORTING**

- (a) Within 90 days of its financial year end, Aequitas shall deliver to the Commission audited consolidated financial statements and unaudited non-consolidated financial statements without notes for its latest financial year.
- (b) Within 60 days of each quarter end, Aequitas shall deliver to the Commission

unaudited consolidated financial statements and unaudited non-consolidated financial statements without notes for its latest financial quarter.

- (c) Aequitas shall deliver to the Commission its annual financial budget, together with the underlying assumptions, that has been approved by its Board, within 30 days from the commencement of each fiscal year.

### **33. PRIOR COMMISSION APPROVAL**

Aequitas shall obtain prior Commission approval of, and before making any changes to any agreement between Aequitas and its shareholders.

### **34. REPORTING REQUIREMENTS**

Aequitas shall provide the Commission with the information set out in Appendix A to this Schedule, as amended from time to time.

### **35. GOVERNANCE REVIEW**

- (a) Aequitas shall engage an independent consultant, or independent consultants, acceptable to the Commission to prepare a written report assessing the governance structure of Aequitas (Aequitas Governance Review) as follows:
  - (i) within one year from the completion of the financing in connection with the launch of Aequitas Neo Exchange;
  - (ii) within six months after Aequitas Neo Exchange meets or exceeds any of the trading thresholds referred to in subsection 6.7(1) of NI 21-101, or
  - (iii) at any other times required by the Commission.
- (b) The written report shall be provided to the Board of Aequitas promptly after the report's completion and then to the Commission within 30 days of providing it to the Board.
- (c) The scope of the Aequitas Governance Review shall be approved by the Commission and shall include, at a minimum, the following:
  - (i) a review of the composition of the Board of Aequitas, in particular whether its composition continues to meet the recognition criteria, including the requirement that there be fair, meaningful and diverse representation on the Board and any committees of the Board, including:
    - (A) appropriate representation of independent directors, and
    - (B) a proper balance among the interests of the different persons or companies using the services and facilities of Aequitas;
  - (ii) a review of the impact of the composition requirements applicable to the Board of Aequitas, including requirements imposed by all securities

regulatory authorities, on their ability to meet the recognition criteria;

- (iii) a review of the degree to which the governance structure of Aequitas allows for appropriate input into the business and operations of Aequitas by users of its services and facilities; and
- (iv) a review of how the Nominating and Governance Committee discharges its mandate and performs its role and functions.

### **36. PROVISION OF INFORMATION**

- (a) Aequitas shall, and shall cause its affiliated entities to promptly provide to the Commission, on request, any and all data, information and analyses in the custody or control of Aequitas or any of its affiliated entities, without limitations, redactions, restrictions or conditions, including, without limiting the generality of the foregoing:
  - (i) data, information and analyses relating to all of its or their businesses;
  - (ii) data, information and analyses of third parties in its or their custody or control.
- (b) Aequitas shall share information and otherwise cooperate with other recognized or exempt exchanges, recognized self-regulatory organizations, recognized or exempt clearing agencies, investor protection funds, and other appropriate regulatory bodies.

### **37. COMPLIANCE WITH TERMS AND CONDITIONS**

- (a) Aequitas shall certify in writing to the Commission, in a certificate signed by its CEO and general counsel, within one year of the effective date of its recognition as an exchange pursuant to this Order and every year subsequent to that date, or at any times required by the Commission, that it is in compliance with the terms and conditions applicable to it in the Order and describe in detail:
  - (i) the steps taken to require compliance;
  - (ii) the controls in place to verify compliance;
  - (iii) the names and titles of employees who have oversight of compliance.
- (b) If Aequitas or any of its directors, officers or employees become aware of a breach or a possible breach of any of the terms and conditions applicable to Aequitas under the Schedules to the Order, such person shall, within two business days after becoming aware of the breach or possible breach, notify the Board or committee designated by the Board and approved by the Commission of the breach or possible breach. The director, officer or employee of the recognized exchange shall provide to the Board or committee designated by the Board details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach.

