

TSX VENTURE EXCHANGE RULE BOOK

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RULE A. 1.00 – INTERPRETATION

A1.01 – Definitions

In these rules unless the context otherwise requires:

"Approved lender" means a chartered bank or other person approved by the Exchange. "Approved Person" means:

- (a) a Member;
- (b) a Related Company in respect of a particular Member;
- (c) an employee of the Member or Related Company to that extent that such employee has Exchange Approval or the approval of a recognized self-regulatory organization;
- (d) partners, directors and officers of the Member or Related Company;
- (e) a person holding a significant equity interest in the Member or Related Company; and
- (f) such other person as may be designated from time to time by the Exchange.

"Approved Trader" means an individual who has Exchange Approval to enter orders into the trading system and includes both Assistant Approved Traders and Full Approved Traders unless otherwise indicated by the Exchange.

"ask price" means the lowest price of a committed order to sell at least one board lot of a particular security.

Added October 18, 2021

"Assistant Approved Trader" means a trader whose trading must be supervised by an Approved Trader as required in Rule C.2.29 and who may not operate or have any interest in a non-client or inventory account.

"Associate" when used to indicate a relationship with a person or company, means:

- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10 percent of the voting rights attached to all outstanding voting securities of the issuer;
- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which the person or company serves as trustee or in a similar capacity; and
- (d) in the case of a person:
 - (i) that person's spouse or child, or
 - (ii) any relative of that person or of his spouse who has the same residence as that person; but
- (e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"attributed order" means an order which is displayed in the Book with the Member's trading number.

Amended November 4, 2003

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"Basis Trade" means a transaction whereby a basket of securities or an index participation unit is transacted at a price calculated in the prescribed manner which represents the average accumulation (or distribution) price of the position, subject to an agreed upon basis spread, achieved through the execution of related exchange-traded derivative instruments, which may include listed index futures, index options and index participation units in an amount that will correspond to an equivalent market exposure.

Added November 16, 2015

"better-priced limit order" means a limit order entered prior to the opening of trading of a security to buy at a price that is higher than the opening price, or to sell at a price that is lower than the opening price.

Amended April 2, 2012

"bid price" means the highest price of a committed order to buy at least one board lot of a particular security.

Added October 18, 2021

"Board" means the Board of Directors of the Exchange.

"board lot" has the same meaning as "Standard trading unit" as defined in the UMIR.

Amended March 28, 2002

"Book" means the electronic file of committed orders for a security but does not include the MOC Book.

Amended April 2, 2012

"Business Day" means any day from Monday to Friday inclusive, excluding Statutory Holidays.

"Bypass Order" is as defined in UMIR.

Added January 19, 2009

"calculated closing price" means the closing price for MOC Securities calculated in the manner determined by the Exchange.

Added December 12, 2011

"calculated opening price" or "COP" is the price of opening trades in a security calculated in the manner prescribed by the Board.

Amended April 2, 2012

"Chair" means the person elected by the Board as the Chair of the Board or, in his or her absence or unwillingness to act, the Vice-Chair of the Board or the director who for the time being is exercising the powers of the Chair of the Board.

"Chartered Bank" means any bank incorporated under the *Bank Act* (Canada).

"Clearing Corporation" means The Canadian Depository for Securities Limited and/or any other securities clearing corporation to be designated by or acceptable to the Exchange for the purposes of facilitating securities trade settlement.

"client order" means an order for the purchase or sale of a security received or originated by a Member for the account of a client of the Member or a client of an affiliated entity of the Member, but does not include an order entered for an account in which the Pro Group has any direct or indirect interest, other than an interest in a commission charged, a principal order or a non-client order.

"Closing Call" means the execution of orders on the combination of the Book and the MOC Book to derive the calculated closing price.

Added December 12, 2011

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"closing time" means the time fixed by the Board for the end of a Session.

Added September 12, 2008

"committed order" means an offer to buy or sell a specific number of shares or units of a security at a specific price that is entered in the Book and that is open for acceptance by any other Member.

Amended April 2, 2012

"Complaint" means any verbal or written communication to the Exchange from a member of the public or a member or a director, or a member of the staff of the Exchange, concerning the administration, control or management of the affairs of a member or other person under the jurisdiction of the Exchange, or the business or the affairs of the Exchange or the business, affairs or conduct of a company whose shares are listed on the Exchange.

"Conditional Order" means a non-committed order entered in the Conditional Order Book that generates an invitation to send a firm order when there is a contra side match.

Added November 22, 2021

"Conditional Order Book" means the non-displayed electronic file that holds Conditional Orders. Orders in the Conditional Order Book must meet a minimum size determined by the Exchange and approved by the applicable regulator, from time to time.

Added November 22, 2021

"Corporations Act" means, as the subject matter or the context requires, the *Alberta Business Corporations Act* S.A. 1981, c. B-15 as amended from time to time.

"Debt" is an investment which provides the holder with a legal right, in specified circumstances, to demand payment of the amount owing, the term is used to include debtor-creditor relationships whether or not represented by a written instrument or security.

"Delayed delivery" means delivery at the seller's option within the time specified in the contract.

"Designated Member" means a partner, officer, or director appointed by a Member as its member pursuant to Rule D. 1.03.

"Designated Trade" is as defined in UMIR.

Added January 19, 2009

"Direct or indirect financial benefit" shall include a "direct or indirect financial benefit", bonus or other remuneration based on trading profit of any account or accounts.

"Discretionary Order" means a limit order with both a disclosed portion and an undisclosed portion where the undisclosed portion has a price that is not displayed and is more aggressive than the price on the order's disclosed portion. The undisclosed portion of a Discretionary Order will execute only against an Inside Spread Order. The disclosed portion of a Discretionary Order is eligible to execute against an Inside Spread Order as well as other orders.

Added March 1, 2011

"Distribution" has the meaning attributed to it in the applicable securities laws.

"Equity investment" is an investment the holder of which has no legal right to demand payment until the issuing corporation or its board of directors has passed a resolution declaring a dividend or other distribution, or winding-up of the issuing corporation.

"Exchange" means TSX Venture Exchange Inc., incorporated under the *Corporations Act*.

"Exchange Approval" means any approval given by the Exchange (including any Committee of the Exchange so authorized) under any provision of the Exchange Requirements.

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"Exchange Contract" means any contract:

- (a) to buy and sell any security, if such contract is made through the facilities of the Exchange; or
- (b) for delivery of and payment for any security that was posted for trading on the Exchange when the contract was made, arising from settlement through the Clearing Corporation.

Amended April 2, 2012

"Exchange officer" means the President, any vice-president, or any other person appointed by the Board or the President as an Exchange officer.

"Exchange Requirements" has the same meaning as defined in the Exchange's Corporate Finance Manual.

Amended March 31, 2006

"Exercise of Exchange powers" means:

- (1) Unless the subject matter or context requires otherwise, wherever the Exchange is specified as having any powers, rights, discretion or is entitled to take any action, then the same may be exercised or taken at any time and from time to time on behalf of the Exchange by the Board, the appropriate officers of the Exchange or any committee or person designated by the Board, the CEO or the President.
- (2) Unless the subject matter or context requires otherwise, any exercise of any power, right or discretion or the taking of any action on behalf of the Exchange by any person or committee shall be subject to the overall authority of the Board.

"Fitness hearing" means a hearing, before a disciplinary hearing panel or listed company review panel, at which a member seeks approval to employ an individual as an Approved Person by demonstrating that such individual meets the requirements of the Exchange for approval. The provisions of Rule E shall apply.

"Full Approved Trader" means an Approved Trader who has met the qualifications of the Exchange to be designated as such.

"Hereof", "herein", "hereby" "hereunder" and similar expressions used in any section, subsection or clause relate to the whole of the Exchange Requirements.

"Holding company" means a corporation which has not been exempted by the Exchange from the requirements for a holding company that owns more than fifty per cent of each class or series of voting securities and more than fifty per cent of each class or series of participating securities of another corporation; where a corporation is a holding company of another corporation that is itself a holding company of yet another corporation, the first mentioned corporation is also deemed a holding company of the third-mentioned corporation. A person shall not be considered a holding company by reason of its ownership of securities in the capacity of an industry investor.

"IIROC" means the Investment Industry Regulatory Organization of Canada.

Added December 12, 2011

"Independent director" means a person who, at that time of his or her appointment as a director of the Exchange is, and for at least 12 months immediately preceding that appointment was, independent of the Exchange and its shareholders and for this purpose a person is not independent who is:

- (a) a person who is a director, officer, or employee of a member or Participating Organization;
- (b) is a member of the immediate family of a person referred to in paragraph (a); or

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- (c) a person who beneficially owns 5% or more of the outstanding voting shares or partnership interest in a member or Participating Organization

and for the purposes of clause (b) the immediate family of a person referred to in clause (a) includes that person's spouse, parent and child, and a relative of that person or that person's spouse who resides with that person. For the purpose of this definition, (i) the Chief Executive Officer and the President of the Exchange shall each be deemed to be independent and (ii) a person shall be independent if he or she is determined to be independent by the board, unless determined otherwise by a regulatory authority.

"Industry investor" means, in respect of any member or holding company of a member, any of the following who beneficially owns an interest in the member:

- (1) the members' full-time officers and employees, or the full time officers and employees of a related company or affiliate of a member which carries on securities related activities provided that such officers and employees of the related company or affiliate devote their full time to the securities related activities;
- (2) spouses of individuals referred to in subparagraph (1);
- (3) an investment corporation, where:
 - (a) a majority of each class of the voting securities thereof is beneficially owned by individuals referred to in subparagraph (1); and
 - (b) all interests in all other outstanding voting or outstanding participating securities of the investment corporation are beneficially owned by individuals referred to in subparagraphs (1) or (2) or by industry investors with respect to the particular member or holding company;
- (4) a family trust established and maintained for the benefit of the individuals referred to in subparagraphs (1) or (2) or their children where:
 - (a) full direction and control of the family trust, including, without limitation, its investment portfolio and the exercise of voting and other rights attached to the instruments and securities contained in the investment portfolio, are maintained by individuals referred to in subparagraphs (1) and (2); and
 - (b) all the beneficiaries of the family trust are individuals referred to in subparagraphs (1) or (2) or their children or are industry investors with respect to the particular member or holding company;
- (5) a registered retirement savings plan established under the *Income Tax Act* (Canada) by an individual referred to in subparagraphs (1) or (2) if control over the investment policy of the registered retirement savings plan is held by that individual and if no other person has any beneficial interest in the registered retirement savings plan;
- (6) a pension fund established by a member for its officers and employees if the pension fund is organized so that full power over its investment portfolio and the exercise of voting and other rights attached to the instruments and securities contained in the investment portfolio is held by individuals referred to in subparagraph (1);
- (7) the estate of an individual referred to in subparagraphs (1) or (2) for a period of one year after the death of such individual or such longer period as may be permitted by the Exchange;
- (8) any investor referred to in subparagraphs (1), (2), (3), (4) or (5) for a period of 90 days or such longer period as the Exchange may permit after the individual who, in the case of subparagraph (1), is the investor or, in the case of subparagraphs (2), (3), (4) or (5) is the person through whom the industry investor qualifies as such, is no longer in the employment of the member or the related company or affiliate which carries on securities related activities of a member;

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but any of the foregoing is an industry investor only if an approval for purposes of this definition has been given, and not withdrawn, by the managing committee of the member, or the board of directors of the member or holding company, as the case may be, and the Exchange.

"Infraction" means:

- (1) a contravention of any Exchange Requirements; or
- (2) any conduct, proceeding or method of business whether or not expressly provided for in the Exchange Requirements which is unbecoming or inconsistent with just and equitable principles of trade or detrimental to the interests of the Exchange or the public.

"Inside Spread Order" means an Undisclosed Order that is constrained to execute inside the Canadian Best Bid Offer. An Inside Spread Order will execute only against a Discretionary Order.

Added March 1, 2011

"intentional cross" has the same meaning as defined in the UMIR.

Added November 4, 2003

"internal cross" has the same meaning as defined in the UMIR.

Added November 4, 2003

"Investment" means, in respect of any person, any security or debt obligation issued, assumed or guaranteed by the person, any loan to the person, and any right to share participate in the assets, profit or income of the person.

"Jitney" is a member acting on behalf of another member or non-member in the execution of transactions through the facilities of the Exchange.

"Last Sale Price" means;

- (1) in respect of a MOC Security, the calculated closing price; and
- (2) in respect of any other listed security, the last board lot sale price of the security on the Exchange in the Regular Session.

Added December 12, 2011

"limit order" means an order to buy a security to be executed at a specified maximum price, and an order to sell a security to be executed at a specified minimum price.

Added March 1, 2011

"Listed issuer" means an issuer which has one or more classes of its securities listed for trading by the Exchange.

Amended April 2, 2012

"Listed security" means a security listed by the Exchange and posted for trading on the Exchange.

Amended April 2, 2012

"Long Life Eligible" means a security which has been designated by the Exchange as eligible for long life priority and allocation benefits under these Rules.

Added November 20, 2015

"Long Life order" means a board lot or board lot portion of a mixed lot market or limit order that is: (a) entered for a security that has been identified by the Exchange as being Long Life Eligible; (b) identified by the participant as a Long Life order upon entry in the manner specified by the Exchange; and (c) is subject to Long Life Restrictions.

Added November 20, 2015

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"Long Life Restrictions" means Exchange prescribed restrictions, applicable to a Session as specified by the Exchange, which prevent the amendment or cancellation of an order for a period of time specified by the Exchange.

Added November 20, 2015

"Market Official" means the Person designated as such by the Exchange.

"marketplace" has the meaning ascribed to it in National Instrument 21-101 – Marketplace Operation.

Added March 10, 2006

"Marketplace Match" means matched orders that are received from a marketplace where the matched orders flow through the facilities of the Exchange and do not interact with: (i) orders entered on the Exchange by Members; (ii) other Marketplace Matches; and (iii) Marketplace Messages.

Added March 10, 2006

"Marketplace Message" means an order received from a marketplace where the order flows through the facilities of the Exchange and does not interact with: (i) orders entered on the Exchange by Members; (ii) other Marketplace Messages; and (iii) Marketplace Matches.

Added March 10, 2006

"Market Surveillance Official" means:

- (1) a Market Integrity Official where the administration of any rule or policy is undertaken by IIROC on behalf of the Exchange; and
- (2) an employee of the Exchange designated by the Exchange to perform such functions and exercise such power.

Added December 12, 2011

"Member" means a Person who has executed the Members' Agreement, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements.

"Members' Agreement" means the members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a member of the Exchange.

"Membership" means membership in the Exchange.

"MOC Book" means the electronic file that holds MOC Orders.

Added December 12, 2011

"MOC Freeze Period" means the time period beginning at the end of the MOC Imbalance Period and ending at the Closing Call.

Added October 18, 2021

"MOC Imbalance" means the difference between the aggregate eligible buy MOC Market Order and MOC Limit Order volume and aggregate eligible sell MOC Market Order and MOC Limit Order volume calculated in the manner determined by the Exchange.

Amended January 12, 2015

"MOC Imbalance Period" means the time period beginning at the start of the Special Trading Session and ending at the start of the MOC Freeze Period.

Added October 18, 2021

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“MOC Limit Order” means an order for the purchase or sale of a MOC Security entered in the MOC Book on a Trading Day for the purpose of executing at the Last Sale Price of the security on that Trading Day, provided that the Last Sale Price does not exceed a specified maximum price or fall below a specified minimum price, but does not include a Special Trading Session order.

Added December 12, 2011

“MOC Market Order” means an order for the purchase or sale of a MOC Security entered in the MOC Book on a Trading Day for the purpose of executing at the Last Sale Price of the security on that Trading Day, but does not include a Special Trading Session order.

Added December 12, 2011

“MOC Order” means a MOC Market Order, or a MOC Limit Order.

Amended April 8, 2019 and October 18, 2021

“MOC Passive Pegged Limit Orders” means a MOC Limit Order that is entered during the MOC Freeze Period, where (i) the entered limit price is more aggressive than the MOC Reference Price that causes it to be re-priced to the MOC Reference Price; (ii) the MOC Reference Price is less aggressive than the calculated closing price; and (iii) the entered limit price is equal to or more aggressive than the calculated closing price.

Added October 18, 2021

“MOC Reference Price” means the mid-point between the bid price and the ask price on the Exchange.

Added October 18, 2021

“MOC Securities” means securities in respect of which MOC Orders may be entered as designated by the Exchange from time to time.

Added December 12, 2011

“Odd lot” means order volume which is less than the board lot size determined at the close of the previous trading session.

“Odd Lot Member” means the Member assigned by the Exchange to maintain the odd lot market in one or more Exchange-listed securities pursuant to Policy Statement CR11.

“Odd Lot Trader” means the Full Approved Trader assigned by an Odd Lot Member to fulfill its responsibilities as the Odd Lot Member for an Exchange-listed security.

“Officer” means the chair or any vice-chair of the Board of Directors, the President and any vice-president, the secretary, assistant secretary, treasurer, assistant treasurer, comptroller, or general manager of a member or any other person approved by the Exchange as an officer of a member.

“Opening time” means the time fixed by the Board for the opening of Sessions of trading in securities.

Amended April 2, 2012

“Order Execution Account” means the account of a client of a Member in respect of which the Member is exempted, in whole or in part, from making a determination on the suitability of trades for the client in accordance with the requirements of a securities regulatory authority or a recognized self-regulatory organization.

Added May 31, 2004

“Orders for the accounts of clients” means an order for the account of a client of a member or of a client of any affiliated company of a member, but shall not include an order for an account in which a member or approved person has an interest, direct or indirect, other than an interest in a commission charged, nor an order arising from an arbitrage account.

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"Parent" where used to indicate a relationship with another corporation, means a corporation that has the other corporation as a "subsidiary" within the meaning of either of the Securities acts.

"Participant in a member" means a partner in a member or in a partnership which is an affiliated company of a member and a director, officer or shareholder of a member or of a corporation which is an affiliated company of a member.

"Participating organization" means a person whose application for access to the facilities of the Exchange has been accepted by the Exchange, and does not include a member.

"Participating securities" of an organization, whether incorporated or unincorporated, are those of its securities outstanding from time to time which entitle the holders thereof to participation, limited or unlimited, in the earnings or profits of the issuing organization, either alone or in addition to a claim for interest or dividends at a fixed rate, and include, except where the reference is to "outstanding" participating securities, those securities which entitle the holders thereof, on conversion, exchange, the exercise of rights under a warrant, or otherwise, to acquire participating securities.

"Person" means an individual, corporation, partnership, party, trust, fund, association and any other organized group of persons and the personal or other legal representative of a person to whom the context can apply according to law.

"Person under the jurisdiction of the Exchange" means an approved person, a member, an employee of a member, a participating organization or any other person who is required to apply and has applied to the Exchange to become an approved person, a member, or an employee of a member.

"Posted market" is created by entering the order into the trading system of the Exchange or as from time to time may be prescribed by the Exchange.

"pre-opening period" means the period of time fixed by the Board that is immediately prior to the opening time during which orders will be accepted but not executed by the Exchange.

Added September 12, 2008

"President" means the person appointed by the Board as the President of the Exchange.

"Principal account" means an account in which a Member, an affiliated or related company of the Member or an Approved Person has a direct or indirect interest, other than an interest in the commission charged on the transaction.

"principal order" means an order for the purchase or sale of a security received or originated by a Member, an affiliated or related company of the Member or an Approved Person for a principal account.

"Pro group" means:

- (1) Subject to subparagraphs (2), (3) and (4), "Pro Group" shall include, either individually or as a group:
 - (a) the member;
 - (b) employees of the member;
 - (c) partners, officers and directors of the member;
 - (d) affiliates of the member; and
 - (e) associates of any parties referred to in subparagraphs (1) through (5).
- (2) The Exchange may, in its discretion, include a person or party in the Pro Group for the purposes of a particular calculation where the Exchange determines that the person is not acting at arm's length of the member;
- (3) The Exchange may, in its discretion, exclude a person from the Pro Group for the purposes of a particular calculation where the Exchange determines that the person is acting at arm's length of the member;

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- (4) The member may deem a person who would otherwise be included in the Pro Group pursuant to subparagraph (1) to be excluded from the Pro Group where the member determines that:
- (a) the person is an affiliate or associate of the member acting at arm's length of the member;
 - (b) the associate or affiliate has a separate corporate and reporting structure;
 - (c) there are sufficient controls on information flowing between the member and the associate or affiliate; and
 - (d) the member maintains a list of such excluded persons.

