

NOTICE OF PROPOSED AMENDMENTS AND REQUEST FOR COMMENTS

ALPHA EXCHANGE INC.

Alpha Exchange Inc. (“**Alpha**”) is publishing this Notice of Proposed Amendments and Request for Comments in accordance with the “Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto” regarding amendments to the Alpha Trading Policy Manual (the “**Alpha Rules**”) to propose certain amendments to introduce new undisplayed (or “dark”) order types on Alpha, as described below (the “**Amendments**”).

Market participants are invited to provide comments. Comments should be in writing and delivered by May 11, 2026 to:

Linda Zhang
Legal Counsel, Regulatory Affairs
TMX Group
100 Adelaide Street West, Suite 300
Toronto, Ontario M5H 1S3
Email: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Trading & Markets Division
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Email: TradingandMarkets@osc.gov.on.ca

Comments will be made publicly available unless confidentiality is requested. Upon completion of the review by staff at the Ontario Securities Commission (“**OSC**”), and in the absence of any regulatory concerns, a notice will be published to confirm approval by the OSC.

Background, Outline of the Amendments and Rationale

Alpha is comprised of the TSX Alpha Exchange (“**Alpha Classic**”), Alpha X, and Alpha DRK order books. In today’s market environment, retail firms are increasingly seeking priced improved interaction to enhance their execution quality. Many competing venues now provide midpoint price improvement through internal dark pools or dark-lit interaction models. Alpha Classic does not currently support an equivalent functionality.

To address this structural gap and maintain Alpha Classic’s competitive positioning within TMX’s broader ecosystem, Alpha is proposing to introduce certain undisplayed (or “dark”) order types within the Alpha Classic order book (collectively, the “**Alpha Classic DRK Order Types**”).

Introduction of Dark Order Types on Alpha Classic

The Alpha Classic DRK Orders Types will utilize a new non-displayed functionality operating under the Alpha Classic order book. This new functionality is being introduced into the Alpha Classic order book only, and is distinct from the operation of Alpha DRK (Alpha's non-visible or "dark" order book), which operates on a stand-alone dark book. This functionality will not disseminate visible quotes or contribute to the NBBO. However, all executions of the new order types will ensure consistency with the applicable provisions of the Universal Market Integrity Rules ("UMIR") and National Instrument 23-101 *Trading Rules*.

This structure will allow Alpha Classic to offer priced improved interaction while leveraging its existing inverted framework and order processing delay (or "speedbump"). Alpha Classic DRK Orders resting will reference protected market prices for all pegging and execution decisions, ensuring compliance and market integrity.

The Alpha Classic DRK Order Types will serve as an extension of Alpha's value proposition by:

- Providing price-improving execution options for retail and algorithmic order flow.
- Enhancing Alpha Classic liquidity ecosystem through dark-lit interaction.
- Applying the existing 1-ms static speedbump to resting dark liquidity.
- Maintaining alignment with protected market prices while expanding execution flexibility.

Dark Order Types Supported on Alpha Classic

In addition to the existing order types currently available on Alpha Classic and set out in the Alpha Rules, the following order types, which are currently available within the Alpha DRK order book, will be adopted and available on Alpha Classic:

- **Mid Point Peg** - Undisplayed mid point peg order that automatically sets the order price to the midpoint of the National Best Bid and Offer (NBBO).
- **Minimum Price Improvement Peg** - Undisplayed order that prices the order to provide the minimum price improvement required by UMIR for undisplayed orders.
- **Undisplayed (Limit/Market)**: An undisplayed order that prices the order to its limit or market price.

Generally, all dark order types on Alpha Classic will interact with each other as well as with visible orders on Alpha Classic.

The Alpha Classic DRK Order Types will be available between 9:30 a.m. and 4:00 p.m. ET, consistent with the trading hours applicable to dark order interaction models existing in other Canadian marketplaces.

Minimum Trade Requirements and Order Size

Orders utilizing the Alpha Classic DRK Order Types are subject to any applicable minimum quantity and minimum interaction size or other conditions under the Alpha Rules.

Day and FOK Alpha Classic DRK Orders are restricted to board lot sizes only. IOC Alpha Classic DRK orders will accept both board lots and mixed lots.

Allocation of Trades - Establishing Price and Time Priority

The allocation of trades on Alpha Classic will be amended so that orders will be given trading priority in the following order:

1. Price (best price gets priority, i.e. highest bid and lowest offer)
2. Broker (Broker preference whereby incoming orders will match with other orders (excluding displayed orders marked as anonymous) from the same dealer ahead of similarly priced orders from other dealers, before time priority is considered)
3. Time (orders entered first get priority over orders entered after them)

Trades on dark orders are subject to any applicable minimum quantity and minimum interaction size or other conditions under the Alpha Rules.

The allocation of trades on the Alpha X and Alpha DRK trading books will remain unchanged.

Blackline of Amendments

A blackline of the Amendments against the existing Alpha Rules is attached as **Appendix A** hereto.

Analysis of Impact

- (i) *Expected impact on the market structure, members and, if applicable, on investors, issuers and capital markets*

It is anticipated that the Amendments will have a positive impact on the market structure, members, investors, issuers and the capital markets. Alpha believes that the Amendments are fair and reasonable, and will not create barriers to access.

Alpha anticipates that participants will need to adjust their trading strategies generally to account for the introduction of the Alpha Classic DRK Order Types.

- (ii) *Expected impact of the Amendments on Alpha's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets*

The Amendments will not impact Alpha's compliance with applicable securities law and in particular the requirements for fair access and maintenance of fair and orderly markets. As noted above, Alpha is of the view that the Amendments will support the maintenance of fair and orderly markets.

(iii) *Public Interest*

For the reasons mentioned above, Alpha is of the view that the Amendments are not contrary to the public interest.

Consultations undertaken in formulating the Amendments, including the internal governance process

In formulating the Amendments, the internal governance process for Alpha was followed, which included receipt of the appropriate management-level approval, and all applicable internal groups at Alpha were consulted.

Alpha also received feedback from certain retail firms and liquidity providers, who were generally supportive of the Amendments.

Any alternatives considered

No alternatives were considered.

Do the Amendments currently exist in other markets or jurisdictions

Similar dark order interaction models exist on other Canadian marketplaces.

Timing

Alpha intends to implement the Amendments in Q3 2026, subject to regulatory approval and participant readiness.

APPENDIX A

BLACKLINED VERSION OF ALPHA RULES REFLECTING THE AMENDMENTS

DIVISION 2 — ORDER ENTRY

V.9 ORDER TYPES

[...]	[...]
<u>Mid Point Peg</u>	<u>Undisplayed mid point peg order that automatically sets the order price to the midpoint of the National Best Bid and Offer (NBBO).</u>
<u>Minimum Price Improvement Peg</u>	<u>Undisplayed order that prices the order to provide the minimum price improvement required by UMIR for undisplayed orders.</u>

[...]

DIVISION 4 - CONTINUOUS TRADING SESSION

I.8 Establishing Price and Time Priority

- (1) An order entered in the CLOB at a particular price will be executed in priority to all orders at inferior prices.
- (2) Broker preference whereby incoming orders will match with other orders ~~from the same dealer~~ (excluding displayed orders marked as anonymous) from the same dealer ahead of similarly priced orders from other dealers, before time priority is considered.
- (3) An order at a particular price will be executed prior to any orders at the same price entered subsequently in time, and after all orders at the same price entered previously ('time priority').
- (4) An undisclosed portion of an order does not have time priority until it is disclosed.
- (5) An order loses its time priority if its disclosed volume is increased.

[...]