- (c) The Board or committee designated by the Board shall, within two business days after being notified of the breach or possible breach, notify the Commission and confirm that the breach or possible breach is under investigation as required by section 37(d).
  
- (d) The Board or committee designated by the Board shall promptly cause to be conducted an investigation of the breach or possible breach reported under section 37(b). Once the Board or committee designated by the Board has made a determination as to whether there has been a breach, or that there is an impending breach, of any terms and conditions applicable to Aequitas under the Schedules to the Order, the Board or committee designated by the Board shall, within two business days of such determination, notify the Commission of its determination and shall provide details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or impending breach, and any actions that will be taken to address it.

## APPENDIX A

### Additional Reporting Obligations

#### 1. Ad Hoc

- (a) Immediate notification of a decision to enter into a definitive agreement (including a binding letter of intent), memorandum of understanding or other similar agreement with any governmental or regulatory body, self-regulatory obligation, clearing agency, stock exchange, other marketplace or market, except in the case where the agreement or arrangement: (i) is primarily intended to restrict the use or disclosure of confidential information, (ii) is primarily for the purpose of facilitating discussions in connection with a possible definitive agreement, (iii) is necessary to support the provision of the existing exchange services, or (iv) relates to the provision of the existing exchange services and is also subject to the standard form agreements of the exchange (for example, listing agreements, data subscription agreements, etc.)
- (b) Any plans by Aequitas or its affiliated entities to enter into new businesses (directly or indirectly, including joint ventures) or to cease existing businesses, promptly after the Board has made the decision to implement those plans.
- (c) Immediate notification of:
  - (i) the appointment of any new director or officer of Aequitas, including a description of the individual's employment history; and
  - (ii) the receipt of notice of resignation from, or the resignation of, a director or officer or the auditor of Aequitas, including a statement of the reasons for the resignation.
- (d) Any minutes of the meetings of Board and Board committees of Aequitas, promptly after their approval.
- (e) Immediate notification if Aequitas:
  - (i) becomes the subject of any order, directive or similar action of a governmental or regulatory authority;
  - (ii) becomes aware that it is the subject of a criminal or regulatory investigation; or
  - (iii) becomes, or it is notified in writing that it will become, the subject of a material lawsuit.
- (f) Any strategic plan for Aequitas and its affiliated entities, within 30 days of approval by the Board.
- (g) Any filings made by Aequitas with a Canadian securities regulatory authority pursuant to a recognition order, exemption order or NI 21-101, filed concurrently.

- (h) Upon request, Aequitas will provide to the Commission copies of any information that was provided to its shareholders.

## **2. Quarterly Reporting**

A list of the internal audit reports and risk management reports issued in the previous quarter that relate to the operations and business of Aequitas and its affiliated entities, if such reports are produced.

## **3. Annual Reporting**

At least annually, or more frequently if required by the Commission, an assessment of the risks, including business risks, facing Aequitas and its affiliated entities and the plan for addressing such risks.

## **SCHEDULE 4**

### **TERMS AND CONDITIONS APPLICABLE TO SIGNIFICANT SHAREHOLDERS**

#### **38. DEFINITIONS AND INTERPRETATION**

Terms used in this Schedule have the same meanings and interpretation as in section 1 of Schedule 2.

#### **39. CONFLICTS OF INTEREST AND CONFIDENTIALITY**

- (a) Each significant shareholder shall establish, maintain and require compliance with policies and procedures that:
  - (i) identify and manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from the involvement of a nominee by a significant shareholder to the Board of Aequitas or Aequitas Neo Exchange in the management or oversight of the marketplace operations or regulation functions of Aequitas Neo Exchange, and
  - (iii) require that confidential information regarding marketplace operations or regulation functions, or regarding an Aequitas Neo Exchange marketplace participant or an Aequitas Neo Exchange issuer that is obtained by such nominee on the Board of Aequitas Neo Exchange or Aequitas:
    - (A) be kept separate and confidential from the business or other operations of the significant shareholder, except with respect to information regarding marketplace operations where disclosure is necessary to carry out the individual's responsibilities for the management or oversight of exchange operations and the individual can and does exercise due care in his or her disclosure of the information, and
    - (B) not be used to provide an advantage to the significant shareholder or its affiliated entities.
- (b) Each significant shareholder shall establish, maintain and require compliance, or ensure that its affiliates that are dealers establish, maintain or require compliance with policies and procedures that identify and manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from its ownership interest in Aequitas, and indirectly in Aequitas Neo Exchange, including, but not limited to, conflicts of interest or potential conflicts of interest that arise from any interactions between either of Aequitas Neo Exchange and the significant shareholder, or between Aequitas Neo Exchange and the affiliate of the significant shareholder that is a dealer where Aequitas Neo Exchange may be exercising discretion in the application of its Rules that involves or affects the shareholder either directly and indirectly.