"Public ownership of securities" means the ownership of securities (other than indebtedness described in Rule D.1.17) by any person other than an industry investor except that ownership by an approved lender in accordance with Rule D.1.18 does not, of itself, constitute public ownership of securities.

"Recognized exchange" or "Recognized stock exchange" means a stock exchange or exchange recognized by the Board, from time to time, for the purpose of privileges which may be given to such exchange or its members.

"Registered representative" means a person who has been approved as such by a self regulatory organization and includes a registered representative (restricted). The term "Registered Representative" shall include any person who performs substantially the same functions as a registered representative and who may not otherwise be under the jurisdiction of the Exchange. The term "Registered Representative" also includes an individual who is approved as an Investment Adviser or Investment Adviser Restricted by a self regulatory organization.

"Regular Session" means a Session other than a Special Trading Session.

Added December 12, 2011

Regulation Services Provider has the meaning ascribed in National Instruments 21-101 (Marketplace Operation).

"Related Company" means, in respect of a Member, a person:

- (a) in which the Member or any partner, director, officer, employee or shareholder of the Member, individually or collectively, hold, directly or indirectly, at least a 20 per cent ownership interest; and
- (b) which carries on business in Canada a substantial part of which is that of a broker, dealer or adviser in securities.

"Related issuer" shall have the same meaning as prescribed in the securities laws and if there is a conflict between the provisions of such securities laws, in the *Alberta Securities Act*, S.A.1981, c.S.6.1.

"Respondent" means a person with respect to whom a complaint has been made to the Exchange and who at the time of the actions alleged in the complaint was a member or approved person, or employee or agent of a member.

"Salesman" or "salesperson" means a registered representative or investment adviser as applicable.

"Securities act" means the *Alberta Securities Act*, S.A. 1981, c.S.6.1 as amended from time to time, the *British Columbia Securities Act*, R.S. B.C. 1996, c.418, as amended from time to time, and any Act that hereinafter may be substituted therefore as the same is amended from time to time, and any reference herein to any section or subsection of such Acts shall be deemed to be a reference to the section or subsection as at the time in question amended or supplemented or to the successor thereof if the same has been repealed.

"Securities firm" means any firm or corporation operating in Canada and carrying on securities related activities.

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"Securities Laws" means the applicable securities laws (including statutes, regulations, rules and published notices and policies thereunder) of each of the provinces in which the Exchange is recognized, as amended from time to time.

"Securities related activities" means acting as a dealer (principal) or broker (agent) in carrying out transactions in securities on behalf of clients including, without limitation, acting as an underwriter or adviser, and also includes acting in any of such capacities in transactions in commodity futures contracts or commodity futures options as defined by the applicable legislation.

"security" when used to describe a security that trades on the Exchange means:

- (a) a listed security (as such term is defined herein); and
- (b) a security that is posted for trading on the Exchange, but not listed by the Exchange.

Added April 2, 2012

"Self-regulatory organization" means any of the Investment Dealers Association of Canada, the Montreal Exchange, The Toronto Stock Exchange, the Exchange and any Regulation Services Provider that is recognized as a self-regulatory organization and retained by the Exchange in accordance with National Instrument 21-101 (Marketplace Operation).

Amended March 28, 2002

"Session" means the time period during which the Exchange is open for trading.

"settlement day" means any trading day on which settlements in securities may occur through the facilities of the Clearing Corporation.

Amended April 2, 2012

"short sale" has the same meaning as defined in the UMIR.

Amended March 28, 2002

"Special Terms Order" means an order for the purchase or sale of a security:

- (a) for less than a standard trading unit;
- (b) the execution of which is subject to a condition other than as to price or date of settlement; or
- (c) that on execution would be settled on a date other than:
 - (i) the first business day following the date of the trade, or
 - (ii) any settlement date specified in a special rule or direction issued by the Exchange.

Amended September 5, 2017 and May 27, 2024

"Special Trading Session" means a Session during which trading in a security is limited to the execution of transactions at a single price.

Added April 8, 2019

"Special Trading Session order" means an order to buy or sell a security in the Special Trading Session.

Added December 12, 2011

"Specialty Price Cross" means a Basis Trade or Volume-Weighted Average Price Trade, or such other trade that is designated by the Exchange from time to time, resulting from the entry by a Participating Organization of both the order to purchase and the order to sell a security.

Added November 16, 2015

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"Statutory holiday" means such day or days as may be designated by the Board or established by law in applicable jurisdictions.

"trade" means a contract for the purchase and sale of a security and, for greater certainty, includes a purchase or acquisition of a security for valuable consideration in addition to any sale or disposition of a security for valuable consideration.

"tradeable order" means a market order, a buy order with a limit price that is at or above the ask price at the time the order is entered on the Exchange, and a sell order with a limit price that is at or below the bid price at the time the order is entered on the Exchange.

"Trading Day" means a day upon which a Session is held.

"trading system" means the trading system used by the Exchange and includes all facilities and services provided by the Exchange to facilitate trading, including, but not limited to: electronic systems for trading securities; data entry services; any other computer-based trading systems and programs; communications facilities between a system operated or maintained by the Exchange and a trading or order routing system operation or maintained by a Member, another market or other person approved by the Exchange; and price quotations and other market information provided by or through the Exchange.

Amended April 2, 2012

"TSXV Closing Price" means the Last Sale Price.

Added (September 27, 2021)

"TSXV Closing Ask Price" means the derived last ask price calculated in the manner determined by the Exchange.

Amended (December 2, 2021)

"TSXV Closing Bid Price" means the derived last bid price calculated in the manner determined by the Exchange.

Amended (December 2, 2021)

"UMIR" means the Universal Market Integrity Rules adopted by the Exchange and as may be amended from time to time and administered and enforced by the Exchange or any Regulation Service Provider retained by the Exchange.

"unattributed order" means an order in the Book without the Member's trading number.

Amended March 29, 2021

"Undisclosed Order" means an order that is not displayed on the Exchange.

Added March 1, 2011

"Vice-chair" means the person elected by the Board as the Vice-Chair of the Board.

"Volume-Weighted Average Price Trade" means a transaction for the purpose of executing trades at a volume-weighted average price calculated in the prescribed manner of the security traded for a continuous period on or during a trading day on the Exchange.

Added November 16, 2015

"Voting securities" of a member or its holding company means all securities of that member or holding company outstanding from time to time that carry the right to vote for the election of directors, and includes:

- (1) except where the reference is to "outstanding" voting securities, those securities which entitle the holders thereof, on conversion, exchange, the exercise of rights under a warrant, or otherwise, to acquire voting securities; and

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- (2) preference shares which carry the right to vote for the election of directors only upon the occurrence of a specific event if such specific event has occurred.

Amended November 4, 2003

A1.02 – Rules of Construction:

Grammatical variations of the interpretations have similar meanings. Words importing the masculine gender shall include the feminine and neuter genders and, where applicable, the provisions of the relevant interpretation legislation shall apply.

A1.03 – Interpretation Not Affected by Division, Heading, etc:

"Interpretation not affected by division, heading, etc" means the division of the Exchange requirements into separate parts, sections, subsection and clauses, the provision of a table of contents and index thereto, and the insertion of headings, indented notes in italics and footnotes are for convenience of reference only and shall not affect the construction or interpretation of the Exchange requirements.

A1.04 – Application of Trading Rules and Policies

Marketplace Matches and Marketplace Messages are not subject to Rules B to J of these trading rules, and are not subject to these trading policies. For greater certainty, a Marketplace Match is not considered to be a trade or an Exchange Contract under these trading rules and policies, and a Marketplace Message is not considered to be a tradeable order or an order under these trading rules and policies.

Added March 10, 2006

RULE B.1.00 – POWER TO LIST AND DELIST

B.1.01

- (1) Listing on the Exchange is a privilege, not a right. The decision as to whether an issuer shall have any of its securities listed on the Exchange is in the sole discretion of the Exchange. The Exchange may accept or refuse any application or may impose whatever conditions and restrictions on any Exchange Approval granted as the Exchange, in its sole discretion, considers necessary and advisable in the circumstances.
- (2) The Exchange shall examine all applications for listing and may list for trading such securities and on such tier, as the Exchange, in its sole discretion, may determine appropriate. Applications for listing shall be made in the form and accompanied by such documentation and supporting materials as are prescribed by the Exchange from time to time.
- (3) The fee for the listing of any securities shall be such sum or sums as are prescribed by the Exchange from time to time.
- (4) The Exchange shall have the power and discretion at any time to:
 - (a) suspend trading or delist a listed security from the Exchange or to revoke a suspension imposed on any security listed on the Exchange; and
 - (b) impose any conditions or restrictions on any decision made by the Exchange pursuant to section 4(a) above, as deemed necessary and advisable by the Exchange;

where the Exchange, in its discretion, is satisfied that:

- (c) there has been a failure to comply with any of the terms and conditions of listing, including the terms of the Listing Agreement;
 - (d) there has been a failure to comply with or the contravention of any Exchange Requirement;
 - (e) **Deleted April 2, 2012;**
 - (f) trading in the issuer's securities has been halted or suspended for a period as specified in the Exchange Requirements; or
 - (g) such action is necessary in the public interest.
- (5) The Exchange shall have the power and discretion at any time to:
 - (a) decline the granting of Exchange Approval of any application by any issuer;
 - (b) revoke, amend or impose conditions on any Exchange Approval previously granted;
 - (c) designate or redesignate the tier upon which an issuer's securities shall trade and designate any issuer Inactive (as defined in Corporate Finance Policy 1.1) or revoke any Inactive designation;
 - (d) decline the acceptance of notice of any director, officer, insider, promoter, auditor, lawyer, employee, consultant or other agent relied on by an issuer, to the extent the holding of such position requires acceptance of notice by the Exchange; and
 - (e) revoke, amend or impose conditions on any previous acceptance of notice granted to any issuer, director, officer, insider, promoter, auditor, lawyer, employee, consultant or other agents relied on by an issuer to the extent such position requires acceptance of notice by the Exchange.

Amended January 17, 2001

Rules B.1.01 (6) and (7) deleted July 26, 2019

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RULE B.2.00 – SPONSORSHIP AND SPONSOR REPORT

B.2.01

Sponsorship is required in regard to every application for New Listing, and every application by a Tier 2 Listed Issuer to conduct a Change of Business. Sponsorship may also be required by the Exchange in regard to other significant transactions by Listed Issuers where it is considered necessary or advisable by the Exchange. In making a determination as to whether an Issuer meets Exchange Requirements and is suitable for listing on the Exchange, the Exchange will rely heavily upon the fact that a Sponsor has agreed to sponsor the Issuer and has agreed to prepare and submit a Sponsor Report to the Exchange.

Unless otherwise defined, capitalized terms used in this Rule B.2.00 and the accompanying Policy Statements have the meanings set out in Policy 1.1 of the Corporate Finance Manual.

Amended April 2, 2012

B.2.02

This Rule and Policy Statement CR13:

- (1) describe the required contents of the report (the "Sponsor Report") to be provided to the Exchange by the Sponsor;
- (2) set forth the minimum review procedures ("Review Procedures") required to be conducted in connection with preparation of a Sponsor Report; and
- (3) identify the criteria which must be met in order for a Member to qualify as a Sponsor.

B.2.03

The Exchange requires that the Sponsor Report:

- (1) confirm compliance by the Issuer with Corporate Finance Policy 2.1, Minimum Listing Requirements and sections 2, 5, 11, and 18 of Corporate Finance Policy 3.1, Directors, Officers and Corporate Governance and confirm internal procedures have been adopted to comply with sections 16 and 17 of Policy 3.1;
- (2) confirm that the Review Procedures (as defined in Sponsorship Policy Statement 3) have been conducted or, to the extent permitted, identify any Review Procedures not conducted and the reasons such Review Procedures were not conducted;
- (3) identify the significant Review Procedures conducted;
- (4) identify any information which the Sponsor is or has become aware of in the course of conducting its Review Procedures or its Due Diligence (as defined below) which may reasonably be expected to be of significance to the Exchange in determining the suitability of the listing of the Issuer; and
- (5) confirm that the Sponsor has favourably concluded upon the suitability for listing of the Issuer.

B.2.04

The Exchange expects that the Sponsor will conduct a duly diligent review ("Due Diligence"), appropriate to the circumstances, in connection with the sponsorship of an applicant Issuer and that such Due Diligence will be substantially similar to that which would be conducted by an underwriter in connection with the underwriting of a public offering. However, this Rule is not in any way intended to set forth a standard of appropriate Due Diligence. This Rule and Policy Statement CR13 only prescribe the minimum Review Procedures to be conducted in connection with preparation of a Sponsor Report. The scope and extent of appropriate Due Diligence by a Sponsor may be different from or may be considerably more extensive than the Review Procedures required to prepare a Sponsor Report. Compliance with this Rule and Policy Statement CR13 is no assurance of appropriate Due Diligence.

RULE C.1.00 – GOVERNANCE OF TRADING SESSION

C.1.01 – Date and Time of Session

- (1) The Exchange shall be open for a Session on each Business Day.
- (2) The Board shall determine the opening time and closing time of a Session.

Amended September 12, 2008

C.1.02 – Trades Outside of Hours for Session

Except as approved by a Market Official, no trade in a security shall be made on the Exchange at a time prior to the dissemination by the Exchange on the trading system of a message opening the Session or at a time after the dissemination by the Exchange on the trading system of a message closing the Session.

Amended April 2, 2012

C.1.03 – Changes in Sessions and Trading Suspensions

- (1) The Board, at any time by resolution, may:
 - (a) suspend all trading at any Session; or
 - (b) close any Session; or
 - (c) reduce, extend or otherwise alter the time of any Session.
- (2) The Chairman or, in the absence of the Chairman, a Vice-Chairman, or in the absence of a Vice-Chairman, the CEO or President may, at any time in the event of an emergency:
 - (a) suspend all trading at any Session; or
 - (b) reduce, extend or otherwise alter the time of any Session.
- (3) The CEO or President or, in the absence of the CEO or President, any Market Official may, at any time in the event of a technical problem with the trading system that is substantially impairing trading or will likely substantially impair trading if not resolved:
 - (a) suspend operation of any or all trading systems at any Session; or
 - (b) reduce, extend or otherwise alter the time of any Session.

Amended March 28, 2002

C.1.04 – Halt Rescinded

Where a halt in trading is rescinded during a trading session, notice of the rescission of the halt and the time set for resumption of trading shall be disseminated by the Exchange.

C.1.05 – Trading in the Book

- (1) The Book shall contain and display all committed orders to buy or sell a security that are made on the Exchange, unless otherwise provided by the Exchange.
- (2) Only committed orders shall participate in trading, except for trading in the special terms market.
- (3) All trades in securities on the Exchange shall be executed in the Book, unless otherwise provided by the Exchange.

Amended April 2, 2012

TSX Venture Exchange Rules and Trading Policies

C.1.06 – Exercise of Exchange Powers

- (1) Unless the subject matter or context requires otherwise, wherever the Exchange is specified as having any powers, rights, discretion or is entitled to take any action, then the same may be exercised or taken at any time and from time to time on behalf of the Exchange by the Board, the appropriate officers of the Exchange or any committee or person designated by the Board, the CEO or the President.
- (2) Unless the subject matter or context requires otherwise, any exercise of any power, right or discretion or the taking of any action on behalf of the Exchange by any person or committee shall be subject to the overall authority of the Board.

RULE C.2.00 – TRADING PROCEDURES AND PRACTICES

Priority

C.2.01 – Establishing Priority

- (1) A Long Life order at a particular price shall be executed prior to an order that is not a Long Life order at that price (“long-life priority”), except in the case of an Undisclosed Order, in which case no long-life priority is provided.
- (2) Subject to Rule C.2.01(1), a disclosed order shall be executed prior to an Undisclosed Order or any undisclosed portion of an order at the same price; and an undisclosed portion of an order shall be executed prior to an Undisclosed Order at the same price.

Amended January 13, 2012, November 20, 2015 and October 23, 2017

- (3) Subject to Rule C.2.01(1), Rule C.2.01(2) and Rule C.2.06, an order at a particular price shall be executed prior to any orders at that price entered subsequently, and after all orders entered previously (“time priority”), except as may be provided otherwise.
- (4) An order shall lose time priority if its disclosed volume is increased and shall rank behind all other disclosed orders at that price.

Rule C.2.01 Amended March 1, 2011 and November 20, 2015

C.2.02 – Board Lot Priority

An order for a board lot has priority over an order for an odd lot at the same price.

C.2.03 – Special Term Order Priority

- (1) Special terms orders have no standing in the regular market and may be traded through.
- (2) Special terms non-cross trades shall not be executed unless all orders in the regular market priced at or better have been filled in full or the persons with existing booked orders have been given an opportunity to participate in the trade and have declined.
- (3) Cash same day and delayed delivery trades can occur at or outside a security's current posted market in both the regular market and the special term market provided that:
 - (a) a special terms market message has been broadcast on the Exchange,
 - (b) the Approved Trader requesting the broadcast message discloses the size of the order and identity of their Member firm, and
 - (c) after the broadcasting of the message, a minimum of five minutes has elapsed before the Approved Trader executes the buy, sell or cross on an equal allocation basis within the parameters of the now posted special terms market.

Amended May 27, 2024

TSX Venture Exchange Rules and Trading Policies

Opening

C.2.04 – Execution of Trades at an Opening

- (1) Subject to Rule C.2.05, securities shall open for trading at the opening time and opening trades shall be at the Calculated Opening Price.
- (2) The following shall be completely filled at the opening:
 - (a) market orders and better-priced limit orders.
 - (b) **Repealed (October 15, 2012)**
 - (c) **Repealed (October 15, 2012)**
 - (d) **Repealed (October 15, 2012)**
- (3) The following orders are eligible to participate during the opening in time priority sequence but are not guaranteed to be filled:
 - (a) limit orders at the opening price.
 - (b) **Repealed (October 15, 2012)**
- (4) Trades shall be allocated among orders at the Calculated Opening Price in the following manner and sequence:
 - (a) to orders guaranteed a fill pursuant to Rule 2.04(2); then
 - (b) all possible crosses shall be executed; then
 - (c) limit orders at the opening price according to time priority.
- (5) Orders at the opening price that are not completely filled at the opening shall remain in the Book, at the opening price, subject to any conditions imposed on the order that would result in the cancellation of any portion of the order that was not filled at the calculated opening price.

Amended October 15, 2012 and October 23, 2017

C.2.05 – Delayed Openings

- (1) A security shall not open for trading if, at the opening time, orders that are guaranteed to be filled pursuant to Rule C.2.04(2) cannot be completely filled by offsetting orders.
- (2) A Market Official may delay the opening of a security for trading on the Exchange if:
 - (a) the Calculated Opening Price exceeds price volatility parameters set by the Exchange;
or
 - (b) the opening of another marketplace where the security is traded has been delayed.
- (3) If the opening of the security is delayed, a Market Official shall open the security for trading according to Exchange Requirements.

Amended April 2, 2012

C.2.06 – Allocation of Trades

- (1) Subject to Rule C.2.01(1) and Rule C.2.01(2) an order that is entered for execution on the Exchange may execute without interference from any order in the Book if the order is:
 - (a) part of an internal cross;
 - (b) an unattributed order that is part of an intentional cross;
 - (c) part of a Designated Trade;

TSX Venture Exchange Rules and Trading Policies

- (d) part of an exempt related security cross, provided that the order is exempt from interference only to the extent that there are no offsetting orders entered in the Book, at least one of which is an order entered by the same Member, which can fill both the client's order for the particular security, in whole or in part, and an equivalent volume of the client's order for the related security. Orders in the Book will only be considered to be offsetting orders if the related security spread on execution of the clients' orders against orders in the Book is equal to or more beneficial than the related security spread offered by the Member for the contingent cross arrangement;
- (e) entered as part of a Specialty Price Cross; or
- (f) part of an intentional cross entered by a Member in order to fill a client's Special Trading Session order.