- (c) Each significant shareholder shall regularly review compliance with the policies and procedures established in accordance with paragraphs (a) and (b), as applicable, and shall document each review of compliance.

#### **40. ROUTING AND OTHER OPERATIONAL DECISIONS**

- (a) Each significant shareholder shall not enter into, and shall not cause any of its affiliates that are dealers to enter into, any arrangements, undertakings, commitments, understandings or agreements with Aequitas, Aequitas Neo Exchange, any other shareholder or any other marketplace participant with respect to coordination of the routing of orders between the significant shareholder or any of its affiliated entities and any other entity, including the coordination of the routing of orders to Aequitas Neo Exchange, except with respect to activities that are permitted by the requirements of Aequitas Neo Exchange or IIROC.
- (b) For greater certainty, paragraph (a) is not intended to prohibit any temporary agreements or coordination between any shareholder or affiliate of a shareholder that is a dealer and any other shareholder or affiliate of a shareholder that is a dealer or any other person in the event of any failure, malfunction or material delay of the systems or equipment of a marketplace if and to the extent reasonably necessary to protect the integrity and liquidity of capital markets, provided that prior notice of the temporary agreement or coordination is provided to the Commission.
- (c) Each significant shareholder shall not, and shall not cause any of its affiliated entities to, offer or pay any benefit, financial or otherwise to:
  - (i) its traders that would incent such traders to direct their orders to Aequitas Neo Exchange in preference to any other marketplace; or
  - (ii) its employees involved in and responsible for underwriting activities that would incent such employees to recommend to issuers or prospective issuers for whom the significant shareholder or affiliated entity is acting or proposing to act as underwriter to list securities on Aequitas Neo Exchange in preference to any other marketplace.
- (d) Each significant shareholder that is not a dealer shall provide a written directive to its traders that they shall not cause routing decisions to be made based on the founding shareholder's ownership interest in Aequitas.
- (e) Each Aequitas Neo Exchange dealer and each of its affiliates that is a marketplace participant shall establish, maintain and require compliance with a written directive requiring its traders to base routing decisions on the best execution and order protection obligations, where applicable, without regard to any ownership interest in Aequitas. The written policy shall provide that where best execution and order protection obligations are satisfied and an order or orders are being routed on the basis of other factors, the dealer's routing decisions, including the use of algorithms, or those of its affiliated entities that are marketplace participants, shall



not take into account any financial benefit that would accrue to the dealer by virtue of its equity ownership in Aequitas.

- (f) Each Aequitas Neo Exchange dealer and each of its affiliates that is a marketplace participant shall establish, maintain and require compliance with a written directive requiring its employees involved in and responsible for underwriting activities to base any listing recommendations on what would be most advantageous for the issuer or prospective issuer, without regard to any ownership interest of the dealer, or of those affiliated entities that are marketplace participants on Aequitas Neo Exchange.