Amended December 12, 2011 and January 13, 2012 and November 16, 2015

- (2) Subject to subsection (1), an intentional cross is executed without interference from orders in the Book, other than attributed orders entered in the Book by the same Member according to time priority.
- (3) Subject to Rule C.2.01(1), Rule C.2.01(2), and any conditions imposed on either the tradeable order or the offsetting order that would otherwise prevent the two orders from executing against each other, a tradeable order that is entered in the Book shall be executed on allocation in the following sequence:
 - (a) to offsetting orders entered in the Book by the same Member that entered the tradeable order according to the time priority of such offsetting orders in the Book, provided that the offsetting order is undisclosed, or in the case where the offsetting order is disclosed, neither the tradeable order nor the offsetting order is an unattributed order; then
 - (b) to offsetting orders in the Book according to time priority.
- (4) A tradeable order that is entered in the Book and is a Bypass Order shall execute against the disclosed portion of offsetting orders in the Book according to the price/time priority established in Rule C.2.01.

Amended January 19, 2009, January 13, 2012, November 16, 2015, October 23, 2017 and March 29, 2021

C.2.07 – Minimum Quotation Spread

Unless otherwise fixed by the Board, orders for securities shall only be entered on the Exchange at the following price increments:

| | <i>Increment</i> |
|----------------------------|------------------|
| Selling under \$0.50 | \$0.005 |
| Selling at \$0.50 and over | \$0.010 |

Amended April 2, 2012

C.2.08 – Responsibility for Odd Lots

Pursuant to Policy CR11, where the Exchange allocates listed securities to an Odd Lot Member, the Odd Lot Member shall be responsible for guaranteeing odd lot bids or offers, through orders generated automatically by the trading system.

Rule C.2.08 Amended May 1, 2009

C.2.09 – (Deleted)

Rule C.2.09 deleted May 1, 2009

TSX Venture Exchange Rules and Trading Policies

C.2.10 – Stop Loss Orders

A stop loss order to buy a security on the Exchange becomes a limit order when at least a board lot is traded at or above the stop loss price. A stop loss order to sell a security on the Exchange becomes a limit order when at least a board lot is traded at or below the stop loss price.

Amended April 2, 2012

C.2.11 – Breach of Exchange Requirement

Where an Approved Person or an Approved Trader has breached any Exchange Requirement, the Exchange may prohibit that individual from trading on the Exchange on such terms and conditions as the Exchange considers appropriate.

C.2.12 – Exchange Liability

If for any reason an Approved Person causes an order to be entered on the Exchange on behalf of a Member, the Member shall take full responsibility for the proper execution of that order. The Exchange shall not be responsible for any errors or omissions.

C.2.13 – Transaction Prohibited

No Member other than the Member employing an Approved Trader, shall make a transaction for or maintain an account directly or indirectly for or on behalf of an individual employed as an Approved Trader, without first obtaining written permission of a partner, director, or officer of the Member.

C.2.14 – Advantage Goes With Securities Sold

In all sales all advantage shall pass with the security and shall belong to the purchaser unless otherwise determined by the Exchange.

C.2.15 – Accrued Interest Goes to Seller

All accrued interest on bonds and debentures listed for trading shall go to the seller unless otherwise determined by the Exchange.

C.2.16 – Ex-Dividend and Ex-Right Adjustment to Orders

Members are liable for equity orders subject to ex-dividend and ex-right adjustments. The Exchange shall not take any responsibility for making the adjustment.

C.2.17 – Shares Selling Ex-Dividends and Ex-Rights

- (1) Trades in shares shall be ex-dividend, ex-rights or ex-subscription privileges, as the case may be, on the record date or the date of the closing of the transfer books therefore, except transactions therein made specifically for cash same day settlement. Should such record date or such closing of transfer books occur upon a Statutory holiday, this section shall apply for the first preceding full trading day.
- (2) Trades in shares made specifically on a cash same day basis shall be ex-dividend, ex-rights, or ex-subscription privileges as the case may be on the trading day following the record date or the date of the closing of the transfer books.
- (3) The Exchange may, in any particular case or cases, provide that trades shall be ex-dividend, ex-rights, or ex-subscription privileges at any other time.

Amended September 5, 2017 and May 27, 2024

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C.2.18 – Expiry Date

Trading in rights and warrants shall be for cash same day settlement on the expiry date. On the expiry date, trading shall cease at 12 o'clock noon E.T. and no transactions shall take place thereafter except with permission of the Exchange.

Amended April 8, 2019 and May 27, 2024

C.2.19 – Trades on a "When Issued" Basis

- (1) The Exchange may post any security to trade on a when issued basis if such security is conditionally approved for listing by an exchange recognized in a jurisdiction in Canada.
- (2) Unless otherwise specified, trades on a when issued basis are subject to all applicable Exchange Requirements relating to trading in a security, notwithstanding that the security is not listed.
- (3) All trades on a when issued basis shall be cancelled if the Exchange determines that the securities subject to such trades will not be issued.

Amended April 2, 2012

C.2.20 – When Issue Delisted or Suspended or No Fair Market

- (1) The Exchange may postpone the time for delivery on Exchange Contracts if:
 - (a) the listed 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 the Exchange Contracts be settled at a fair settlement price.
- (3) If the parties to the Exchange Contract cannot agree on the amount, the Exchange shall fix the fair settlement price after providing each party with an opportunity to be heard.

Amended April 2, 2012

TSX Venture Exchange Approved Traders

C.2.21 – Access to TSX Venture Exchange

Approved Traders, subject to Exchange Requirements, shall have access to the Exchange to trade for and on behalf of the Member they represent.

C.2.22 – Appointment

Subject to the approval of the Exchange and Exchange Requirements, a Member may appoint traders to trade for and on its behalf on the Exchange.

C.2.23 – Approval by Exchange

- (1) Except as permitted by the Exchange, no person shall enter orders or trade securities on the Exchange for or on behalf of a Member (whether as principal or agent) by any means unless that person has been approved as an Approved Trader by the Exchange.
- (2) No Member shall permit access to the Exchange's trading system by any means to any person unless such person has been approved as an Approved Trader by the Exchange.

Amended April 2, 2012

C.2.24 – Designated Member

A Designated Member may act as a trader without requiring the approval of the Exchange.

TSX Venture Exchange Rules and Trading Policies

C.2.25 – Approved Trader - Qualifications for Application

An application for approval as an Approved Trader shall be submitted in the form required by the Exchange and must be signed by both the applicant and the Member and must be accompanied by the applicable fee and supporting documentation as from time to time required by the Exchange. Such application shall be considered by the Exchange, which in its sole discretion, may grant or withhold Exchange Approval and/or impose conditions on such approval as it considers necessary and appropriate. No person shall act as a trader in any capacity whatsoever until Exchange Approval has been granted.

No person shall be approved as an Approved Trader unless that person is a partner in or a director of a Member, or a full time employee of a Member, is over the age of majority, and meets such qualifications as to experience, formal education and knowledge of trading rules as may be established by the Exchange.

C.2.26 – Jurisdiction of the Exchange

The Exchange shall have jurisdiction with respect to the conduct and discipline of all Approved Traders including but not limited to:

- (a) approval of all Approved Traders, subject to verification by the Board or a committee of the Board;
- (b) approval of all Approved Traders to have and operate trading accounts (non-client accounts) and all requirements applicable to such accounts;
- (c) prescribing the obligations, responsibilities, and qualification requirements of all Approved Traders and all rules regarding trading on the Exchange and through the facilities of the Exchange;
- (d) prescribing standards regarding conduct and trading rules applicable to all Approved Traders and all trading conducted through the facilities of the Exchange;
- (e) implementing recommendations from the Trading Policy Committee regarding policies and additional responsibilities for all Approved Traders as will contribute to the orderly functioning of the market.

C.2.27 – Compliance with Exchange Requirements

All Approved Traders and Approved Persons must comply in full at all times with all Exchange Requirements as prescribed from time to time by the Exchange, which shall include but shall not be limited to, all rules governing trading on the Exchange and through the facilities of the Exchange.

C.2.28 – Continuance of Exchange Approval

The continuance of Exchange approval of an Approved Trader shall be subject to his or her continued good conduct and compliance with all Exchange Requirements. Without in any way limiting the powers of the Board or any committee of the Board, a hearing panel, after conducting a hearing pursuant to Exchange Requirements, may suspend approval of an Approved Trader, may reinstate him or her on such terms (if any) as it sees fit and may impose any of the penalties or remedies in accordance with Exchange Requirements. Any such decision shall be final, subject only to any rights of appeal as provided in the Exchange Requirements or in the applicable securities legislation.

C.2.29 – Supervision of Assistant Traders

A Member is responsible for ensuring that Approved Traders with Assistant Approved Trader status are supervised by an Approved Trader with Full Approved Trader status and who is acceptable to the Exchange at all times during trading sessions.

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C.2.30 – Non-Client Account (Non Commission Account)

Assistant Approved Traders are not permitted to operate or have any interest in a non-client or inventory account.

C.2.31 – Suspension of Approved Trader

While Exchange Approval of an Approved Trader is suspended, he or she shall not have access to any trading system utilized by the Exchange for trading purposes and the Member who employs such Approved Trader shall ensure that he or she shall not have access to such trading system.

C.2.32 – Revocation of Approved Trader's Authority

- (1) The Exchange may, at any time, revoke the authority of any Approved Trader to trade.
- (2) A Member may, at any time, revoke the authority of any Approved Trader to trade on its behalf by giving notice thereof in writing to the Exchange. Upon receipt of such notice, the Exchange shall suspend Exchange Approval of that person.

C.2.33 – Ceasing to be a Trader

- (1) An individual who is an Approved Trader shall cease to be an Approved Trader when:
 - (a) the Exchange withdraws its approval of the individual;
 - (b) the Board orders that the Member whom the individual represents has ceased to be a Member of the Exchange;
 - (c) the Board orders that the Member whom the individual represents is a defaulter;
 - (d) the Member whom the individual represents ceases to be a Member;
 - (e) the Member the individual represents requests to remove his or her name from the list of Approved Traders;
- (2) When an Approved Trader ceases to be an Approved Trader, the Exchange shall remove the individual's name from the list of Approved Traders and shall revoke market access for trading purposes.

C.2.34 – Report of Termination of Approved Trader

Each Member shall, within five days of the occurrence of the event, give notice of the termination of the employment of an Approved Trader including whether the Approved Trader was dismissed for cause and a statement of the reasons for termination.

C.2.35 – Trading to be Executed on TSX Venture Exchange

No Member or other approved person shall trade or participate in any trade in any listed security, whether acting as principal or agent, unless:

- (a) the trade is made on TSX Venture Exchange during a Session except as is otherwise permitted by the UMIR; and
- (b) the trade is printed to the Book at the time it is executed.

Amended March 28, 2002

C.2.49 – Inquiries

The Exchange may, at any time, make such inquiries or requests for information as it deems appropriate and necessary regarding the conduct of any Approved Trader in connection with trading conducted on TSX Venture Exchange. Such inquiries and/or requests for information shall be promptly and fully responded to by the Member and the Approved Trader, as the case may require.

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C.2.50 – (Deleted)

Connection of Eligible Clients of Members

C.2.51 - Third Party Electronic Access to Marketplaces

A Member may provide a third party with electronic access to the Exchange in the following manner:

- (a) "direct electronic access";
- (b) a "routing arrangement"; or
- (c) an "order execution service";

in each case as that term is defined in UMIR.

Amended March 1, 2014

C.2.52 - Conditions for Connections

- (1) A Member may permit orders received electronically from a third party to which it has granted electronic access in accordance with Rule C.2.51 to be transmitted to the trading system of the Exchange provided that the Member:
 - (a) has obtained prior written approval of the Exchange that the system of the Member is permitted to transmit orders to the Exchange;
 - (b) has ensured its system is subject to an executed standard agreement with the Exchange governing the connection between the system of the Member and the trading system of the Exchange;
 - (c) complies with Canadian regulatory requirements governing the provision of third party electronic access to marketplaces;
 - (d) ensures that its system supports compliance with Exchange Requirements dealing with the entry and trading of orders by all third parties who have been provided with electronic access to the Exchange (for example, it must support all valid order information that may be required, including designation of short sales);
 - (e) ensures security of access to its system such that only persons authorized by the Member are provided access to the Exchange; and
 - (f) designates a specific person as being responsible for the system of the Member used to transmit orders.
- (2) The system of the Member includes any system through which an order designated with the Member identifier is transmitted to the Exchange, including without limitation, the technology systems of the Member, the approved technology system of a service provider retained by the Member, or an approved system that the Member permits the third party access client to transmit orders through to the Exchange.

Amended March 1, 2014

C.2.53 - Responsibility of Members

- (1) A Member which provides a third party with electronic access to the Exchange in accordance with Rule C.2.51 shall:
 - (a) be responsible for compliance with Exchange Requirements with respect to the entry and execution of orders transmitted by each third party through the Member;
 - (b) provide the Exchange with prior written notification of the individual appointed to be responsible for such compliance;

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- (c) immediately disclose to the Exchange the unique client identifier associated with each third party electronic access client that is used for the purpose of providing third party electronic access to the Exchange;
 - (d) inform the Exchange immediately if it knows or has reason to believe that it or its third party electronic access client has or may have breached a material provision of:
 - (i) the Exchange Requirements; or
 - (ii) the agreement contemplated by Rule C.2.52(b); and
 - (e) immediately notify the Exchange if the Member terminates a third party electronic access client's access to the Exchange.
- (2) The Exchange may suspend a third party's electronic access to the trading system of the Exchange without notice if it concludes that the third party:
- (a) misused the Exchange's trading system or has interfered with fair and orderly markets;
 - (b) failed to comply or is not in compliance with Exchange Requirements; 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.
- (3) A Member must terminate a third party's access to the Exchange's trading system immediately upon receiving notice from the Exchange or IIROC of such required termination and must not reinstate that third party's access to the Exchange's trading system without the Exchange's written approval.

Amended March 1, 2014

C.2.54 – Special Trading Session

- (1) All securities shall be eligible for trading during the Special Trading Session, provided that a MOC Security shall not be eligible for trading until the completion of the Closing Call in respect of that MOC Security.
- (2) Except as otherwise provided, all transactions in the Special Trading Session shall be at the Last Sale Price for each security. In the case where the Last Sale Price for a security is outside of an applicable price increment set out in Rule C.2.07, the price for all transactions in the Special Trading Session in respect of such security shall be the Last Sale Price rounded up to the nearest permitted price increment pursuant to Rule C.2.07.
- (3) Except as otherwise provided, the normal rules of priority and allocation, as applicable, and all other Exchange Requirements shall apply to the Special Trading Session.

Amended April 2, 2012, November 20, 2015 and July 13, 2020

C.2.55 - Market-On-Close

- (1) Eligible Securities

MOC Orders may only be entered for MOC Securities.

- (2) MOC Order Entry
 - (a) MOC Market Orders and MOC Limit Orders may be entered, cancelled and modified in the MOC Book on each Trading Day from 7:00 a.m. until the time the first MOC Imbalance is broadcast.
 - (b) The MOC Imbalance is calculated and broadcast on each Trading Day at the start of the MOC Imbalance Period until the Closing Call at set time intervals as determined by the Exchange and again in the event of a delay of the Closing Call as specified by the Exchange.

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- (c) During the MOC Imbalance Period,
 - (i) only MOC Market Orders, and MOC Limit Orders may be entered in the MOC Book.
 - (ii) MOC Market Orders entered cannot be cancelled or modified.
 - (iii) MOC Limit Orders entered cannot be cancelled, and the price of the MOC Limit Orders may only be modified to a more aggressive buy price or sell price, as the case may be.
- (d) During the MOC Freeze Period,
 - (i) only MOC Limit Orders may be entered in the MOC Book.
 - (ii) MOC Limit Orders cannot be cancelled or modified.
 - (iii) if the buy price or sell price, as the case may be, of the MOC Limit Order is more aggressive than the Reference Price, such aggressive price will be deemed to be the Reference Price for purposes of determining the Calculated Closing Price.
- (e) In the event of a delay of the Closing Call for a MOC Security, MOC Limit Orders may be entered in the MOC Book for such security on the contra side of the subsequent MOC Imbalance for a set period of time specified by the Exchange.

Amended November 14, 2014, November 21, 2016, April 8, 2019, and October 18, 2021

- (3) Closing Call
 - (a) The Closing Call shall occur on each Trading Day at the closing time. The Closing Call in a MOC Security shall be delayed for a period of ten minutes in the event that the price that would be the calculated closing price for the MOC Security exceeds the volatility parameters determined by the Exchange. The Exchange will forthwith broadcast a message identifying the MOC Security that is subject to the delay.
 - (b) In the event that the price that would be the calculated closing price for a MOC Security exceeds the closing price acceptance parameters determined by the Exchange at the end of the delay period set out in Rule C.2.55(3)(a), the calculated closing price for the MOC Security will be the price at which most shares will trade, leaving the least imbalance, where the price does not exceed the closing price acceptance parameters determined by the Exchange for such security.
 - (c) Orders shall execute in the Closing Call in the following sequence:
 - (i) MOC Market Orders shall trade with offsetting MOC Market Orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
 - (ii) MOC Market Orders shall trade with offsetting MOC Market Orders, according to time priority; then
 - (iii) MOC Market Orders shall trade with offsetting limit orders in the Closing Call entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
 - (iv) MOC Market Orders shall trade with offsetting limit orders in the Closing Call, according to time priority; then

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- (v) limit orders in the Closing Call shall trade with offsetting limit orders in the Closing Call entered by the same Participating Organization. Limit orders are prioritized by MOC Limit Orders and displayed limit orders, then dark limit orders, then MOC Passive Pegged Limit Orders. Within those categories they are then matched, according to time priority, provided that neither order is an unattributed order; then
- (vi) remaining orders in the Closing Call shall trade according to time priority.

Amended October 18, 2021

- (d) An order for a MOC Security shall not execute if, at the close:
 - (i) an automatic closing delay has been initiated in the MOC Security because the calculated closing price exceeds the volatility parameters determined by the Exchange; or
 - (ii) the participation of the MOC Security has been otherwise delayed by a Market Surveillance Official.

Amended April 8, 2019

- (4) Unfilled Orders
 - (a) Except as otherwise provided in this Rule, all MOC Orders that are not completely filled in the Closing Call shall expire at the end of the Closing Call and will be removed from the Book and the MOC Book.
 - (b) In the event that the closing price acceptance parameters are exceeded for a MOC Security, MOC Market Orders shall trade with offsetting MOC Orders and any limit orders at the price at which most shares will trade, leaving the least imbalance, where the price does not exceed the closing price acceptance parameters determined by the Exchange for such security. All remaining MOC Orders will be removed from the Book and the MOC Book.
 - (c) All other orders, that are not marked as Market On Close, that are not completely filled in the Closing Call shall be eligible for trading in the Special Trading Session.

Amended April 8, 2019

- (5) Application of Exchange Requirements

Except as otherwise provided in this Rule, all Exchange Requirements shall apply to the entry and execution of MOC Orders.

Rule C.2.55 added December 12, 2011

C.2.56 – Trading of Securities Not Listed by the Exchange

- (1) The Exchange, in its discretion, may post for trading securities that are listed by another exchange recognized in a jurisdiction in Canada.
- (2) The Exchange may remove a posted security from trading at any time without prior notice.
- (3) The Exchange will halt the trading of a posted security if:
 - (a) the security is subject to a regulatory halt; or
 - (b) the security is no longer listed by another exchange recognized in a jurisdiction in Canada or is suspended from trading by another exchange recognized in a jurisdiction in Canada.

Rule C.2.56 Added April 2, 2012

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C.2.57 – Specialty Price Crosses

(1) Execution

Specialty Price Crosses may be executed in the Regular Session and the Special Trading Session.

(2) Restriction on Setting Last Sale or Closing Price

Specialty Price Crosses shall not be used in the calculation of either a last sale price or closing price for a stock for the Regular Session or the Special Trading Session.

(3) Qualifying Basis Trades

A Basis Trade shall comprise of at least 80 percent of the component share weighting of the basket of securities or index participation unit that is the subject of the Basis Trade.

(4) Reporting of Basis Trades

Members executing Basis Trades on the Exchange shall report details of the transaction to a Market Surveillance Official at the Exchange and IIROC in the format and at the time required by the Exchange and IIROC. Such information shall include complete details relating to the calculation of the price of the Basis Trade and all relevant supporting documentation.

(5) Qualifying Volume-Weighted Average Price Trades

A Volume-Weighted Average Price Trade that is not calculated based on all trades during the Regular Session on a Trading Day shall be determined in such a manner that the time period for calculating the volume-weighted average price must commence after the receipt of the order by the Member. In addition, the types of trades to be excluded from the calculation must be determined prior to the commencement of the calculation period.

(6) Reporting of Volume-Weighted Average Price Trades

Members executing Volume-Weighted Average Price Trades on the Exchange shall report details of the transaction to a Market Surveillance Official at the Exchange and IIROC in the format and at the time required by the Exchange and IIROC. Such information shall include details of the time period used to calculate the volume-weighted average price, a description of any types of trades excluded from the volume-weighted average price calculation and all relevant supporting documentation.

Added November 16, 2015

C.2.58 - Conditional Orders

(1) Conditional Order Entry

- (a) Conditional Orders may only be entered, cancelled, or modified in the Conditional Order Book on each Trading Day from starting from 7:00 a.m. and ending at 4:00 p.m. Remaining Conditional Orders will expire at 4:00 p.m.
- (b) A Conditional Order may specify a minimum order quantity that must be satisfied in order to receive a contra side invitation.
- (c) Participating organizations may opt-in to have interaction between Conditional Orders (or residuals thereof) and dark orders.
- (d) When there is a match with the contra side of a Conditional Order, and the conditions (if any) are satisfied, an invitation will be sent to the Participating organizations to accept the order and execute the trade. Invitations will not contain information regarding the contra side's price and quantity. Participating organizations must accept the invitation within the time specified by the Exchange, as such may be changed from time to time. If no invitation is accepted within the specified time for a Conditional Order, no trade will occur.

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- (e) Conditional Orders will execute at the mid point of the protected National Best Bid and Offer. Where a Participant has opted-in, any residual volume of a Conditional Order will interact in the dark book with dark price improving liquidity.
 - (f) Notwithstanding anything to the contrary in this rule book, Conditional Orders entered for execution in the Conditional Book will be allocated as follows:
 - (i) to offset orders entered in the Conditional Book by the same Participating Organization; then
 - (ii) on a pro rata basis.
 - (g) If the Participating organization has elected to opt-in for interaction with the Exchange's dark book, any residual quantity will be subject to the allocation priorities for the Exchange's dark book. If no match is found within the dark book, the residual quantity will be cancelled.
 - (h) Where a dark order has opted-in to interact with a Conditional Order, such dark order (1) must meet a minimum size determined by the Exchange, from time to time, (2) will not receive an invitation 'firm up', and (3) will execute at the mid-point if there is a contra side Conditional Order match.
- (2) Misuse of Conditional Orders
- (a) If, in the sole opinion of the Exchange, an Approved Trader is misusing Conditional Orders, the Exchange may:
 - (i) temporarily or permanently suspend an Approved Trader's ability to enter Conditional Orders; or
 - (ii) impose terms and conditions, as the Exchange may determine appropriate, from time to time, on a Participating organization or an Approved Trader for its use of Conditional Orders.

Added November 22, 2021

RULE C.3.00 – CLEARING AND SETTLEMENT OF TRADES OF SECURITIES

C.3.01 – Definitions

In this part:

"Buy-In Notice" means the written notice in the form required by the Exchange to be delivered by a Member which has failed to receive securities to which it is entitled from another Member.

"delivery" or "delivered" means the transfer of securities through physical transfer of certificates evidencing the security, or by transfer of a book-based position in accordance with the rules of the Clearing Corporation.

Amended April 2, 2012

C.3.02 – Trades to be Cleared

Unless otherwise authorized by the Exchange, all trades made at Sessions of the Exchange shall be reported to, cleared and settled through the Clearing Corporation.

C.3.03 – Trades to be Settled Through Clearing Corporation

On all trades in securities executed on the Exchange, except those specifically designated as cash same day trades, delivery and payment shall be made through the Clearing Corporation unless authorized by the Exchange.

Amended April 2, 2012 and May 27, 2024

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C.3.04 – Settlement of Cash Same Day Trades

A trade designated as a cash same day trade shall be for delivery no later than the same business day unless otherwise arranged at the time of the transaction.

Amended May 27, 2024

C.3.05 – Buy-Ins

In the event that a Member fails to:

- (a) carry out an Exchange Contract within the time provided in the Exchange Requirements; or
- (b) settle a loan of securities as provided in Rule C.3.05 (2); or
- (c) deliver securities as provided in Rule C.3.05(3);

such Member is in default of the Exchange Contract and the trade may be closed out, at the discretion of the Exchange, through the buy-in procedure set out in Rule C.3.00.

(1) Failed Trade

Pursuant to Rule C.3.02, the selling Member shall deliver securities to the Clearing Corporation for trade settlement purposes.

(2) Security Loans

In the absence of any agreement to the contrary, a loan of securities between Members may be called through service of notice in writing of termination of the loan to the borrowing Member and the borrowing Member shall return securities of the same class as those loaned in the specified quantity by the close of business on the second Settlement Day following the date of receipt of such notice.

(3) Other Failed Positions

In the absence of any agreement to the contrary, a Member shall deliver securities to another Member pursuant to an obligation to deliver that results from a reorganization of the issuer, an allocation of securities or any other obligation considered applicable by the Exchange.

Amended April 2, 2012

(4) Costs

The Member in default shall be responsible for the costs incurred through failure to deliver, including any lost benefit or entitlement to the purchaser.

(5) Notice

A Buy-in Notice shall be delivered to the Exchange and to the Member in default before 12:00 noon E.T. on the day that the trade is to be closed out and any Notice not delivered by such time shall be considered to be effective at the opening of the next Trading Day. For the purposes of Rule C.3.05(1), the notice will be delivered to both aforementioned parties by the Clearing Corporation only.

(6) Cancellation of Buy-in

A buy-in may be cancelled by the Member that has issued the Buy-in Notice by delivering a notice of cancellation in writing to the Exchange before 3:00 p.m. E.T. on the day the buy-in is to be executed. Verbal notice will be accepted but must be promptly followed up in writing.

(7) Time and Terms

If the buy-in is not cancelled, the Exchange shall execute the buy-in at 3:00 p.m. E.T. on the effective day of the buy-in and for this purpose a portion of the buy-in may be executed.

(8) Role of Market Official

In connection with a buy-in, a Market Official may:

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- (a) defer the buy-in if the Market Official is of the opinion that a fair market in which to close out the trade does not exist;
- (b) allow such premium above the prevailing market price for the securities sought on the buy-in which, in the opinion of the Market Official, is required to execute the buy-in and is consistent with a fair market for the securities sought, provided that such premium is within the buy-in price guidelines established by the Exchange; and
- (c) execute a buy-in at a premium that exceeds the buy-in price guidelines established by the Exchange, on a same day cash basis or on any other settlement basis as the Market Official considers appropriate in the circumstances.

(9) Settlement

Unless otherwise required or agreed to by the Exchange, a buy-in shall be executed for cash same day delivery.

Amended September 5, 2017 and May 27, 2024

C.3.06 – Special Provisions for Buy-Ins from Securities Loans and Other Failed Positions

In connection with a buy-in that is the result of a default pursuant to Rules C.3.05(2) or (3), the following rules shall apply in addition to the provisions of Rule C. 3.05:

- (1) Where the Member in default delivers the securities subject to the Buy-In Notice prior to execution of the buy-in, the Member in default shall notify the Exchange and the buy-in will be cancelled upon confirmation by the Exchange of the delivery of the listed securities.
- (2) The Member which has issued a Buy-In Notice may extend the buy-in by delivering a notice of extension in writing to the Exchange before 3:00 p.m. E.T. on the day the buy-in is to be executed.
- (3) Failure to settle a trade that is the result of a buy-in that is the result of a default in accordance with the terms of the buy-in, if not resolved by the Members concerned, shall be resolved by cancellation of the buy-in contract and issuance of a further buy-in and, in such case, the Member selling to the original buy-in shall be liable for any loss or damage resulting from failure to deliver.
- (4) Following execution of a buy-in, the Member that issued the Buy-In Notice shall notify the Member in default in writing of the amount of the difference between the amount to be paid on the Exchange Contract closed out, and the amount paid on the buy-in, if any, and such difference shall be paid to the Member entitled to receive the same within 24 hours of receipt of such notice.
- (5) Where more than one buy-in has been arranged in connection with the same listed securities, the Market Official may combine any number of the trades.

Amended April 2, 2012

C.3.07 – Failed Trade in Rights, Warrants and Installment Receipts

- (1) Notwithstanding Rule C.3.05, should fail positions in rights, warrants or installment receipts exist on the expiry or payment date, purchasing Members have the option of demanding delivery of the securities into which the rights, warrants, or installment receipts are exercisable, any additional subscription privilege, and any subscription fee payable to a Member, that may be available, such demand shall be made before the closing time on the expiry date.
- (2) Where a demand has been made in accordance with Rule C.3.07(1), payment by purchasing Members for:
 - (a) the rights, warrants or installment receipts shall be in accordance with normal settlement procedures, but delivery of the rights, warrants or installment receipts, as the case may be, is not required; and

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- (b) the securities into which the rights, warrants or installment receipts are exercisable 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 Rule C.3.07 (1), settlement shall be in accordance with normal settlement procedures, but delivery of the rights, warrants or installment receipts, as the case may be, is not required.

Amended September 12, 2008

C.3.08 – Restrictions On Members' Involvement In Buy-Ins

- (1) No Member shall knowingly permit any person on whose behalf a Buy-In Notice has been issued to fill all or any part of such order by selling the securities for the account of that person or an associated account and prior to selling to a buy-in, the Member, shall receive written or verbal confirmation that the order to sell is not being placed on behalf of the account of the person on whose behalf the Buy-In Notice was issued or an associated account.
- (2) A Member that issued a Buy-In Notice and the Member against whom a Buy-In Notice has been issued may supply all or a part of the securities provided that the principal supplying the securities is not:
 - (a) the Member;
 - (b) an Approved Person or employee of the Member; or
 - (c) an associate of any person described in Rules C.3.08(2)(a) or (b).
- (3) If securities are supplied by the Member that issued the Buy-In Notice, delivery shall be made in accordance with the terms of the contract thus created, and the Member shall not, by consent or otherwise, fail to make such delivery.

Amended April 2, 2012

C.3.09 – When Issue Delisted or Suspended

An Exchange Contract which has not settled for a security which has been delisted or suspended may be closed out in a transaction in the over-the-counter market with the consent of the Member in default provided that if the Member in default does not so consent, the Member that wishes to close out in the over-the-counter market may request the Exchange to make a decision permitting such transaction.

C.3.10 – Defaulters

If a Member against which an Exchange Contract is closed out under this Part 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.

- (1) If a Member makes default in, or fails to meet, or admits or discloses an inability to meet, its liabilities or engagements to the Exchange or to the Clearing Corporation or to another Member or to the public, the Member concerned may be adjudged a defaulter by the Exchange 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 by the Exchange.

C.3.11 – Verified Statement of Outstanding Exchange Contracts

Where in connection with an audit of a Member, another Member has verified in writing a statement of outstanding Exchange Contracts with the Member, such verification shall be binding and any outstanding Exchange Contracts not disclosed on such statement shall be unenforceable between the Members.

RULE D.1.00 – MEMBERSHIP

D.1.01 – (Deleted)

Rule D.1.01 deleted August 1, 2001

D.1.02 – (Deleted)

Rule D.1.02 deleted August 1, 2001

D.1.03 – Appointment of Designated Member

Each member shall appoint one of its partners, officers or directors as its designated member. Each designated member at the time of appointment shall be approved by the Exchange.

Amended January 26, 2005

D.1.04 – Designated Member Represents Member

The appointment of a designated member shall be in writing in the form from time to time prescribed by the Exchange, filed with the Exchange and shall constitute each designated member the representative of the member for all dealings with the Exchange with full authority to speak for and bind the member. It shall be the duty of the designated member to ensure that the member, each related company of it and the partners in and shareholders, directors, officers and employees of the member and each related company, comply with Exchange Requirements. The designated member will be primarily responsible to the Exchange for their conduct, but without in any way limiting the duties and liabilities of others under Exchange Requirements.

Amended August 1, 2001

D.1.05 – Use of Facilities

Each member of the Exchange, subject to Exchange Requirements, is by virtue of its membership entitled to use the facilities of the Exchange, providing it is a member whose membership has not been terminated or suspended.

Amended August 1, 2001

D.1.06 – (Deleted)

Rule D.1.06 deleted January 26, 2005

D.1.07 – Register of Members

The Exchange shall maintain a register of members at its head office in which is entered the name and business address of each member.

D.1.08 – (Deleted)

Rule D.1.08 deleted January 26, 2005

D.1.09 – (Deleted)

Rule D.1.09 deleted January 26, 2005

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D.1.10 – Member Corporation

Where a member is a corporation throughout the term of membership of such member:

- (1) shall have as its principal business that of a broker or dealer in securities and it shall be active in that business to an extent acceptable to the Exchange;
- (2) shall not be engaged in any business which has been disapproved by the Exchange;
- (3) shall not be a partner in a firm or a shareholder of a corporation having as its principal business that of a broker, dealer or adviser in securities, except as permitted under Rules D.1.20 or D.1.33, or otherwise with the approval of the Exchange;
- (4) shall be incorporated under the laws of Canada, one of the provinces thereof or another jurisdiction which has been approved by the Exchange;
- (5) shall not, without the prior approval of the Exchange, change its name, effect or permit any change in its constitution affecting voting rights, dissolve, wind up, surrender its charter, liquidate its assets or take any step authorizing or with a view to such action, or effect or permit any alteration in its capital structure, including the allotment, issue, re-purchase, redemption, cancellation, subdivision or consolidation of any shares in its capital stock;
- (6) shall not issue any share warrant evidencing any shares of its capital stock; and
- (7) shall not issue, incur or become obligated in respect of any option, warrant or agreement creating any obligation to allot, issue or transfer any share of its capital stock without the prior approval of the Exchange but agreements entered into by a member corporation to ensure transferability of its shares to a transferee for whom the approval of the Exchange is not required under this Rule D and whose ownership is permitted under this Rule D, do not require approval under this clause (7).

D.1.11 – Member Firms

Where a member is a partnership, throughout the term of membership of such member:

- (1) shall be formed under and its partnership agreement governed by the laws of one of the provinces of Canada or another jurisdiction which has been approved by the Exchange;
- (2) shall not dissolve, liquidate its assets or change its name, permit any partner to retire, or effect or permit any change in the partner's interests in the member firm without the prior approval of the Exchange;
- (3) shall have as its principal business that of a broker or dealer in securities and it shall be active in that business to an extent acceptable to the Exchange; and
- (4) shall not be a partner in a firm or a shareholder of a corporation having as its principal business that of a broker, dealer or adviser in securities, except as permitted under Rules D.1.20 or D.1.33, or otherwise with the approval of the Exchange.

INDUSTRY PARTICIPATION BY DIRECTORS AND PARTNERS

D.1.12 – Industry Participation by Directors

In the case of a member that is a corporation:

- (1) not less than 40 percent of the members of its Board of Directors shall:
 - (a) be approved by the Exchange,
 - (b) to an extent acceptable to the Exchange, be actively engaged in the business of the member and devote the major portion of their time thereto, except if on active government service or for health reasons,

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- (c) have had experience acceptable to the Exchange as brokers or dealers in securities or working in the office of a broker or dealer in securities, in each case for at least five years or such lesser period as may be accepted by the Exchange, and
 - (d) have successfully completed such course or courses of study as may be required by the Exchange; and
- (2) the remaining members of the Board of Directors shall:
- (a) have the qualifications described in subclause (1)(a) above, or
 - (b) be a person other than described in subclause (1)(a) above and be accepted as a director of the member by:
 - (i) the Board of Directors of the member, and
 - (ii) the Exchange.

D.1.13 – Industry Participation by Partners

In the case of a member that is a partnership:

- (1) Not less than 40 percent of the partners of a member, which 40 percent shall include:
- (a) partners beneficially owning not less than 40 percent of equity interest in the member,
 - (b) partners beneficially owning shares representing not less than 40 percent of all voting securities, and all outstanding voting securities of the member, and
 - (c) the partner beneficially owning the largest equity interest and shares representing the largest number of votes in the member:
shall:
 - (i) be approved by the Exchange,
 - (ii) to an extent acceptable to the Exchange, be actively engaged in the business of the member and devote the major portion of their time thereto, except if on active government service or for health reasons,
 - (iii) have had experience acceptable to the Exchange as brokers or dealers in securities or working in the office of a broker or dealer in securities, in each case for at least five years or such lesser period as may be accepted by the Exchange, and
 - (iv) have successfully completed such course or courses of study as may be required by the Exchange.
- (2) The remaining partners must be accepted as a partner in such member by:
- (a) the Partners of the member, and
 - (b) the Exchange
- and must have the qualifications described in subclauses (1) (c) and (g) above.

D.1.14 – Directors

Each director of a member that is a corporation at the time he first becomes a director of such member and throughout his term of office:

- (1) shall have been approved as such by the Exchange;
- (2) shall not be a member, or a partner in or a director, officer, shareholder or employee of any other member or related company of any other member, unless:
 - (a) the other member is related to the member,

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- (b) where the relationship with the other member is as shareholder, the shares are publicly traded or the investment is otherwise permitted by this Rule D, or
- (c) the Exchange approves the relationship;
- (3) shall not be a member of the Exchange whose membership has been suspended for a definite period of time which has not expired;
- (4) shall not be an approved person whose approval has been suspended for a definite period of time which has not expired;
- (5) shall not make an assignment under the *Bankruptcy Act* (Canada) and shall not have a receiving order made against him;
- (6) shall not be engaged in any business which has been disapproved by the Exchange;
- (7) shall not carry on the business of a broker, dealer or adviser in securities and shall not be a partner in or a shareholder, director, officer or employee of a firm or a corporation having that business as its principal business, except in each case with the approval of the Exchange or unless one of the exemptions in clause (2) above is applicable;
- (8) shall not have authority or control, either directly or indirectly, over any account in securities, whether in his name or another name, unless either the account is maintained with his member or a copy of a consent to each account has been executed on behalf of his member by another partner and has been filed with the Exchange and he delivers to the other partner (unless waived by such other partner) statements at intervals of not more than a month showing each trade since the last such statement for each account, and for the purposes of this clause (8) the making of any trade pursuant to his authority or control shall be considered to be the having of an account;
- (9) shall not be a corporation, except with the approval of the Exchange;
- (10) shall be the absolute beneficial owner of his entire interest as shown in the member's shareholder agreement, shall not permit or effect any change in the interest, and shall not sell, assign, transfer, mortgage, hypothecate, pledge, charge, deposit as collateral or in any way give any security with respect to his interest in the member or any interest therein, without in each case the prior approval of the Exchange; and
- (11) shall have successfully completed such course or courses of studies as may from time to time be required by the Exchange.

D.1.15 – Partners

Each partner of a member that is a partnership at the time of his admission as a partner of such member and so long as he continues to be a partner:

- (1) shall have been approved as such by the Exchange;
- (2) shall not be a member or a partner in or a director, officer, shareholder or employee of any other member or an affiliated company of any other member, unless:
 - (a) the other member is affiliated with the member,
 - (b) where the relationship with the other member is as shareholder, the shares are publicly traded or the investment is otherwise permitted by this Rule D, or
 - (c) the Exchange approves the relationship;
- (3) shall not be a member of the Exchange whose membership has been suspended for a definite period of time which has not expired;
- (4) shall not be an approved person whose approval has been suspended for a definite period of time which has not expired;

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- (5) shall not make an assignment under the *Bankruptcy Act* (Canada) and shall not have a receiving order made against him;
- (6) shall not be engaged in any business which has been disapproved by the Exchange;
- (7) shall not carry on the business of a broker, dealer or adviser in securities and shall not be a partner in or a shareholder, director, officer or employee of a firm or a corporation having that business as its principal business, except in each case with the approval of the Exchange or unless one of the exemptions in clause (1) is applicable;
- (8) shall not have authority or control, either directly or indirectly, over any account in securities, whether in his name or another name, unless either the account is maintained with his member or a copy of a consent to each account has been executed on behalf of his member by another partner and has been filed with the Exchange and he delivers to the other partner (unless waived by such other partner) statements at intervals of not more than a month showing each trade since the last such statement for each account, and for the purposes of this clause (7) the making of any trade pursuant to his authority or control shall be considered to be the having of an account;
- (9) shall not be a corporation, except with the approval of the Exchange;
- (10) shall be the absolute beneficial owner of his entire interest as shown in the member's partnership agreement, shall not permit or effect any change in the interest, and shall not sell, assign, transfer, mortgage, hypothecate, pledge, charge, deposit as collateral or in any way give any security with respect to his interest in the member or any interest therein, without in each case the prior approval of the Exchange; and
- (11) shall have successfully completed such course or courses of studies as may from time to time be required by the Exchange.