#### **41. DISCLOSURE TO CLIENTS**

- (a) Each Aequitas Neo Exchange dealer shall or shall ensure that any of its affiliated entities that is an Aequitas Neo Exchange marketplace participant shall disclose its relationship with Aequitas and its affiliated entities to:
  - (i) clients whose orders might be, and clients whose orders have been, routed to Aequitas Neo Exchange; and
  - (ii) entities for whom the Aequitas Neo Exchange marketplace participant is acting or proposing to act as an underwriter in connection with the issuance of securities to be listed on Aequitas Neo Exchange.
- (b) Each significant shareholder that is not a dealer shall ensure that any of its affiliated entities that is an Aequitas Neo Exchange marketplace participant shall disclose its relationship with Aequitas and its affiliated entities to:
  - (i) clients whose orders might be, and clients whose orders have been, routed to Aequitas Neo Exchange; and
  - (ii) entities for whom the Aequitas Neo Exchange marketplace participant is acting or proposing to act as an underwriter in connection with the issuance of securities to be listed on Aequitas Neo Exchange.

#### **42. CONDITIONAL PROVISION OF PRODUCTS OR SERVICES**

- (a) An Aequitas Neo Exchange dealer shall not require another person or company to obtain products or services from Aequitas Neo Exchange or any of its affiliated entities as a condition of the Aequitas Neo Exchange dealer supplying or continuing to supply a product or service.
- (b) A significant shareholder shall not cause its dealer affiliate to require another person or company to obtain products or services from Aequitas Neo Exchange or any of its affiliated entities as a condition of the significant shareholder supplying or continuing to supply a product or service.

#### **43. NOTIFICATION OF NEW DEALER AFFILIATES**

Each significant shareholder shall promptly notify the Commission if it creates or acquires an affiliate that is a dealer.

#### 44. CERTIFICATIONS

- (a) Each significant shareholder shall certify in writing to the Commission, in a certificate signed by its CEO and either its general counsel or chief compliance officer, within ten days of the date that is one year from the effective date of the recognition of Aequitas and Aequitas Neo Exchange as exchanges pursuant to this Order and every year subsequent to that date, or at other times required by the Commission that, based on their knowledge, having exercised reasonable diligence, the significant shareholder is in compliance with the terms and conditions applicable to it in this Schedule and describe the steps taken to require compliance.
- (b) Each significant shareholder shall certify in writing to the Commission, in a certificate signed by its CEO and either its general counsel or chief compliance officer, within ten days of the date that is one year from the effective date of the recognition of Aequitas and Aequitas Neo Exchange as exchanges pursuant to this Order and every year subsequent to that date, or at other times required by the Commission, that, based on their knowledge, having exercised reasonable diligence:
  - (i) the significant shareholder is not acting jointly or in concert with any other significant shareholder, or any affiliated entity or associated thereof, with respect to any voting shares of Aequitas;
  - (ii) despite subparagraph (b)(i), the shareholders may act jointly or in concert with any other shareholders under arrangements to nominate a director to the board of Aequitas or Aequitas Neo Exchange;
  - (iii) the significant shareholder has no agreement, commitment or understanding, written or otherwise, with any other significant shareholder, or any affiliated entity or associate thereof, with respect to the acquisition or disposition of voting shares of Aequitas, the exercise of any voting rights attached to any voting shares of Aequitas or the coordination of decisions or voting by its nominee director of Aequitas (if any) with the decisions or voting by the nominee of any other founding shareholder, other than what is included in the Aequitas shareholders' Agreement; and
  - (iv) since the last certification, the significant shareholder has not acted jointly or in concert with any other significant shareholder, or any affiliated entity or associate thereof, with respect to (i) any voting shares of Aequitas, including with respect to the acquisition or disposition of any voting shares of Aequitas or the exercise of any voting rights attached to any voting shares of Aequitas, or (ii) coordination of decisions or voting by its nominee

director of Aequitas (if any) with the decisions or voting by the nominee director of any other significant shareholder.