D.1.16 – Officers

Each officer of a member that is a corporation or a partnership at the time he first becomes an officer and throughout his term of office shall comply with Rule D.1.14 or D.1.15, as the case may be, and shall:

- (1) to an extent acceptable to the Exchange be actively engaged in the business of the member and devote the major portion of his time thereto, except if on active government service or for health reasons;
- (2) have had experience acceptable to the Exchange as a broker or dealer in securities or working in the office of a broker or dealer in securities, in each case for at least five years or such lesser period as may be accepted by the Exchange; and
- (3) have successfully completed such course or courses of study as may be required by the Exchange.

OWNERSHIP OF SECURITIES (OTHER THAN PUBLIC OWNERSHIP)

D.1.17 – (Deleted)

Rule D.1.17 deleted January 26, 2005

D.1.18 – (Deleted)

Rule D.1.18 deleted January 26, 2005

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CHANGES IN OWNERSHIP

D.1.19 – Exchange Approval of Changes in Ownership

- (1) Subject to clause (2) below and Rule D.1.22, a member, with the prior approval of the Exchange, may permit public ownership of its securities.
- (2) Subject to Rule D.1.22, a member need not obtain the Exchange's approval when it issues and transfers its voting and participating securities to industry investors.
- (3) Prior notification to the Exchange is required, in such form and with such information as the Exchange may require, where an issue or transfer of voting or participating securities would result in a change of effective control of the member which is likely to materially affect its operations.

D.1.19(1), (2) and (3) amended (July 22, 2019)

- (4) **Repealed (July 22, 2019)**
- (5) **Repealed (July 22, 2019)**

OTHER OWNERSHIP RESTRICTIONS

D.1.20 – (Deleted)

Rule D.1.20 deleted January 26, 2005

D.1.21 – (Deleted)

Rule D.1.21 deleted January 26, 2005

MONITORING AND APPROVAL OF OWNERSHIP OF MEMBERS

D.1.22 – Shareholdings or Partnership Interest of 10 Percent or More

- (1) Subject to clause (3) below, no member, without prior notice to the Exchange, shall permit an investor, alone or together with associates and affiliates, to own a significant equity interest.
- (2) For the purposes of this section and Rule D.1.23, a significant equity interest is defined as the holding of:
 - (a) voting securities carrying 10 percent or more of the votes carried by all voting securities of the member or holding company of a member, or
 - (b) 10 percent or more of the outstanding participating securities of the member or holding company of a member, or
 - (c) an interest of 10 percent or more of the total equity in the member.
- (3) The legal representatives of a deceased person who had provided notice to the Exchange as the owner of a significant equity interest may continue as such registered holder or to have such interest for such period as the Exchange may permit.
- (4) Every registered holder of a significant equity interest and every other person having any interest therein (except by way of security only):
 - (a) shall not be a corporation, except with prior notice to the Exchange,
 - (b) shall, in the case where the interest is in a member that is a corporation or its holding company, comply with Rule D.1.14 except to the extent otherwise approved by the Exchange and, in the case where the interest is in a member that is a partnership, comply with Rule D.1.15 except to the extent otherwise approved by the Exchange, and
 - (c) shall have successfully completed such course or courses of studies as may from time to time be required by the Exchange.

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- (5) Any notification required under this Rule D.1.22 shall be in such form and contain such information as the Exchange may require from time to time.

Amended July 13, 2020

D.1.23 – Notice of Changes in a Member

Each member shall give the Exchange prompt written notice of:

- (1) the death, winding up or dissolution of any holder of significant equity interest in the member or its holding company, or of any partners of the member;
- (2) the death, retirement, resignation or termination of employment or association for any other cause, of any of its partners, directors or officers (or any of the directors or officers of the holding company of the member) and where the notice relates to the termination of employment or association of any partner, director or officer, full reasons therefore shall be given;
- (3) any non-compliance with any of the provisions of clauses (1) and (2) of Rule D.1.10 and clauses (5), (6), (7), (8), and (9) of Rule D.1.14 as they apply to a member that is a corporation, its directors, shareholders, officers and persons having an interest in its shares, and any non-compliance with any of the provisions of clause (3) of Rule D.1.11 and clauses (4), (5), (6), (7), (9), and (10) of Rule D.1.15 with respect to a member that is a partnership and its partners;
- (4) any proposed change in or amendment to any document relating to the constitution, capital or shares of a member that is a corporation or its holding company or a member that is a partnership or the rights of their shareholders or partners which has been filed with the Exchange or which the Exchange requires to be filed with it.

ENFORCEMENT OF OWNERSHIP RESTRICTIONS

D.1.24 – Minimum Necessary Enforcement Provisions

The arrangements contemplated by Rule D.1.19 where a member or its holding company wishes to permit public ownership of its securities shall include, at the least, legally enforceable provisions to make effective:

- (1) the refusal to issue or transfer securities to any person not permitted to own them;
- (2) the withdrawal of the voting rights attached to all securities owned by a person who holds securities in contravention of this Rule D; and
- (3) the mandatory disposition, re-purchase or redemption of any securities owned by a person not permitted to own them, where the disposition, re-purchase or redemption is considered necessary or desirable by the issuing member corporation or holding company or by the Exchange, which provisions shall be reflected in the constating documents of the issuer and shall include a price or a method of price calculation for mandatory purchase or redemption that is designed to discourage the acquisition or holding of securities.

D.1.25 – Application of Enforcement Provisions

The provisions described in Rule D.1.24 shall be expressed to become operative in any particular situation upon a decision of the member or its holding company, as the case may be. The member or its holding company may make the decision of its own volition and shall make the decision upon demand by the Exchange or by any provincial securities administrator having jurisdiction over the member.

D.1.26 – (Deleted)

Rule D.1.26 deleted January 26, 2005

D.1.27 – Notification of Contravention

Any member or holding company of a member that becomes aware that any of its securities are or may be held contrary to Rule D.1.22 or to other provisions of this Rule D shall promptly notify the Exchange.

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DISTRIBUTION OF MEMBER SHARES

D.1.28 – (Deleted)

D.1.29 – (Deleted)

D.1.30 – (Deleted)

D.1.31 – (Deleted)

D.1.32 – (Deleted)

Rules D.1.28 to D.1.32 deleted January 26, 2005

MEMBERS AND THEIR HOLDING COMPANIES AND RELATED COMPANIES

D.1.33 – Exchange Approval

- (1) No member or partner in or director, officer, shareholder or employee of a member shall form, maintain or have any interest in a related company without the prior approval of the Exchange.
- (2) In this part, "related company" means a sole proprietorship, partnership or corporation:
 - (a) which is related to a member firm or member corporation in that either of them, together with the partners in and directors, officers, shareholders and employees of it, collectively have at least a 20 percent ownership interest in the other of them, including an interest as a partner or shareholder, directly or indirectly, and whether or not through holding companies;
 - (b) which carries on as a substantial part of its business in Canada that of a broker, dealer or adviser in securities;
 - (c) which deals with or has obligations to any persons other than the member or those incurred through the member; and
 - (d) which is not a member of the Exchange;

provided that the Exchange may from time to time exclude any such sole proprietorship, partnership or corporation from such definition or include any other sole proprietorship, partnership or corporation within such definition and change those included and excluded.

- (3) Notwithstanding the provisions of clauses (1) and (2), a member may, with the prior approval of the Exchange, have a wholly-owned subsidiary whose principal business is that of a broker or dealer in securities or an adviser respecting securities. Such a subsidiary may engage in business under a name which is not the same or is not substantially similar to the name of the member, provided that:
 - (a) the subsidiary's letterhead, confirmations, research publications and all other documents issued to the public clearly disclose its association with the member;
 - (b) each of the member and the subsidiary shall bear full responsibility for compliance by the subsidiary with all the Exchange's requirements; and
 - (c) the member and the subsidiary shall be considered to be one securities firm for the purposes of determination of capital and audit requirements.

Amended April 8, 2019

D.1.34 – Corporate Groups

A holding company may not be the holding company of more than one member corporation, except that a holding company may be the holding company of two member corporations if it owns all of the voting and all of the participating securities of each of them.

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D.1.35 – (Deleted)

Rule D.1.35 deleted January 26, 2005

D.1.36 – (Deleted)

Rule D.1.36 deleted January 26, 2005

D.1.37 – Compliance with Exchange Requirements

- (1) Each related company shall comply with all the Exchange requirements as though it were a member and each partner in and owner, director, shareholder or employee of a related company shall comply with all the Exchange requirements as though the related company were a member, except in each case to the extent that non compliance with specified provisions may be approved from time to time by the Exchange, either generally, individually or by classes.
- (2) Notwithstanding the provisions of clause (1) of this rule, a salesman of a mutual fund dealer that is registered as such under provincial securities laws and is a related company of a member may sell insurance contracts of a life insurance company subject to such conditions as may be imposed under provincial securities laws.

D.1.38 – (Deleted)

Rule D.1.38 deleted January 26, 2005

D.1.39 – Securities Related Activities

- (1) No member shall, without the prior approval of the Exchange, carry on any business other than securities related activities but, subject to Rule D.1.33 and to compliance with capital requirements, a member may own an investment in a corporation that carries on activities that are not securities related.
- (2) In considering whether to approve an application by a member to carry on activities that are not securities related, the Exchange shall approve the application unless the activities are inconsistent with the intent of the provisions of the rules of the Exchange or would detract in some other respect from full compliance with all provisions, rules, requirements, directives or orders to which the member is subject or for the protection of investors.
- (3) An approval given by the Exchange pursuant to clause (2) above shall take effect on the date (the "effective date") which is 14 days after written notice of the approval is given by the Exchange unless the Commission notifies the Exchange prior to the effective date either that he objects to the approval or that he has scheduled a hearing to decide on the objection. In the event that the Commission objects to the approval, either prior to the effective date or following a hearing on the objection, the approval shall not take effect, if at all, until the Commission terminates his objection.

D.1.40 – Application to Holding Companies

Except to the extent that exemptions may be granted by the Exchange, the provisions of Rule D.1.39 apply to holding companies of members.

D.1.41 – (Deleted)

D.1.42 – (Deleted)

D.1.43 – (Deleted)

Rules D.1.41 to D.1.43 deleted January 26, 2005

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D.1.44 – Rights and Obligations of Members

A membership in the Exchange carries with it the rights, privileges, duties and obligations as set forth in the Exchange Requirements and imposes upon a member a duty to comply with them.

Amended August 1, 2001

D.1.45 – Amalgamation or Merger

An amalgamation or merger involving a member shall be deemed to involve a transfer of membership and the provisions of Rule D.1.50 shall apply.

D.1.46 – Application for Membership

Persons applying for membership shall make application to the Exchange in the form and pay the fees prescribed by the Board. Approval by the Exchange is a condition precedent to the submission of an application for membership or a transfer of a membership in the Exchange. Notwithstanding the foregoing, in the event of a merger or amalgamation of a member with a member of another recognized stock exchange, the Exchange may, at its discretion, determine that the application may be approved or rejected and, in the case of a rejection, that the provisions of this rule do not apply.

Amended March 31, 2006

D.1.47 – (Deleted)

D.1.47.1 – (Deleted)

D.1.47.2 – (Deleted)

Rules D.1.47, D.1.47.1 and D.1.47.2 deleted January 26, 2005

D.1.48 – Waiting Period After Rejection

Where an application for membership is rejected by the Exchange, at least six months shall elapse before a new application can be submitted to the Exchange.

Amended January 26, 2005

D.1.49 – Payment of Fees

An applicant for membership or the transferee of a membership shall, upon making application, pay to the Exchange an amount of money determined by the Board together with any other fees and charges prescribed by the Board.

D.1.50 – Transfer of Membership

Subject to the requirements of Exchange Requirements, transfer of membership may only be granted with the approval of the Exchange. A transfer shall be by an instrument in writing, in the form prescribed and as required to be executed by the Board. Upon payment of the prescribed fee and compliance with the requirements of the Board and Exchange, a transferee's name and address shall be entered in the register of members.

Amended August 1, 2001

D.1.51 – (Deleted)

Rule D.1.51 deleted August 1, 2001

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D.1.52 – Entry in Register and Rights

Upon approval of an application for membership, the applicant's name shall be entered in the register of members and the applicant shall, for all purposes, be a member. The proprietary right attaching to the membership shall be free of all equities, rights and claims of others in respect of the membership. The Exchange may regard a member as the absolute owner of the proprietary rights of the membership and the Exchange shall not be affected by any notices to the contrary.

D.1.53 – (Deleted)

Rule D.1.53 deleted August 1, 2001

D.1.54 – (Deleted)

Rule D.1.54 deleted January 26, 2005

D.1.55 – (Deleted)

Rule D.1.55 deleted August 1, 2001

D.1.56 – (Deleted)

Rule D.1.56 deleted August 1, 2001

D.1.57 – (Deleted)

Rule D.1.57 deleted August 1, 2001

D.1.58 – (Deleted)

Rule D.1.58 deleted January 26, 2005

D.1.59 – (Deleted)

Rule D.1.59 deleted August 1, 2001

D.1.60 – Assessments, Fees, Fines and Charges

Each member shall pay those assessments, fees, fines and charges fixed by the Exchange or the Board which become due and payable to the Exchange at the time or times and in the manner directed by the Exchange.

A member shall pay the fees charged by the Investment Industry Regulatory Organization of Canada in accordance with any fee schedule adopted by the Investment Industry Regulatory Organization of Canada.

Amended September 12, 2008

D.1.61 – Insolvency and Bankruptcy

- (1) If any member becomes insolvent or bankrupt as hereinafter defined the member concerned shall thereby automatically and without the necessity of any action by the Board, become suspended from the exercise of the privileges of membership and notice thereof shall be mailed or delivered to each member.
- (2) A member shall be deemed to be insolvent if:
 - (a) it is for any reason unable to meet its obligations as they generally become due,
 - (b) it has ceased paying its current obligations in the ordinary course of business as they generally become due, or
 - (c) the aggregate of its property is not, at a fair valuation, sufficient or, if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all its obligations, due and accruing due.

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- (3) A member shall be deemed to be bankrupt if it has committed an act of bankruptcy as set forth in the *Bankruptcy Act* of Canada.

Amended August 1, 2001

D.1.62 – (Deleted)

D.1.63 – (Deleted)

D.1.64 – (Deleted)

D.1.65 – (Deleted)

Rules D.1.62 to D.1.65 deleted January 26, 2005

RULE D.2.00 – PARTICIPATING ORGANIZATIONS

D.2.01 – Qualification

An applicant for acceptance as a Participating Organization shall, prior to being accepted as a Participating Organization, and at all times thereafter, be a member in good standing of a recognized Canadian self-regulatory organization and a recognized Canadian stock exchange.

D.2.02 – Application

Application for acceptance as a Participating Organization shall be made in such form and contain such information as the Exchange may from time to time prescribe.

D.2.03 – Participating Organization subject to Exchange Requirements

- (1) Subject to subsection (2), a Participating Organization shall be subject to and bound by Exchange Requirements, including the limitation of liability and indemnification provisions of Rule D.4.00, as if it were a member and Exchange Requirements shall be construed accordingly.
- (2) A reference in Exchange Requirements:
- (a) to a member, or to a member corporation or member firm, shall be deemed to be also a reference to a Participating Organization, or to a Participating Organization that is a corporation or a partnership as the case may be, or
 - (b) to membership shall be deemed to be also a reference to the status of Participating Organization

except for Exchange Requirements relating to (i) the corporate and other internal governance of the Exchange, and (ii) the sponsorship of any issuer for listing on the Exchange, all of which shall not apply to a Participating Organization.

Amended August 1, 2001

D.2.04 – Fee and Charges

Each Participating Organization shall pay such fees and charges as shall be fixed by the Exchange, which shall become due and payable to the Exchange at such time or times and in such manner as the Exchange shall direct.

A Participating Organization shall pay the fees charged by the Investment Industry Regulatory Organization of Canada in accordance with any fee schedule adopted by the Investment Industry Regulatory Organization of Canada.

Amended September 12, 2008

TSX Venture Exchange Rules and Trading Policies

D.2.05 – Termination

- (1) A Participating Organization may terminate its status as such by giving not less than 3 months' written notice to the Exchange.
- (2) The Exchange may postpone the effective date of termination until it is satisfied that the Participating Organization has:
 - (a) complied with Exchange Requirements, and
 - (b) obtained the necessary consents from the recognized self-regulatory organization of which it is a member
- (3) If a disciplinary hearing panel determines, after a hearing conducted according to the rules established under Rule E.2.00 that a Participating Organization has:
 - (a) contravened or is not in compliance with an Exchange Requirement, or
 - (b) 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 or the public,
- (4) The Exchange may terminate the Participating Organization's status as a Participating Organization.

RULE D.3.00 – APPROVAL

D.3.01 – (Deleted)

D.3.02 – (Deleted)

D.3.03 – (Deleted)

D.3.04 – (Deleted)

D.3.05 – (Deleted)

Rules D.3.01 to D.3.05 deleted January 26, 2005

D.3.06 – Withdrawal of Approval and Changes in Exchange Requirements

Any Exchange Approval given and any Exchange Requirement made may at any time thereafter be changed, suspended, withdrawn or revoked by the Exchange with or without notice or cause and notwithstanding any action taken or position changed in the meantime by anyone, including the Exchange, any member and any approved person. Each member and approved person will comply with such change, suspension, withdrawal or revocation and any decisions, instructions and directions made by the Exchange.

D.3.07 – (Deleted)

Rule D.3.07 deleted January 26, 2005

D.3.08 – Power of Exchange to Refuse Exchange Approval

The Exchange shall have the power to withhold Exchange approval or refuse to approve any application for Exchange Approval, if, in the opinion of the Exchange, having regard to such factors as it may consider appropriate and relevant, including, without limitation, the past or present conduct, business or condition or the applicant:

- (1) it is not satisfied that any Exchange Requirement will be complied with by the applicant;
- (2) the applicant is not qualified by reason of integrity, insolvency, training or experience; or
- (3) such approval is otherwise not in the public interest.

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D.3.09 – (Deleted)

D.3.10 – (Deleted)

D.3.11 – (Deleted)

D.3.12 – (Deleted)

D.3.13 – (Deleted)

D.3.14 – (Deleted)

D.3.15 – (Deleted)

Rules D.3.09 to D.3.15 deleted January 26, 2005

RULE D.4.00 – LIMITATION OF LIABILITY AND INDEMNIFICATION

D.4.01 – Definitions

For the purposes of this section 1 only:

"Committee member" shall mean a member of a committee, standing committee or ad hoc committee advisory body duly appointed by the board of directors of the Exchange or, as the context requires, by the board of directors of a subsidiary of the Exchange;

"Designated Markets" shall mean the Exchange, any and all subsidiaries of the Exchange, and any trading system operated by the Exchange or of which the Exchange is a member or participant; and in subsection 1.3 shall include all directors, officers, employees, committee members, and advisory board members of the Designated Markets;

"Employee" shall for greater certainty not include independent contractors;

"Exchange terminal" means a trading terminal provided to a Member by the Exchange, but does not include any other terminal that provides access to the trading system;

"Independent contractor" shall mean an independent contractor, self employed person or contractor retained by the Exchange or its subsidiaries to provide goods, services or advice, including but not limited to consultants, tradesmen and trade contractors;

"Indemnatee" shall mean every current or former Protected Party and his heirs, executors, and administrators, legal representatives and estate and effects;

"Protected Party" shall mean: (a) every director, officer, employee, authorized person, committee member or advisory board member of the Exchange and any of its subsidiaries or affiliates; and (b) every director, officer, employee, authorized person, committee member or advisory board member of the Investment Industry Regulatory Organization of Canada and any of its subsidiaries or affiliates in its capacity as the regulation services provider for the Exchange;

Amended September 12, 2008

"Subsidiaries" shall include any subsidiary within the meaning of the *Securities Act* (Alberta) as amended from time to time and any other Person designated by the board in which the Exchange has a significant equity interest, directly or indirectly; and

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"Trading system" includes all facilities and services provided by the Designated Markets to facilitate trading, including, but not limited to, electronic, remote or computer-based systems for trading, trade reporting or trade monitoring of securities, and over-the-counter securities; data entry, display and printing services; any other computer-based trading, monitoring and control systems and programs; communications facilities operated or maintained by the Designated Markets; trading or order routing systems operated or maintained by a Member or another market in conjunction with or integrated through facilities or systems operated or maintained by the Exchange; and price quotations and other market information provided by or through any of the Designated Markets.