#### **45. COMPLIANCE WITH TERMS AND CONDITIONS**

- (a) If the significant shareholder or its partners, officers, directors or employees (or, in the case of a significant shareholder that is not a dealer, its relevant officers, directors or employees that are subject to policies and procedures implemented by that shareholder for the purpose of complying with the applicable terms and conditions of this Schedule) becomes aware that there has been a breach or possible breach of any of the terms and conditions applicable to it under this schedule of the Order, such person shall, promptly after becoming aware of the breach or possible breach, notify the Designated Recipient (as defined below) of such shareholder of the breach or possible breach. The partner, director, officer or employee of the significant shareholder shall provide to the Designated Recipient details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach.
- (b) “Designated Recipient” means the person or body that the significant shareholder designates as having the responsibilities described in this section, which may be its Board, audit committee, governance committee (or chairperson of any of the foregoing), General Counsel, Chief Compliance Officer, an ombudsperson specifically designated by the shareholder to review compliance with corporate policies under the shareholder’s established whistle-blowing procedures, or, with the period approval of the Commission, such other person or committee designated by the founding shareholder.
- (c) The Designated Recipient shall promptly cause an investigation to be conducted of the breach or possible breach reported under paragraph (a) and shall promptly provide a report to the Commission and to Aequitas Neo Exchange after concluding such investigation if the Designated Recipient determines that a breach has occurred or that there is an impending breach. Any such report to the Commission by the Designated Recipient shall include details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or impending breach, and any actions that will be taken to address it.

#### **46. EXPIRY OF TERMS AND CONDITIONS**

The obligations of a significant shareholder to comply with the terms and conditions of this Schedule expire on the later of:

- (a) the date on which, for a consecutive six month period, the significant shareholder owns less than 50% of the number of voting shares of Aequitas that it had beneficially owned or exercised control or direction over at the launch of the recognized exchange, and
- (b) the date on which the nominee or partner, officer, director or employee of the significant shareholder has ceased to be a director on the board of Aequitas or Aequitas Neo Exchange.

## SCHEDULE 5

### PROCESS FOR THE REVIEW AND APPROVAL OF RULES AND THE INFORMATION CONTAINED IN FORM 21-101F1 AND THE EXHIBITS THERETO

#### 1. Purpose

This Protocol sets out the procedures a recognized exchange (Exchange) must follow for any Rule or Change, both as defined in section 2 below, and describes the procedures for their review by Commission Staff (Staff) and approval by the Commission or the Director.

#### 2. Definitions

For the purposes of this Protocol:

- (a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.
- (b) *Fee Change* means any new fee or fee model of the Exchange and any amendment to a fee or fee model.
- (c) *Housekeeping Change* means an amendment to the information in Form 21-101F1 that
  - (i) does not have an impact on the Exchange's market structure, members, issuers, investors or the capital markets, or
  - (ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.
- (d) *Housekeeping Rule* means a new Rule or an amendment to a Rule that
  - (i) does not have an impact on the Exchange's market structure, members, issuers, investors or the capital markets, or
  - (ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.
- (e) *Public Interest Rule* means a Rule or an amendment to a Rule that is not a Housekeeping Rule.
- (f) *Rule* includes a rule, policy and other similar instrument of the Exchange.
- (g) *Significant Change* means an amendment to the information in Form 21-101F1 other than
  - (i) a Housekeeping Change,
  - (ii) a Fee Change, or

(iii) a Rule,

and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.

- (h) *Significant Change subject to Public Comment* means a Significant Change that
- (i) is listed in paragraphs 6.1(4)(a), (b), (c) or (d) of Companion Policy 21-101 CP, or
  - (ii) in Staff's view, has an impact on the Exchange's market structure or members, or on issuers, investors or the capital markets or otherwise raises public interest concerns and should be subject to public comment.

### **3. Scope**

- (a) The Exchange and Staff will follow the process for review and approval set out in this Protocol for all Changes, new Rules and Rule amendments.

### **4. Board Approval**

- (a) The Exchange's board of directors, or a duly authorized committee of the board, must approve all Rules prior to their submission under this Protocol.

### **5. Waiving or Varying the Protocol**

- (a) The Exchange may file a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.
- (b) Staff will use their best efforts to provide to the Exchange within five business days of receipt of its request either:
- (i) written notice that Staff object to granting the waiver or variation; or
  - (ii) written notice that the waiver or variation has been granted by Staff.

### **6. Materials to be Filed and Timelines**

- (a) Prior to the implementation of a Fee Change, Public Interest Rule or Significant Change, the Exchange will file with Staff the following materials:
- (i) a cover letter that, together with the notice for publication filed under paragraph 6(a)(ii), if applicable, fully describes:
    - (A) the proposed Fee Change, Public Interest Rule or Significant Change;
    - (B) the expected date of implementation of the proposed Fee Change, Public Interest Rule or Significant Change;

- (C) the rationale for the proposal and any relevant supporting analysis;
  - (D) the expected impact of the proposed Fee Change, Public Interest Rule or Significant Change on the market structure, members and, if applicable, on investors, issuers and the capital markets;
  - (E) whether a proposed Public Interest Rule or Significant Change would increase or decrease systemic risk in the Canadian financial system and how any increase would be mitigated, if applicable;
  - (F) a discussion of the expected impact of the Fee Change, Public Interest Rule or Significant Change on the Exchange's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets;
  - (G) details of any consultations undertaken in formulating the Fee Change, Public Interest Rule or Significant Change, including the internal governance process followed to approve the Rule or Change;
  - (H) if the Public Interest Rule or Significant Change will require members and service vendors to modify their own systems after implementation of the Rule or Change, a reasonable estimate of the amount of time needed to perform the necessary work, or an explanation as to why a reasonable estimate was not provided;
  - (I) a discussion of any alternatives considered; and
  - (J) if applicable, whether the proposed Fee Change, Significant Change or Public Interest Rule would introduce a fee model, feature or Rule that currently exists in other markets or jurisdictions;
- (ii) for a proposed Public Interest Rule or Significant Change subject to Public Comment, a notice for publication that includes the information required under paragraph 6(a)(i) above, except that the following may be excluded from the notice:
- (A) supporting analysis required under subparagraph 6(a)(i)(C) above that, if included in the notice, would result in the public disclosure of intimate financial, commercial or technical information;
  - (B) the information on systemic risk required under subparagraph 6(a)(i)(E) above;
  - (C) the information on the internal governance processes followed required under subparagraph 6(a)(i)(G) above;
  - (D) the reasonable estimate of time needed for members and service vendors to modify their own systems, or the explanation as to why a reasonable estimate was not provided, required under subparagraph

6(a)(i)(H), so long as the notice for publication contains a statement that the Exchange did not or could not make a reasonable estimate; and

- (E) the discussion of alternatives required under subparagraph 6(a)(i)(I) above.
  - (iii) for a proposed Public Interest Rule, the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules, and if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and
  - (iv) for a proposed Fee Change or Significant Change, blacklined and clean copies of Form 21-101F1 showing the proposed Change.
- (b) The Exchange will file the materials set out in subsection 6(a)
- (i) at least 45 days prior to the expected implementation date of a proposed Public Interest Rule or Significant Change; and
  - (ii) at least seven business days prior to the expected implementation date of a proposed Fee Change.
- (c) For a Housekeeping Rule, the Exchange will file with Staff the following materials:
- (i) a cover letter that fully describes the Rule and indicates that it was classified as a Housekeeping Rule and provides an analysis of the rationale for the classification, and the date or proposed date of implementation of the Rule;
  - (ii) the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules;
  - (iii) if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and
  - (iv) a notice for publication on the OSC website and in the OSC Bulletin that contains the information in paragraph (ii) above as well as the implementation date for the Rule, and indicates that the Rule has been classified as a Housekeeping Rule and was not published for comment.
- (d) For a Housekeeping Change, the Exchange will file with Staff the following materials:
- (i) a cover letter that indicates that the Change was classified as a Housekeeping Change and provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and
  - (ii) blacklined and clean copies of Form 21-101F1 showing the Change.

- (e) The Exchange will file the materials set out in subsection 6(d) by the earlier of
  - (i) the Exchange's close of business on the 10<sup>th</sup> calendar day after the end of the month in which the Housekeeping Change was implemented; and
  - (ii) the date on which the Exchange publicly announces a Housekeeping Change, if applicable.