Amended April 2, 2012

D.4.02 – Limitation of Liability of Protected Persons

Each Member and Participating Organization acknowledges and agrees that no Protected Party shall be liable:

- (1) For the acts, defaults or omissions of any other Protected Party;
- (2) by reason of him or her having joined in any receipt for money not received by him personally;
- (3) for any loss on account of defect of title to any property acquired by the Exchange;
- (4) on account of the insufficiency of any security in or upon which any moneys of the Exchange may be invested, provided that such investment is within the guidelines established by the board;
- (5) for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the moneys, securities or other property of the Exchange may be deposited;
- (6) for any loss incurred through any bank, broker or other agent;
- (7) for any loss occasioned by any error of judgment or oversight on his or her part;
- (8) for any consequences to the Exchange, a member, a Participating Organization, or a third party of a decision made in good faith by the Protected Party; or
- (9) for any loss, damage or misfortune whatever which shall happen in the execution of his duties or in relation thereto, including in the execution of duties, whether in an official capacity or not, for or on behalf of or in relation to the Exchange or any of its subsidiaries or any body corporate or entity which he or she serves or provides services to at the request of or on behalf of the Exchange or any of its subsidiaries, unless the same is occasioned by his or her own bad faith, willful neglect or fraud.

D.4.03 – Exchange Liability

Each Member and Participating Organization acknowledges and agrees that:

- (1) the Exchange shall not be liable for any loss, damage, cost, expense, or other liability or claim (including loss of profit) suffered or incurred by or made against any Member or Participating Organization as a result of the use by such Member or Participating Organization of trading systems. By making use of trading systems, Members and Participating Organizations expressly agree to accept all liability arising from the use of such systems.
- (2) the Exchange shall not be liable to a Member or a Participating Organization for any loss, damage, cost, expense, or other liability or claim (including loss of profit) arising from any failure of trading systems, howsoever caused.
- (3) the Exchange shall not be liable to a Member or a Participating Organization for any loss, damage, costs, expense, or other liability or claim arising from any negligent, reckless or willful act or omission of the Designated Markets, of a Protected Party or of an independent contractor.

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- (4) In the event that any legal proceeding is brought or threatened against the Exchange, any of the Designated Markets, a Protected Party or an independent contractor to impose liability on the Exchange, the Designated Markets, a Protected Party or an independent contractor, which arises directly or indirectly from the use by a Member or a Participating Organization of the trading systems, the Member or Participating Organization shall reimburse the Exchange for:
- (a) all cost, charges, expenses and legal and professional fees (on a solicitor and his own client basis) incurred by the Exchange in connection with the proceeding, including costs incurred to indemnify a Protected Party or an independent contractor;
 - (b) any recovery adjudged against the Exchange or a Protected Party in the event that the Exchange or a Protected Party or an independent contractor is found to be liable; and
 - (c) any payment made by the Exchange with the consent of the Member or Participating Organization in settlement of such proceeding.
- (5) the Exchange shall not be liable to a Member or a Participating Organization for any loss, damage, costs, expense, or other liability arising from any act or omission of any clearing agency, including without limitation the Canadian Depository for Securities Limited and the Canadian Derivatives Clearing Corporation.

D.4.04 – Indemnification

Each Member and Participating Organization acknowledges and agrees that:

- (1) to the extent permitted by law, every Indemnitee shall from time to time, and at all times, be indemnified and saved harmless out of the funds of the Exchange from and against:
- (a) all costs, charges and expenses (which in this section 1 includes an amount paid to settle an action or satisfy a judgment and including legal and professional fees (on a solicitor and his own client basis) and out of pocket expenses of attending trials, hearing and meetings), whatsoever that such Indemnitee sustains or incurs in or about any action, suit or proceeding, whether civil, criminal or administrative, and including any investigation, inquiry or hearing, or any appeal therefrom, that is threatened, brought, commenced or prosecuted against him, or in respect of which the Indemnitee is compelled or requested by the Exchange to participate, for or in respect of any act, deed, matter or thing whatsoever made, done, permitted or omitted by the Indemnitee in or about the execution of the duties of his or her office as they relate to the Exchange or any of its subsidiaries, including those duties executed, whether in an official capacity or not, for or on behalf of or in relation to any body corporate or entity which the Indemnitee serves or served at the request of or on behalf of the Exchange or any of its subsidiaries; and
 - (b) all other costs, charges and expenses that the Indemnitee sustains or incurs in relation to the affairs of the Exchange and its subsidiaries or any body corporate or entity which the Indemnitee serves or served, whether in an official capacity or not, at the request of or on behalf of the Exchange or any of its subsidiaries;

except such costs, charges or expenses as are occasioned by the Indemnitee's own willful neglect or default;

- (2) any Indemnification under section 1.4(a) (unless otherwise ordered by a court) shall be made by the Exchange unless a determination is reasonably and promptly made by the board of directors based on a written opinion by independent legal counsel, that, based upon the facts known to the board or counsel at the time such determination is made, such Indemnitee is not entitled to indemnification by reason of his or her own bad faith, willful neglect or fraud;

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- (3) for greater certainty, it is confirmed that to the extent permitted by law, the Exchange shall indemnify all costs and expenses incurred in connection with any action, suit or proceeding contemplated in section 1.4(a), regardless of whether the Indemnitee has been successful or substantially successful on the merits, and without limiting the generality of the foregoing, such Indemnitee shall be indemnified against all expenses in connection with the dismissal of such action or issue without prejudice or in connection with the settlement of such action or issue without admission of liability;
- (4) to the extent permitted by law, and subject to section 1.4(e), all costs, charges and expenses indemnified actually incurred by the Indemnitee shall be paid by the Exchange in advance of the final disposition of the matter, provided that the Indemnitee shall undertake to repay such amount in the event that it is ultimately determined, either pursuant to section 1.4(b) or by a court of competent jurisdiction, that such Indemnitee is not entitled to indemnification;
- (5) any costs, charges or expenses (including legal and professional fees (on a solicitor and his own client basis) and out of pocket expenses of attending trials, hearings and meetings) incurred or to be incurred in any action, suit or proceedings, whether civil, criminal or administrative, including any investigation, inquiry or hearing, or any appeal therefore, shall be paid by the Exchange promptly, and in any event, within 90 days after receiving the written request of the Indemnitee, unless a determination is reasonably and promptly made by the board of directors under section 1.4(b) that such Indemnitee is not entitled to indemnification or to an advancement of expenses;
- (6) any person entitled to indemnification pursuant to section 1 or otherwise shall promptly give notice to the Exchange, where practical, of any action, suit or proceeding which may give rise to a demand for indemnification;
- (7) any person entitled to and demanding indemnification, pursuant to section 1 or otherwise, shall co-operate with the Exchange throughout the course of any action, suits or proceeding, whether civil, criminal or administrative, including any investigation, inquiry or hearing, to the fullest extent possible, including but not limited to, providing the Exchange with the consent and authority, to be exercised at the sole option of the Exchange, to take carriage of such person's defence;
- (8) the foregoing rights of indemnification and advancement of expenses shall not affect any other rights to indemnification or be exclusive of any other rights to which any person may be entitled by law or otherwise.

D.4.05 – Insurance

Each Member and Participating Organization acknowledges and agrees that subject to the *Corporations Act*, the Exchange may purchase and maintain insurance at the Exchange's expense, on behalf of itself and any Indemnitee, against such liabilities and in such amounts as the board may from time to time determine and as are permitted by the *Corporations Act*.

Amended September 5, 2017

RULE E.1.00 – DISCIPLINE

E.1.01 – (Deleted)

Rule E.1.01 deleted January 26, 2005

E.1.02 – (Deleted)

Rule E.1.02 deleted January 26, 2005

E.1.03 – Investigatory Powers

- (1) A person under the jurisdiction of the Exchange shall submit to any investigation, examination or audit conducted by or on behalf of the Exchange and shall give or cause to be given to the Exchange all information, including books and records, at the person's expense and in a form and manner, including electronically, that may be required for the purposes of an investigation, examination or audit of any person under the jurisdiction of the Exchange.
- (2) Exchange staff may require that any statement given by any person or interview conducted during the course of an investigation be recorded by means of an electronic recording device or otherwise and may require that any statement be given under oath.

E.1.04 – Audit and Investigation

The Exchange may, at any time, investigate, examine or audit or cause to be investigated, examined or audited the affairs, business and conduct of a person under the jurisdiction of the Exchange. The investigation, examination or audit may be carried out at any time without prior notice to the person and the investigatory powers of this Rule E apply.

E.1.05 – (Deleted)

Rule E.1.05 deleted January 26, 2005

E.1.06 – Provision of Information to Other Canadian Exchanges

Upon request of the Montreal Exchange or The Toronto Stock Exchange to provide information in connection with an investigation of trading in exchange contracts or a security listed on the exchange making the request, a person under the jurisdiction of the Exchange shall forthwith submit the requested information directly to the exchange making the request in such manner and form, including electronically, as prescribed under Rule E.

E.1.07 – Investigations

Whether or not prompted by the receipt of a complaint, Exchange staff may cause an examination or investigation to be conducted of any person under the jurisdiction of the Exchange.

Rule E.1.07 amended January 17, 2001

E.1.08 – (Deleted)

E.1.09 – (Deleted)

E.1.10 – (Deleted)

E.1.11 – (Deleted)

E.1.12 – (Deleted)

E.1.13 – (Deleted)

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E.1.14 – (Deleted)

E.1.15 – (Deleted)

E.1.16 – (Deleted)

Rules E.1.08 to E.1.16 deleted January 26, 2005

E.1.17 – (Deleted)

Rule E.1.17 deleted August 1, 2001

E.1.18 – (Deleted)

Rule E.1.18 deleted January 26, 2005

E.1.19 – Method of Service

- (1) For the purposes of Rule E, service of documents:
 - (a) on the Exchange shall be effected by either personal delivery of any required document or notice to the Hearing Officer for the Exchange or by sending a copy by mail, courier or facsimile to the attention of the Hearing Officer;
 - (b) on any person other than the Exchange may be effected by:
 - (i) personal service on that person;
 - (ii) delivering or leaving a copy of the document at the person's last known business or residential address as it appears in the records of the Exchange;
 - (iii) where a solicitor agrees to accept service of documents on behalf of a person, then by leaving a copy of such document at the office of that solicitor or by transmitting it by telephone to the solicitor's facsimile number; or
 - (iv) where a document cannot be served as provided in subclauses (i), (ii) and (iii) above, then by ordinary mail to that person's last known address as it appears in the records of the Exchange, and the document shall be deemed to have been served seven days following the date on which it was mailed.
- (2) A statutory declaration of an employee or agent of the Exchange attesting that subclause (1)(b) has been complied with is sufficient proof of service.

RULE E.2.00[A] – HEARINGS GENERAL

E.2.01[A] – (Deleted)

Rule E.2.01[A] deleted December 3, 2004

E.2.02[A] – (Deleted)

Rule E.2.02[A] deleted December 3, 2004

E.2.03[A] – (Deleted)

Rule E.2.03[A] deleted December 3, 2004

E.2.04[A] – (Deleted)

Rule E.2.04[A] deleted July 26, 2019

E.2.05[A] – (Deleted)

Rule E.2.05[A] deleted July 26, 2019

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RULE E.2.00[B] – DISCIPLINARY PROCEEDINGS

E.2.05[B] – (Deleted)

Rule E.2.05[B] deleted December 3, 2004

E.2.06[B] – (Deleted)

Rule E.2.06[B] deleted December 3, 2004

E.2.07[B] – Transitional

Rule E.2.07[B] (1) and (2) deleted December 3, 2004

- (3) The Exchange may enforce and collect upon all monetary or non-monetary orders, penalties and decisions previously imposed by the Vancouver Stock Exchange or The Alberta Stock Exchange.

Amended January 17, 2001

E.2.08[B] – (Deleted)

Rule E.2.08[B] deleted December 3, 2004

E.2.09[B] – (Deleted)

Rule E.2.09[B] deleted December 3, 2004

E.2.10[B] – (Deleted)

Rule E.2.10[B] deleted December 3, 2004

E.2.11[B] – (Deleted)

Rule E.2.11[B] deleted December 3, 2004

E.2.12[B] – (Deleted)

Rule E.2.12[B] deleted December 3, 2004

E.2.13[B] – (Deleted)

Rule E.2.13[B] deleted December 3, 2004

E.2.14[B] – (Deleted)

Rule E.2.14[B] deleted December 3, 2004

RULE E.2.00[C] – LISTED COMPANY REVIEWS

E.2.15[C] – (Deleted)

Rule E.2.15[C] deleted December 3, 2004

E.2.16[C] – (Deleted)

Rule E.2.16[C] deleted July 26, 2019

E.2.17[C] – (Deleted)

Rule E.2.17[C] deleted July 26, 2019

E.2.18[C] – (Deleted)

Rule E.2.18[C] deleted July 26, 2019

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E.2.19[C] – (Deleted)

Rule E.2.19[C] deleted July 26, 2019

E.2.20[C] – (Deleted)

Rule E.2.20[C] deleted July 26, 2019

E.2.21[C] – (Deleted)

Rule E.2.21[C] deleted July 26, 2019

E.2.22[C] – (Deleted)

Rule E.2.22[C] deleted July 26, 2019

E.2.23[C] – (Deleted)

Rule E.2.23[C] deleted July 26, 2019

RULE F.1.00 – MEMBER, APPROVED PERSON AND EMPLOYEE CONDUCT

F.1.01 – (Deleted)

F.1.02 – (Deleted)

F.1.03 – (Deleted)

Rules F.1.01 to F.1.03 deleted October 23, 2009

F.1.04 – (Deleted)

F.1.05 – (Deleted)

F.1.06 – (Deleted)

F.1.07 – (Deleted)

Rules F.1.04 to F.1.07 deleted January 26, 2005

RULE F.2.00 – MEMBER ETHICS AND AFFAIRS

F.2.01 – (Deleted)

F.2.02 – (Deleted)

F.2.03 – (Deleted)

F.2.04 – (Deleted)

F.2.05 – (Deleted)

Rules F.2.01 to F.2.05 deleted October 23, 2009

F.2.06 – (Deleted)

F.2.07 – (Deleted)

F.2.08 – (Deleted)

Rules F.2.06 to F.2.08 deleted January 26, 2005

F.2.09 – (Repealed)

F.2.10 – (Repealed)

F.2.11 – (Deleted)

F.2.12 – (Deleted)

F.2.13 – (Deleted)

F.2.14 – (Deleted)

F.2.15 – (Deleted)

F.2.16 – (Deleted)

Rules F.2.11 to F.2.16 deleted January 26, 2005

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F.2.17 – (Deleted)

Rule F.2.17 deleted August 25, 2006

F.2.18 – (Deleted)

F.2.19 – (Deleted)

F.2.20 – (Deleted)

Rules F.2.18 to F.2.20 deleted October 23, 2009

F.2.21 – (Deleted)

F.2.22 – (Deleted)

F.2.23 – (Deleted)

F.2.24 – (Deleted)

F.2.25 – (Deleted)

F.2.26 – (Deleted)

F.2.27 – (Deleted)

Rules F.2.21 to F.2.27 deleted January 26, 2005

F.2.28 – (Deleted)

F.2.29 – (Deleted)

F.2.30 – (Deleted)

F.2.31 – (Deleted)

F.2.32 – (Deleted)

Rules F.2.28 to F.2.32 deleted October 23, 2009

RULE F.3.00 – SPECIFIC PROVISIONS RESPECTING MANAGED ACCOUNTS AND DISCRETIONARY ACCOUNTS (DELETED)

Rules F.3.01 to F.3.14 deleted January 26, 2005

RULE F.4.00 – CLIENTS' FULLY PAID SECURITIES (DELETED)

Rules F.4.01 to F.4.09 deleted January 26, 2005

RULE F.5.00 – CLIENT INDEBTEDNESS (DELETED)

Rules F.5.01 to F.5.02 deleted January 26, 2005

RULE F.6.00 PROXIES (DELETED)

Rules F.6.01 to F.6.05 deleted January 26, 2005

RULE F.7.00 CASH ACCOUNTS (DELETED)

Rules F.7.01 to F.7.08 deleted January 26, 2005

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RULE F.8.00 MARGIN ACCOUNTS (DELETED)

Rules F.8.01 to F.8.07 deleted January 26, 2005

RULE F.9.00 CLIENT ACCOUNT TRANSFERS (DELETED)

Rules F.9.01 to F.9.12 deleted January 26, 2005

RULE F.10.00 – RELATIONSHIP BETWEEN INTRODUCING BROKERS AND CARRYING BROKERS (DELETED)

Rules F.10.01 to F.10.12 deleted January 26, 2005

RULE F.11.00 UNIFORM SETTLEMENT RULE (DELETED)

Rule F.11.01 deleted January 26, 2005

RULE F.12.00 – DISPLAY BY MEMBERS OF PARTICIPATING INSTITUTIONS OF CIPF COVERAGE (DELETED)

Rules F.12.01 to F.12.09 deleted January 26, 2005

RULE G.1.00 – CAPITAL, MARGIN AND EXAMINATIONS (DELETED)

Rules G.1.01 to G.1.21 deleted January 26, 2005

RULE G.2.00 – ACCOUNT GUARANTEES (DELETED)

Rules G.2.01 to G.2.05 deleted January 26, 2005

RULE G.3.00 – RECORDS AND AUDIT

G.3.01 – Records

In addition to any original records otherwise specified in the Rules of the Exchange, each member shall prepare and maintain current, at least the following books and records relating to its business:

- (1) blotters (or other records of original entry) containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities (including certificate numbers), all receipts and disbursements of cash and all other debits and credits. Such records shall show the account for which each such transaction was effected, the name and amount of securities, the unit and aggregate purchase or sale price (if any), the trade date, and the name or other designation of the person from whom purchased or received or to whom sold or delivered;
- (2) a general ledger (or other records) maintained in detail reflecting all assets and liabilities, income and expense and capital accounts;
- (3) ledger accounts (or other records) itemizing as to each account of every client, all purchases, sales, receipts, and deliveries of securities and commodities for such account and all other debits and credits to such account;
- (4) ledgers (or other records) reflecting the following:
 - (a) securities in transfer;
 - (b) dividends and interest received or credited;
 - (c) securities borrowed and securities loaned;
 - (d) monies borrowed and monies loaned (together with a record of the collateral therefore and any substitutions in such collateral);
 - (e) securities failed to receive and failed to deliver;
- (5) a securities record or ledger reflecting separately for each security as of the trade or settlement dates all "long" and "short" positions (including securities in safekeeping) carried for the member's account or for the account of clients, showing the location of all securities long and the offsetting position of all securities short and in all cases the name or designation of the account in which each position is carried;
- (6) a record of each order, and of any other instruction, which may be a copy of the order or instruction, given or received for the purchase or sale of securities, whether executed or unexecuted, showing:
 - (a) the terms and conditions of the order or instruction and of any modification or cancellation of the order or instruction;
 - (b) the account to which the order or instruction relates;

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- (c) if the order or instruction is placed by an individual other than the person in whose name the account is operated or an individual duly authorized to place orders or instructions on behalf of a client that is a company, the name, sales number or designation of the individual placing the order or instruction;
- (d) the time of entry of the order or instruction, and, if the order is entered pursuant to the exercise of discretionary power of a registrant or any employee of the registrant, a statement to that effect;
- (e) the price at which the order or instruction was executed; and
- (f) to the extent feasible, the time of execution or cancellation.