## **7. Review by Staff of notice and materials to be published for comment**

- (a) Within 5 business days of the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 6(a), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the Exchange of any deficiency requiring a 48re filling of the notice and materials.
- (b) Where the notice and materials are considered by Staff to be deficient, the Exchange will amend and resubmit the notice and materials accordingly, and the date of resubmission will serve as the filing date for the purposes of this Protocol.
- (c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 8.

## **8. Publication of a Public Interest Rule or Significant Change Subject to Public Comment**

- (a) As soon as practicable after the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 6(a), Staff will publish in the OSC Bulletin and on the OSC website the notice prepared by the Exchange, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the Exchange within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.
- (b) If public comments are received
  - (i) the Exchange will forward copies of the comments promptly to Staff; and
  - (ii) the Exchange will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period.

## **9. Review and Approval Process for Proposed Fee Changes, Public Interest Rules and Significant Changes**

- (a) Staff will use their best efforts to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change within



- (i) 45 days from the date of filing of a proposed Public Interest Rule or Significant Change; and
  - (ii) seven business days from the date of filing of a proposed Fee Change.
- (b) Staff will notify the Exchange if they anticipate that their review of the proposed Fee Change, Public Interest Rule or Significant Change will exceed the timelines in subsection 9(a).
- (c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change, Staff will use best efforts to provide the Exchange with a comment letter promptly by the end of the public comment period for a Public Interest Rule or Significant Change subject to Public Comment, and promptly after the receipt of the materials filed under section 6 for all other Changes.
- (d) The Exchange will respond to any comments received from Staff in writing.
- (e) Unless Staff agree to an extension of time, if the Exchange fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the Exchange will be deemed to have withdrawn the proposed Fee Change, Public Interest Rule or Significant Change. If the Exchange wishes to proceed with the Fee Change, Public Interest Rule or Significant Change after it has been deemed withdrawn, the Exchange will have to re-submit it for review and approval in accordance with this Protocol.
- (f) Upon completion of Staff's review of a Fee Change, Public Interest Rule or Significant Change, Staff will submit the Change or Rule to the Director or, in the circumstances described in subsection 9(g), to the Commission, for a decision within the following timelines:
  - (i) for a Public Interest Rule or a Significant Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the Exchange;
  - (ii) for any other Significant Change, the later of 45 days from the date of filing of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange; or
  - (iii) for a Fee Change, the later of seven business days from the date of filing of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange.
- (g) A Fee Change, Public Interest Rule or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection 9(f),

- (i) if the proposed Fee Change, Public Interest Rule or Significant Change is complex or introduces a novel feature to the Exchange or the capital markets;
  - (ii) if comments received through the public comment process raise significant public interest concerns; or
  - (iii) in any other situation where, in Staff's view, Commission approval is appropriate.
- (h) Staff will promptly notify the Exchange of the decision.
- (i) If a Public Interest Rule or Significant Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and on the OSC website promptly after the approval:
- (i) a notice indicating that the proposed Rule or Change is approved;
  - (ii) the summary of public comments and responses prepared by the Exchange, if applicable; and
  - (iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the Exchange and a blacklined copy of the revised Rule or Change highlighting the revisions made.

#### **10. Review Criteria for a Fee Change, Public Interest Rule and Significant Change**

- (a) Staff will review a proposed Fee Change, Public Interest Rule or Significant Change in order to assess whether it is in the public interest for the Director or the Commission to approve the Rule or Change. In making this determination, Staff will have regard to the mandate of the Commission as set out section 1.1 of the *Securities Act* (Ontario). The factors that Staff will consider in making their determination also include whether:
- (i) the Rule or Change would impact the Exchange's compliance with Ontario securities law;
  - (ii) the Exchange followed its established internal governance practices in approving the proposed Rule or Change;
  - (iii) the Exchange followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Rule or Change; and
  - (iv) the Exchange adequately addressed any comments received.

## **11. Effective Date of a Fee Change, Public Interest Rule or Significant Change**

- (a) A Fee Change, Public Interest Rule or Significant Change will be effective on the later of:
  - (i) the date that the Exchange is notified that the Change or Rule is approved;
  - (ii) if applicable, the date of publication of the notice of approval on the OSC website; and
  - (iii) the date designated by the Exchange.