The record of each order must be retained for five years for executed orders and two years for unexecuted orders;

- (7) a record in respect of each account containing the name and address of the beneficial owner (and guarantor, if any) of such account; written authorization, or ratification from the client where trading instructions were received from any other person, naming such person;

and in the case of a margin account a properly executed margin agreement containing the signature of such owner (and guarantor, if any) provided that, in the case of a joint account or an account of a corporation, such records are required only in respect of the person or persons authorized to transact business for such account;
- (8) a record of all puts, calls, spreads, straddles and other options in which the member has any direct or indirect interest or which the member has granted or guaranteed, containing at least an identification of the security and the number of units involved; and
- (9) a record of the proof of money balances of all ledger accounts in the form of trial balances and a record of the computation of risk adjusted capital. Such trial balances and computations shall be prepared currently at least once a month and be kept available for inspection by the Panel Auditor or Exchange.
- (10) A record of all margin calls whether such calls are made in writing, by telephone or other means of communication.
- (11) A Statement of Account shall be sent at the end of each month to each client in whose account there have been any transactions recorded therein, exclusive of entries regarding interest and dividends. Statements shall also be sent to all clients having open security positions or money balances at the end of each quarter. Quarterly statements shall set forth the dollar balance carried forward, and security position as of the statement date. Statements shall indicate all securities which are segregated or held for safekeeping.
 - (a) Every statement of account issued to a client by a member or affiliated company shall bear the following notation:

"Any free credit balances represent funds payable on demand which, although properly recorded on our books, are not segregated and may be used in the conduct of our business."
 - (b) Where a register and transfer agent will not transfer a security for reasons other than because of the issuance of a cease trading order or suspension from trading, a member shall not be required to deliver to a client the statement of account required above more frequently than once every twelve months.
 - (c) A copy of all statements shall be retained by each member for a period of five years.

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G.3.01.1 – (Deleted)

G.3.01.2 – (Deleted)

G.3.01.3 – (Deleted)

G.3.02 – (Deleted)

G.3.03 – (Deleted)

Rules G.3.01.1, G.3.01.2, G.3.01.3, G.3.02, and G.3.03 deleted January 26, 2005

G.3.04 – Special Examinations

The Exchange may at any time require the Exchange's auditor to, or may itself, make any general or special examination of the financial affairs of any member or affiliated company or to report upon the whole or any aspect of the business or affairs thereof and in either case and in addition thereto to regulate and generally supervise the operations of the member or affiliated company for such period and in such manner as the Exchange may direct.

Amended January 26, 2005

G.3.05 – Access to Records

The Exchange and the Exchange's auditor, for the purpose of any examination under this section, shall, with the knowledge of the member, be entitled to free access to all books of account, securities, cash, documents, bank accounts, vouchers, correspondence and records of every description of the member or affiliated company whose financial affairs are being examined and no person, member or affiliated company shall withhold, conceal, destroy or refuse to give any information or thing reasonably required by the Exchange or the Exchange's auditor for the purpose of their examination.

Amended January 26, 2005

G.3.06 – (Deleted)

G.3.07 – (Deleted)

G.3.08 – (Deleted)

Rules G.3.06 to G.3.08 deleted January 26, 2005

G.3.09 – Requirement to Provide Information

Every member shall give or procure and give to the Exchange such material, information, reports and financial statements as the Board may from time to time prescribe.

G.3.10 – (Deleted)

G.3.11 – (Deleted)

G.3.12 – (Deleted)

G.3.13 – (Deleted)

G.3.14 – (Deleted)

Rules G.3.10 to G.3.14 deleted January 26, 2005

G.3.15 – Reporting Breaches of Exchange By-laws or Rules

If the Exchange's auditor observes, during the regular conduct of an audit, any material breach of the by-laws or rules of the Exchange pertaining to the calculation of the member's financial position, handling and custody of securities and maintenance of adequate records he shall make a report to the Exchange.

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G.3.16 – (Deleted)

Rule G.3.16 deleted January 26, 2005

G.3.17 – Release of Information by the Exchange

- (1) The Exchange may at any time provide information to Canadian or foreign law enforcement organizations, regulatory organizations, self-regulatory organizations or clearing houses.
- (2) The Exchange shall not release any information pursuant to this Rule without the approval of the President, the Executive Vice-President or the Vice-President of Compliance.
- (3) The Exchange shall not release information pursuant to this Rule unless, in the opinion of the Exchange, such information is relevant to the preservation of the integrity of the financial services industry or the provision of such information is in the public interest.
- (4) The Exchange may enter into arrangements for the release of information in a manner consistent with the terms of this Rule.
- (5) The term "information" in this Rule includes any information which the Exchange obtains by any means and any document or other medium upon which such information is stored.
- (6) All persons under the jurisdiction of the Exchange shall be deemed to have authorized the Exchange to provide information in accordance with this Rule, including, without limiting the generality of the above, information obtained by the Exchange in accordance Exchange requirements. Further, all persons under the jurisdiction of the Exchange shall be deemed to have released the Exchange and each of its Board members, officers and employees from any and all liability whatsoever which may arise by the provision of such information in accordance with this Rule.
- (7) When it does not prejudice the confidentiality of an investigation to do so, an Exchange officer referred to in clause (2) may advise the member of any information released under this rule.

G.3.18 – (Deleted)

G.3.19 – (Deleted)

G.3.20 – (Deleted)

G.3.21 – (Deleted)

Rules G.3.18 to G.3.21 deleted January 26, 2005

RULE G.4.00 – INSURANCE (DELETED)

Rules G.4.01 to G.4.08 deleted January 26, 2005

RULE G.5.00 – CONCENTRATION OF SECURITIES (DELETED)

Rules G.5.01 to G.5.06 deleted January 26, 2005

RULE G.6.00 – CASH AND SECURITIES LOAN AGREEMENTS

G.6.01 – (Deleted)

Rule G.6.01 deleted January 26, 2005

G.6.02 – Buy-in (Liquidity Transactions) Procedures

Buy-ins must be commenced within two business days of the giving of notice for the buy-in.

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G.6.03 – (Deleted)

G.6.04 – (Deleted)

G.6.05 – (Deleted)

G.6.06 – (Deleted)

G.6.07 – (Deleted)

Rules G.6.03 to G.6.07 deleted January 26, 2005

RULE G.7.00 – EARLY WARNING SYSTEM (DELETED)

Rules G.7.01 to G.7.08 deleted January 26, 2005

RULE G.8.00 – DISCLOSURE TO CLIENTS OF MEMBERS' FINANCIAL CONDITION (DELETED)

Rules G.8.01 to G.8.07 deleted January 26, 2005

RULE G.9.00 – CLIENTS' FREE CREDIT BALANCES (DELETED)

Rules G.9.01 to G.9.05 deleted January 26, 2005

RULE H. – LEFT INTENTIONALLY BLANK

RULE I.1.00 – OPTIONS (DELETED)

Rule I.1.01 to I.1.20 deleted January 26, 2005

RULE I.2.00 – TRADING IN O.C.C. OPTION CONTRACTS (DELETED)

Rules I.2.01 to I.2.11 deleted January 26, 2005

RULE J.1.00 – COMMODITY FUTURES CONTRACTS AND OPTIONS

Rules J.1.01 to J.1.09 deleted January 26, 2005

J.1.10 – Records

- (1) A record shall be kept by each member or affiliate of a member in its office of any order or other instruction given or received with respect to a trade in a futures contract or futures contract option whether executed or unexecuted showing:
 - (a) the terms and conditions of the order or instruction and any modification or cancellation of the order or instruction;
 - (b) the account to which the order or instruction relates;
 - (c) where the order relates to an omnibus account, the component accounts within the omnibus account on whose behalf the order is to be executed;
 - (d) where the order or instruction is placed by a person other than the client in whose name the account is operated, the name, or designation of the party placing the order or instruction;
 - (e) the time of the entry of the order or instruction and, where the order is entered pursuant to the exercise of discretionary authority of a member or affiliate, identification to that effect;
 - (f) to the extent feasible, the time of altering instructions of cancellation; and
 - (g) the time of report of execution.
- (2) A copy of all unexecuted orders shall be kept for a period of two years and a copy of all executed orders shall be kept for a period of six years.

RULE J.2.00 – INDUSTRY MEMBER

J.2.01 – Industry Member

"Industry member" means, in respect of any member, an individual who has been approved by the Exchange for purposes of this definition and is actively engaged in the business of and devotes a major part of his time to that business. In considering whether to approve an individual as an industry member, the Exchange shall take into account whether the individual:

- (1) has had experience acceptable to the Exchange as a broker or dealer in securities or commodities, or working in the office of a broker or dealer in securities or commodities, in each case for at least five years or such lesser period as may be approved by the Exchange;
- (2) to an extent acceptable to the Exchange, is actively engaged in the business of the member and devotes the major portion of his time thereto, except if he is on active government service or his health does not permit; and
- (3) has successfully completed such courses of study as may from time to time be required by the Exchange.

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Odd Lot Trading Policy

1. Inventory of securities traded in odd lots is considered the property and the responsibility of the Odd Lot Member.
2. The Odd Lot Member may assign one or more of its own Approved Trader employee(s) as its Odd Lot Trader(s).
3. Each Odd Lot Member may be assigned and maintain a number of securities in their odd lot inventory.
4. New Members will be invited to apply to participate in odd lot trading of said securities at the discretion of the Exchange.
5. If an Odd Lot Member is requested by the Exchange to withdraw from the pool of Odd Lot Members, the Exchange will provide the Odd Lot Member with no less than 6 months' notice before the Exchange reassigns the odd lot inventory to another Odd Lot Member or to a new Member.
6. If an Odd Lot Member wishes to give up any part of its Odd Lot Inventory, it must give the Exchange not less than 60 days' notice of its intention to withdraw its services.
7. The method of allocating and/or reallocating odd lot securities between Odd Lot Members will be determined by the Exchange.
8. A name change and/or symbol change of an issue will not be considered, for purposes of odd lot inventory allocation, as a new security.

Amended July 22, 2019

Policy Statement CR13 Sponsorship Policy Statements

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Introduction

This Policy Statement CR13 is the companion Policy Statement to Rule B.2.00 and is comprised of a series of five Sponsorship Policy Statements which prescribe requirements for and provide guidance on the required contents of the Sponsor Report, the minimum Review Procedures required to be conducted by a Sponsor and the qualifications that must be met for a Member to constitute a Sponsor.

Unless otherwise defined, capitalized terms used in this Policy Statement CR13 have the meanings set out in Policy 1.1 of the Corporate Finance Manual.

In connection with any Initial Listing, references in this Policy Statement CR13, to "issuer" shall refer to the applicant. In connection with a Reverse Take-Over, Qualifying Transaction or Change of Business, references in this Policy Statement CR13 to the "issuer", shall include the listed issuer and any Target Issuer. Where a Sponsor Report is required in connection with any other transaction, references to issuer shall refer to the listed issuer, unless the circumstances otherwise reasonably require.

Sponsorship Policy Statement 1

Requirement for a Sponsor Report

1. A full Sponsor Report will be required in connection with all applications for New Listings, whether by way of an initial listing (concurrent with an initial public offering, including by a Capital Pool Company) a Reverse Take-Over, a Qualifying Transaction or an application for listing by an issuer previously quoted or listed on another market.
2. A Sponsor Report will also generally be required in connection with a Change of Business by a Tier 2 listed issuer. Where there is no Change of Management or no Change of Control in connection with the Change of Business, the scope of the Sponsor Report may be limited to the Review Procedures relating to the proposed new business or assets of the listed issuer and a determination of whether such business or assets meet the applicable Tier Maintenance Requirements.
3. The Exchange may request a Sponsor Report in the case of a Change of Management or in respect of a Change of Control where the new directors, management or new control persons do not have a sufficient history of involvement and experience with the Exchange or another recognized Canadian exchange. In such case, the scope of the Sponsor Report may be limited to a review of such new persons.
4. Except where a preliminary prospectus has been filed, when a sponsorship agreement has been entered into, a Sponsorship Acknowledgement Form, (Appendix 2A to the Corporate Finance Manual) should be filed with the Exchange. Generally, submission of the Sponsorship Acknowledgement Form will be required prior to any halt in trading of the listed issuer's securities being lifted where such halt resulted from the announcement of a Qualifying Transaction, Reverse Take-Over or, in regard to a Tier 2 Issuer, a Change of Business.
5. The Sponsor is required to submit a preliminary Sponsor Report, together with written confirmation that the majority of the Review Procedures have been conducted before a Qualifying Transaction, Reverse Take-Over or, in regard to a Tier 2 Issuer, a Change of Business will be presented for consideration to the Listing Committee. A Sponsor should not submit a preliminary Sponsor Report until it is reasonably comfortable that no material adverse issues will arise from completion of the balance of the Due Diligence.
6. Subject to paragraphs 7 and 8, below, a final executed Sponsor Report will be required prior to an Exchange Bulletin being issued confirming final acceptance of the transaction in respect of which the Sponsor Report was required. The final executed Sponsor Report may be required at such earlier time as specified by the Exchange.
7. The final executed Sponsor Report required in connection with an initial listing pursuant to a prospectus will generally be required to be filed with the Exchange prior to filing of the final prospectus.
8. In the case of a Reverse Take-Over or Qualifying Transaction, the final executed Sponsor Report will generally be required to be filed with the Exchange prior to mailing of the information circular.

9. Due to the increased reliance upon the Sponsor in connection with a New Listing by a Foreign Issuer, the Exchange may require that the final executed Sponsor Report be submitted prior to a New Listing or a Change of Business by a Tier 2 Issuer being considered by the Listing Committee.
10. In exceptional circumstances, the Exchange, in its discretion, may agree to waive the requirement of a Sponsor Report.

Sponsorship Policy Statement 2

Qualifications Required to Act as Sponsor

1. A Sponsor must be a Member and unless specifically waived or agreed to by the Exchange must meet all of the minimum specifications set forth in this Policy Statement 2.
2. The Sponsor shall:
 - a. not have previously been advised that it may no longer act as a Sponsor or if so previously advised, the Exchange has subsequently agreed to accept the Member as a Sponsor;
 - b. be a registrant in good standing with each Securities Commission in which it is registered as an adviser, securities dealer, underwriter, portfolio manager or other or similar category of registrant pursuant to applicable securities law and has not had any securities law registration refused, cancelled, restricted or suspended; and
 - c. be a member in good standing with each exchange or other self-regulatory body of which it is a member;
 - d. have policies and procedures that encompass the following, to the extent applicable:
 - 1) conflicts of interest which may arise in connection with acting in multiple roles, including acting as an underwriter and/or Sponsor and trading or advising the public in regard to the securities of a listed issuer;
 - 2) separation of underwriting functions and/or Sponsorship functions from trading functions, including the establishment of safeguards for dealing with confidential information;
 - 3) the accumulation and maintenance of a complete list of connected parties and related parties (as defined in BCSC Rule 75(1)) or connected issuers and related issuers (as defined in ASC Policy 7.1 and Proposed Multi-Jurisdictional Instrument 33-105);
 - 4) restricting the Sponsor from preparing a Sponsor Report on behalf of any related party, connected party, related issuer or connected issuer;
 - 5) establishing proficiency requirements including standards for acceptable corporate finance staff education and experience, which are commensurate with the requirements and responsibilities of underwriting;
 - 6) ensuring that proper Due Diligence, commensurate with that of an underwriter, is undertaken by or on behalf of the Sponsor prior to the execution by the Sponsor of a Sponsor Report; and
 - 7) procedures for periodic review of the Sponsor's policies and procedures.

3. Without limiting the generality of paragraph 2(d)(2) above, the Sponsor shall have established a corporate finance department to deal with underwriting functions and the preparation of Sponsor Reports which department is separate and apart from any of its trading and advising functions.
4. The Sponsor shall have policies and procedures for the purpose of:
 - a. to the greatest extent possible, restricting access to Material Information (as defined in Corporate Finance Policy 1.1 *Interpretation*) from or relating to issuers in respect of which the Member has been engaged to act as an underwriter or Sponsor where the information obtained is not necessarily in the public domain ("Confidential Information") such that the Confidential Information shall only be made available to and access only provided to the corporate finance department personnel and the Sponsor's authorized directors and senior officers ("Corporate Finance Persons");
 - b. ensuring that where Confidential Information is required to be or is otherwise provided to non-Corporate Finance Persons, those persons are advised that they possess Confidential Information which cannot be communicated to any other person;
 - c. physically separating, to the greatest extent possible, the work space of members of the corporate finance department, from other areas of the Member's office and ensuring that access to the corporate finance department work space is restricted;
 - d. securing physical and electronic Confidential Information in locked cabinets, computers or offices, and restricting access only to Corporate Finance Persons;
 - e. securing at all times, Confidential Information which is not being immediately reviewed or utilized by the Corporate Finance Persons;
 - f. ensuring that Confidential Information is not discussed in areas outside of the corporate finance department or within the proximity of persons other than Corporate Finance Persons;
 - g. to the greatest extent possible, providing the corporate finance department with separate and dedicated telephones, messaging services, facsimile machines, photocopiers and confidential mail and courier delivery service to ensure that persons engaged in trading or advising functions do not have access, inadvertently or otherwise, to Confidential Information; and
 - h. providing education to Member personnel with respect to their ethical responsibilities, including what constitutes Confidential Information, inside information, insider trading, tipping and the legal restrictions on transmission and use of Confidential Information or insider information and the legal consequences, criminal, quasi-criminal, civil and regulatory for breaches of such restrictions and in respect of insider trading and tipping.

5. When engaged as Sponsor in regard to an issuer, the Sponsor is required to assess and determine whether it is appropriate and advisable to monitor, restrict or discontinue certain activities of itself and of its employees in relation to the securities of such issuer, including, trading, advising and dissemination of research material.
6. Without limiting any other obligation or restriction under applicable Securities Law or Exchange Requirements, the Sponsor shall have policies and procedures which provide that once the Sponsor has agreed to act as Sponsor of an issuer and until such time as the applicable information circular, prospectus, filing statement or other disclosure document is properly filed and disseminated:
 - a. the Corporate Finance Persons are prohibited from purchasing or selling any of the securities of such issuer;
 - b. all partners, directors, officers, approved persons and employees of the Sponsor, who by virtue of their position with the Sponsor or involvement with the issuer have or can reasonably be expected to gain access to Confidential Information in regard to the issuer are prohibited from:
 - 1) soliciting purchase orders of the issuer's securities; or
 - 2) purchasing or selling the issuer's securities for accounts beneficially owned or controlled by them.
 - c. the Sponsor is prohibited from: disseminating research reports relating to the issuer; buying, selling or otherwise trading the issuer's securities for its own account, except for permitted transactions and stabilizing bids contemplated by Rule F.2.09; and, further, in regard to Capital Pool Companies, the exercise of an agent's option and sale of securities issued to the Sponsor by the issuer pursuant to the exercise of a previously issued agent's option to the extent specifically permitted by section 6.2 of Policy 2.4; and
 - d. trading in the securities of the issuer by all partners, directors, officers and employees and approved persons shall be monitored by a designated and duly qualified officer of the Sponsor to assess whether trading has or might reasonably appear to have occurred based on access to Confidential Information.
7. Without limiting the generality of paragraph 2(d)(5) (and without limiting any other educational requirements required under applicable Securities Law or Exchange Requirements), the Sponsor shall employ a corporate finance officer, compliance officer or branch manager who will oversee and be responsible for the preparation and execution of the Sponsor Report and who:
 - a. has successfully completed the Canadian Securities Course,
 - b. has successfully completed the Partners, Directors and Senior Officers Qualifying Exam (CSI);

- c. is not engaged in trading on behalf of or advising public clients; and either:
 - 1) has at least seven continuous years of relevant experience in the securities industry or securities regulatory industry, two years of which must have been with an underwriter that is a member of a Canadian stock exchange or other self-regulatory body in Canada,
 - 2) has at least five continuous years of relevant experience with an underwriter that is a member of a Canadian stock exchange or other self-regulatory body in Canada or five continuous years of relevant experience with a securities regulatory body or Canadian exchange,
 - 3) is licensed by the Association of Investment Management and Research to use the designation “Chartered Financial Analyst” or “CFA” or is licensed to use the designation Chartered Business Valuator or “CBV”, or
 - 4) has at least three years of relevant experience in the securities industry or securities regulatory industry and has other professional qualifications satisfactory to the Exchange.