## **12. Significant Revisions and Republication**

- (a) If, subsequent to its publication for comment, the Exchange revises a Public Interest Rule or a Significant Change subject to Public Comment in a manner that results in a material change to the proposed substance or effect of the Rule or Change, Staff will, in consultation with the Exchange, determine whether or not the revised Rule or Change should be published for an additional 30-day comment period.
- (b) If a Public Interest Rule or Significant Change subject to Public Comment is republished under subsection 12(a), the request for comments will include a blacklined version marked to the originally published version, a summary of comments and responses prepared by the Exchange, and an explanation of the revisions and the supporting rationale for the revisions.

## **13. Withdrawal of a Fee Change, Public Interest Rule or Significant Change**

- (a) If the Exchange withdraws a Fee Change, Public Interest Rule or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.
- (b) If the notice of withdrawal relates to a Public Interest Rule or Significant Change subject to Public Comment, Staff will publish the notice of withdrawal in the OSC Bulletin and OSC website as soon as practicable.
- (c) If a Public Interest Rule or Significant Change subject to Public Comment is deemed to have been withdrawn as provided in subsection 9(e), Staff will prepare and publish a notice informing market participants that the Exchange did not proceed with the Rule or Change.

## **14. Effective Date of a Housekeeping Rule or Housekeeping Change**

- (a) Subject to subsections 14(c) and 14(d), a Housekeeping Rule will be effective on the later of
  - (i) the date of the publication of the notice to be published on the OSC website in accordance with subsection 14(e), and

- (ii) the date designated by the Exchange.
- (b) Subject to subsections 14(c) and 14(d), a Housekeeping Change will be effective on the date designated by the Exchange.
- (c) Staff will review the materials filed by the Exchange for a Housekeeping Change or Housekeeping Rule to assess the appropriateness of the categorization of the Rule or Change as housekeeping within five business days from the date that the Exchange filed the documents in accordance with subsections 6(c) and 6(d). The Exchange will be notified in writing if there is disagreement with respect to the categorization of the Rule or Change as housekeeping.
- (d) If Staff disagree with the categorization of the Rule or Change as housekeeping, the Exchange will immediately repeal the Change, if applicable, file the proposed Rule as a Public Interest Rule or the proposed Change as a Significant Change, and follow the review and approval processes described in this Protocol as applying to a Public Interest Rule or Significant Change, including those processes applicable to a Significant Change subject to Public Comment if applicable.
- (e) If Staff do not disagree with the categorization of the Rule, Staff will publish a notice to that effect in the OSC Bulletin and on the OSC website as soon as is practicable.

#### **15. Immediate Implementation of a Public Interest Rule or Significant Change**

- (a) The Exchange may need to make a Public Interest Rule or Significant Change effective immediately where the Exchange determines that there is an urgent need to implement the Rule or Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the Exchange, its members, other market participants, issuers or investors.
- (b) When the Exchange determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible but in any event at least five business days prior to the proposed implementation of the Public Interest Rule or Significant Change. The written notice will include the expected effective date of the Public Interest Rule or Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must also be included as part of the written notice.
- (c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the Exchange, in writing, of the disagreement no later than the end of the third business day following filing of the notice under subsection 15(b). If the disagreement is not resolved, the Exchange will file the Public Interest Rule or Significant Change in accordance with the timelines in section 6.

#### **16. Review of a Public Interest Rule or Significant Change Implemented Immediately**

A Public Interest Rule or Significant Change that has been implemented immediately in accordance with section 15 will be published, if applicable, and reviewed and approved by the

Director or by the Commission in accordance with the procedures set out in section 9, with necessary modifications. If the Director or the Commission does not approve the Public Interest Rule or Significant Change, the Exchange will immediately repeal the Rule or Change and inform its members of the decision.

**17. Application of Section 21 of the *Securities Act* (Ontario)**

The Commission's powers under subsection 21(5) of the *Securities Act* (Ontario) are not constrained in any way, notwithstanding a Rule or Change having been approved under this Protocol.