- 8. The Sponsor shall employ or retain at least one individual with reasonably satisfactory education or experience in evaluating and assessing the technical aspects of businesses in the industry sector in respect of which the issuer in regard to whom the Sponsor Report is to be provided is, or is intended to be, engaged.

- 9. Subject to section 1(n) of Sponsorship Policy Statement 4, the Sponsor agrees to provide upon request by the Exchange, all and any part of the materials and information obtained or compiled in connection with the Review Procedures conducted.

- 10. The Exchange may refuse to accept a Sponsor Report from a Member where it is not satisfied that the Member qualifies as a Sponsor, and without limiting the generality of the foregoing, may refuse to accept a Sponsor Report where it reasonably appears that the Member has not implemented internal policies which are designed to ensure that Confidential Information obtained in the course of the preparation of the Sponsor Report is not communicated or made available to or used by any person involved in the trading of securities or providing investment advice to clients.

Sponsorship Policy Statement 3

Minimum Review Required for Preparation of Sponsor Report

General

1. The scope and extent of Due Diligence considered appropriate will vary in each circumstance. The Exchange will rely heavily upon the assumption that a Sponsor has the expertise and ability to determine what constitutes appropriate Due Diligence and to fulfill its responsibilities in that regard. The Due Diligence process should provide the Sponsor with a thorough understanding of the business of the listed issuer and the risks associated with the listed issuer's business. The understanding gained from this process puts the Sponsor in a better position to decide whether to sponsor the listed issuer and to sign the Sponsor Report.

Use of Experts

2. Where the Sponsor, in its professional judgment determines that particular experience or technical expertise is necessary to conduct the appropriate Due Diligence or the required Review Procedures, the Sponsor is required to ensure that such experience or technical expertise exists either among the Corporate Finance Persons or the Sponsor may rely upon an outside expert consultant, or specialist (an "Expert") to prepare an assessment report or technical report on which the Sponsor can rely. Where the Sponsor employs in-house, an individual with the requisite experience or technical expertise, the Sponsor may rely upon the services of such person. The Sponsor may also rely upon the professional services of any accounting firm, law firm, or search house (a "Professional") to assist it with the conduct of its Review Procedures. However, it is the responsibility of the Sponsor to take reasonable steps to confirm that any employee, Expert or Professional retained or relied upon, possesses the appropriate business or other experience and education necessary to assess the business, products, services or technology or to otherwise perform the services for which they were retained. The Sponsor is also responsible for confirming that any Expert or Professional retained by the Sponsor or upon whom the Sponsor may rely, is not a related party, connected party, related issuer or connected issuer of the listed issuer, or does not otherwise have a relationship with the listed issuer that may lead a reasonable person to conclude that the Expert's or Professional's independence or objectivity could be compromised. The Sponsor must confirm that any Expert does not have any direct, indirect or contingent interest in any of the securities or assets of the listed issuer, its Insiders, or any Associates or Affiliates of the listed issuer.

Review Procedures

3. As part of the Review Procedures, a Sponsor shall perform a review of the Insiders and Principals of the listed issuer, the listed issuer's business and the conformity of the listed issuer to the applicable Minimum Listing Requirements. In certain circumstances, the Sponsor, in its reasonable professional judgement, may determine that certain Review Procedures are not required as they have been otherwise satisfied. In such instances, the Sponsor must specifically state in the Sponsor Report any non-conformity with the requirements of this Sponsorship Policy Statement and the reasons for such non-conformity. The Exchange may nevertheless determine that the stated Review Procedures must be conducted. Unless specifically waived by the Exchange, a site visit must be conducted and title opinions must be prepared in respect of all Foreign Issuers. However, the Sponsor may determine, in its professional judgment, that the requirement for a site visit in respect of resource properties has been satisfied by the site visit conducted by the engineer or geologist providing the Geological Report.
4. Set forth below are the minimum Review Procedures which must be performed prior to execution of a Sponsor Report.

Insiders and Principals

5. The Sponsor must undertake a review of the past conduct of existing and proposed Insiders and Principals of the issuer for purposes of assessing their general experience and integrity. As part of the review, the Sponsor must determine whether the Insiders and Principals have demonstrated a history of regulatory compliance and corporate and financial success. Subject to section 3, in making these assessments the Sponsor's review shall include:
 - a. inquiries with various regulatory bodies having jurisdiction over the applicant listed issuer and its existing and proposed Insiders and Principals and any issuers or reporting issuers with which the applicant's existing and proposed Insiders and Principals have previously been associated;
 - b. inquiries through appropriate data base searches, which in the case of a non-Canadian resident, will require at least appropriate Lexis/Nexis searches;
 - c. inquiries and discussions with references, former and present business associates and with other offices of the Sponsor;
 - d. engagement of counsel or reputable search houses or services to perform checks in relevant areas of residence or other locations of business;
 - e. review of Personal Information Forms; and
 - f. searches for civil actions and judgements.
6. The Sponsor must also confirm to its satisfaction that the Insiders and Control Persons of the listed issuer understand their statutory trading and reporting obligations as prescribed by applicable Securities Law.

Management and Directors

7. In respect of the proposed key directors and management, a review of their general business acumen, their experience in the type of business carried on by the applicant listed issuer, their securities and industry related experience and responsible business conduct and practices which subject to section 3, shall include:
 - a. confirmation of educational and professional qualifications;
 - b. review of financial statements of other material public and private issuers in respect of which such persons are, or have been, involved either in the capacity of a Director or member of senior management, including an assessment as to the financial success of such issuers and whether the allocation between funds spent on general and administrative expenses relative to those spent on any work program and the compensation paid to management or parties associated or affiliated with management appears appropriate and in accordance with prudent business practices;
 - c. an assessment of management's goals and expenditure controls to determine whether it is reasonable to assume that management will use Available Funds (as defined in Exchange Form 3A) as publicly disclosed;
 - d. a review of directors' resolutions and banking documents to ensure that internal controls exist which require that the signatures of two authorized persons are required on all cheques and other instruments binding the listed issuer;
 - e. confirmation of the amount of time to be devoted to the business of the listed issuer by each of such persons and an assessment of whether each of such persons is committing sufficient time to properly manage the business and corporate affairs of the listed issuer;
 - f. based on the Sponsor's assessment of the past conduct and experience of the directors and senior officers, the Sponsor is reasonably satisfied that:
 - 1) such persons can reasonably be expected to prepare and publish all information required by applicable Securities Law and all Exchange Requirements, including without limitation, Corporate Finance Policies 3.1, Directors, Officers and Corporate Governance, 3.3, Timely Disclosure, and 3.2 Filing Requirements and Continuous Disclosure, in a timely and responsible manner; and
 - 2) such persons appreciate the nature of their responsibilities as directors or officers of an Exchange listed issuer.

Business of the issuer

8. The Sponsor shall conduct a review of the business of the issuer which shall include:
 - a. an assessment of the issuer's business plan, including an assessment as to whether the budgets and projections are reasonable and whether the predictions and assumptions are consistent with the issuer's past performance having regard to payment terms under agreements or other arrangements with suppliers, costs of financing, royalty obligations, long term liabilities, working capital requirements and the availability of financing alternatives;
 - b. investigations in respect of the consultants (e.g. engineers, geologists, management consultants, authors of valuations, technical assessments or feasibility studies and authors of non-Canadian legal or title opinions), including the education and credentials of such parties and whether they have completed such reports for the Exchange in the past;
 - c. a physical inspection of the material assets, whether owned or leased, including property, plant, equipment and inventory used, or to be used, in connection with the issuer's stated business objectives, or full particulars as to why a physical inspection was not considered necessary;
 - d. if applicable, an analysis of the issuer's production methods;
 - e. if applicable, an analysis of the issuer's actual or proposed marketing plan, including distribution channels, pricing policies, after-sales service, maintenance and warranties;
 - f. if applicable, an investigation into a third party's ability to supply a product, service or technology where the third party supplies a unique product service or technology to the issuer that is not readily available, or not readily available at reasonably comparable prices from other sources;
 - g. a review of all material financial statements for at least the three preceding years of operations by the issuer or its relevant predecessors and, if applicable securities law or Exchange Requirements require financial statements for some additional prior period to be filed with a securities commission or the Exchange, a review of the financial statements for such additional reporting periods;
 - h. a review of any title opinions on the assets, property or technology considered necessary or advisable (and for greater certainty, in respect of assets, property or technology not physically situated in Canada or the U.S.A. (such title opinions will always be presumed by the Exchange to be necessary or advisable);
 - i. to the extent appropriate, inquiries and discussions with principal suppliers, customers, auditors, accountants, creditors, bankers, etc.;
 - j. review and analysis of the business aspects of all material contracts of the issuer;

- k. a review of all material legal proceedings, and proceedings known to be contemplated, involving the issuer;
- l. an analysis of the business aspects of any legislation or publicly available proposed legislation, such as industry or environmental regulations or controls on ownership or profit repatriation that, in the Sponsor's professional judgement, may materially affect the issuer's operations;
- m. an analysis of the business aspects of any economic or political conditions that, in the Sponsor's professional judgement, may materially affect the issuer's operations;
- n. investigations of the industry and target markets in which the issuer's business will principally operate or its management anticipates that it will principally operate, including geographical area, competition within that segment (including existing and potential principal competitors and their relative size and aggregate market share) and market segment;
- o. if appropriate, investigation and confirmation of the existence of any proprietary interests, intellectual property rights and licensing arrangements material to the issuer's business;
- p. investigation of the technical feasibility of any new product or technology developed, under development or proposed to be developed pursuant to the issuer's business plan;
- q. assessment of the stage of the applicant's development and the commercial viability of its product or technology, including an assessment of obsolescence, market controls or regulation and seasonal variation; and
- r. a review, analysis or investigation of any other matters specifically requested by the Exchange to be reviewed, including without limitation, the appropriateness of any valuation submitted to the Exchange in support of the exchange of securities or such other comment on the fairness and reasonableness of the exchange of securities.

Integrity of Financial and Corporate Information

- 9. The Sponsor shall assess the integrity of the financial and corporate information produced by the issuer and in doing so shall:
 - a. consider the material financial statements of the issuer or its predecessor(s) prepared in regard to at least the preceding three years and, if applicable securities law or Exchange Requirements require financial statements for some additional prior period to be filed with a securities commission or the Exchange, a review of the financial statements for such additional reporting periods;
 - b. consider the reasonableness of the "Available Funds" (as defined in Exchange Form 3 A) and the sufficiency of working capital; and

- c. analyze the capital structure, including its impact on the ability of the listed issuer to conduct future financings and an assessment of whether it provides for a satisfactory public distribution.

Minimum Listing Requirements and Exchange Requirements

10. The Sponsor shall consider whether the issuer at the time of listing or completion of the applicable transaction will meet applicable Minimum Listing Requirements, Tier Maintenance Requirements and other Exchange Requirements and in doing so the Sponsor shall make a determination as to whether:
 - a. the listed issuer, upon completion of any New Listing will meet the applicable Minimum Listing Requirements of the Exchange as described in Exchange Policy 2.1 (except in regard to distribution requirements on Reverse Take-Overs and Qualifying Transactions of Capital Pool Companies, in regard to which the listed issuer need only comply with paragraph b., below);
 - b. the listed issuer will meet the applicable distribution requirements described in Exchange Policy 2.5, Tier Maintenance Requirements; and
 - c. the listed issuer and its directors and officers are in compliance with the applicable provisions of Exchange Policy. 3.1, Directors, Officers and Corporate Governance.

Sponsorship Policy Statement 4

Disclosure Required in Sponsorship Report

1. The Sponsor shall disclose in the Sponsor Report all material information which is reasonably necessary to determine whether the issuer is suitable for listing on the Exchange and the material Review Procedures conducted. Without limiting the generality of the foregoing, the Sponsor Report shall contain:
 - a. a brief summary of the procedures conducted by the Member in respect of the Review Procedures required by Sponsorship Policy Statement 3, including a list of all database searches conducted in regard to each Person;
 - b. identification of any Review Procedures not taken and an explanation as to how the Sponsor otherwise satisfied itself in respect of the Review Procedures;
 - c. identification of any information or facts which the Sponsor is aware or has become aware in the course of conducting its Due Diligence which might reasonably impact upon the Exchange's determination of the suitability for listing of the issuer;
 - d. confirmation that the Member has met the criteria required to qualify as a Sponsor;
 - e. the qualifications and experience of the person(s) primarily responsible for the investigation and preparation of the Sponsor Report, including knowledge of the proposed industry and/or business of the applicant, and without limitation such person's:
 - 1) name, address and occupation;
 - 2) relevant educational background, including areas of principal studies;
 - 3) relevant employment history, including a description as to how it relates to the material aspects of the principal business of the listed issuer;
 - 4) experience in the areas of corporate planning and financial analysis;
 - 5) membership in any professional organization; and
 - 6) the period during which the review procedures were carried out;
 - f. disclosure of any conflicts of interest, including:
 - 1) a statement to the effect that the person referred to in section 1(e) has no material conflicts of interest as a result of his or her relationship with the issuer, and the issuer's Insiders, Associates and Affiliates;
 - 2) a statement that the person referred to in section 1(e) does not own any direct, indirect or contingent interest in any of the securities or assets of the issuer, or of any Associates or Affiliates of the issuer or disclosure of any such interest, which interest must not be material;

- 3) full particulars of any material past dealings between the Sponsor and any current or proposed Related Party of the issuer; and
 - 4) full particulars of any direct, indirect or contingent interest in any of the securities or assets of the issuer or of any Associates or Affiliates of the issuer beneficially owned or controlled by the Sponsor;
- g. where the Sponsor, in preparing the Sponsor Report, has retained the services of, or otherwise relied upon the services of, a consultant or specialist, the Sponsor shall state, in respect of each consultant or specialist upon whom the Sponsor has relied, the information described in subparagraphs (1), (2), (3), (5) and (6) of paragraph (e);
 - h. where the Sponsor in preparing the Sponsor Report has retained the services of any Professional, the name, address, telephone number, professional designations and principal contact person of such Professional must also be disclosed;
 - i. a list of any significant documents examined by the Sponsor in the course of performing its review;
 - j. full particulars of material discussions between the Sponsor and the existing and proposed senior officers and Directors regarding their experience and expertise and prior involvement with other reporting issuers and public companies;
 - k. the conclusions reached by the Sponsor regarding management's ability to carry out their responsibilities as management and directors of a listed issuer and to implement the proposed business plan;
 - l. the conclusions reached by the Sponsor regarding the suitability of the applicant for listing on the Exchange including a statement as to the issuer's conformity to Exchange Policies 2.1, Minimum Listing Requirements and 3.1, Directors, Officers and Corporate Governance;
 - m. any other facts or information considered to be material by the Sponsor that could reasonably be expected to significantly affect the value of the securities of the issuer to be listed; and
 - n. an undertaking to maintain for a period of six years from the date of the Sponsor Report and, upon request, to provide information and materials pursuant to paragraph 9. of Sponsorship Policy Statement 2.
2. In regard to the initial listing of Capital Pool Companies, (See Corporate Finance Policy 2.4), the Sponsor shall also be required to state that after inquiry of the directors and management of the proposed Capital Pool Company, it is not aware of any Agreement in Principle as defined in Corporate Finance Policy 2.4.
 3. The Sponsor Report shall be signed by two duly authorized officer(s) and/or director(s) of the Sponsor, one of whom shall be the corporate finance officer, compliance officer or branch manager referred to in Sponsorship Policy Statement 2.

Sponsorship Policy Statement 5

Disclosure of Sponsor

The identity of a Sponsor may be publicly disclosed and the Exchange will generally require public disclosure to be made upon an agreement being reached whereby the Sponsor agrees to sponsor an issuer and provide a Sponsor Report.

Policy Statement CR14

Calculated Opening Price

The system shall calculate the price of the opening trade(s) as follows:

- (1) The calculated opening price ("COP") shall be determined by the system continuously from the start of the pre-opening period until the opening time based upon the orders entered into the system up to that time.
- (2) The COP shall be the price at which the most stock will trade on the opening.
- (3) If there are two or more prices at which an equal volume of stock will trade, the COP shall be the price that would leave the least imbalance at that price.
- (4) If there is no imbalance, or if the imbalances are equal, then the opening price shall be the price nearest to the previous closing price.
- (5) If, at the opening time, the COP exceeds the price volatility parameters set by the Exchange, the system shall automatically delay the opening of the security.
- (6) If a stock does not automatically open for trading at the opening time, the trading system shall continue to calculate and display the COP until the security has opened for trading.
- (7) For intra-day openings, the COP shall be calculated in the same manner.

Amended September 12, 2008

Policy Statement CR15

Buy-In Procedures

The following outlines the procedure that the Exchange follows when executing buy-ins:

- Buy-in Notices are to be delivered to the Toronto Stock Exchange (the “TSE”) by fax to Trading Services (“TS”) at 416-947-4280.
- Cancellations and CFOs of buy-ins must be received by the TSE by 3:00 p.m. ET.
- All new additions, cancellations and CFOs are processed and recorded in the central file in TS.
- CXLs or CFOs will be accepted verbally from the issuing party or member until 3:00 p.m. ET, however, a follow-up letter must be sent promptly to the TSE.
- A Buy-In Notice, in the prescribed form for issuance under Rule C.3.05(5) is published electronically on Trader Notes.
- A Buy-In Notice, in the prescribed form for issuance under Rule C.3.05(1) and (5) is available from the Clearing Corporation.
- A printout of outstanding buy-ins for securities, loans or stocks issuances is available in the Exchange Daily Record.

Executing Buy-Ins

- TS must be informed if stock will be available for cash same day at 3:00 p.m. ET.
- When possible, TS will call the issuing party or member prior to execution to confirm that the buy-in is still valid.
- The Exchange will issue ticker notices every ½ hour beginning at 1:00 p.m. ET and continuing up and until 2:30 p.m. ET, stating the outstanding buy-in total on each security.
- All buy-ins are executed at 3:00 p.m. ET for cash same day delivery pursuant to Rule C.3.05 unless otherwise permitted by a Market Official.
- If stock is available for cash same day delivery, a Market Official will be asked to rule, using the approved guidelines, that the premium or discount is reasonable and the buy-in may take place.
- The Member in default under a buy-in issued under Rule C.3.05 or the Clearing Corporation on behalf of said Member is given a notice prepared by TS informing the Member or the Clearing Corporation that the buy-in has been executed under the rules and containing the details of the trade.
- These cash same day trades go across the Exchange ticker shortly after 3:00 p.m. ET and are identified on the previous trades files as cash same day trades.
- Issuing Members or the Clearing Corporation will receive notification of buy-in executions by 3:30 p.m. ET.

Amended May 27, 2024

Price Guidelines:

| <u>Last Sale</u> | <u>Suggested Maximum Spread from Last Sale</u> |
|------------------|--|
| Under .05 | \$.02 |
| .05-.14 | \$.03 |
| .15-.24 | \$.04 |
| .25 - .49 | \$.05 |
| .50-4.99 | 10% |
| 5.00-9.99 | \$.50 |
| 10.00-14.99 | \$.75 |
| 15.00-24.99 | \$1.00 |
| 25.00-34.99 | \$1.25 |
| 35.00-49.99 | \$1.50 |
| 50.00-74.99 | \$1.75 |
| 75.00-99.99 | \$2.00 |
| 100.00 and Over | \$3.00 |

Note: The suggested premiums set out above are provided for guideline purposes only, and are not meant to establish the maximum price at which a buy-in may be executed. A Market Official maintains the discretion to execute the buy-in at such price above or below the suggested maximum premium which, in the opinion of such an Official is required to complete the buy-in and is consistent with a fair market for the securities sought.