

Notice to Members

April 5, 2012

2012-024

TSX Venture Exchange Trading Rule Amendments to Permit Trading of Securities Listed on other Canadian Exchanges

The British Columbia and Alberta Securities Commissions (“Commissions”) have approved amendments to the TSX Venture Exchange (TSXV) Trading Rules that confirm TSXV’s ability to facilitate trading in securities that are not listed by TSXV, so long as the securities have been listed by another exchange that is recognized by a securities regulatory authority in a Canadian jurisdiction. A blacklined text of the amendments as approved by the Commissions is provided at Appendix “A”. TSXV will provide notice to market participants prior to trading any issues that are not listed by TSXV. These rule amendments became effective on Monday, April 2, 2012.

Members should contact their TMX Account Manager with any questions:

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About TMX Group (TSX-X)

TMX Group's key subsidiaries operate cash and derivative markets for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, TMX Select, Montreal Exchange, Canadian Derivatives Clearing Corporation, Natural Gas Exchange, Boston Options Exchange (BOX), Shorcan, Shorcan Energy Brokers, Equicom and other TMX Group companies provide listing markets, trading markets, clearing facilities, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across Canada (Montreal, Calgary and Vancouver), in key U.S. markets (New York, Houston, Boston and Chicago) as well as in London and Beijing. For more information about TMX Group, visit our website at www.tmx.com. Follow TMX Group on Twitter at <http://twitter.com/tmxgroup>.

A French version of this notice is available on our web site at www.tmx.com. Une version française de cet avis est disponible sur notre site Web à l'adresse www.tmx.com.

APPENDIX "A"

RULE A. 1.00 – INTERPRETATION

A1.01 – Definitions

In these rules unless the context otherwise requires:

~~"Arbitrage" is the business of buying or selling securities in one market with the intention of immediately reversing such transactions in another market in order to profit from price differences between such markets if such business is not casual but contains the element of continuity.~~

"better-priced limit order" means a limit order entered prior to the opening of trading of a ~~listed~~ 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](#)

"Book" means the electronic file of committed orders for a ~~listed~~ security [but does not include the MOC Book](#).

[Amended April 2, 2012](#)

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

[Amended April 2, 2012](#)

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

~~Amended March 10, 2006~~ [Amended April 2, 2012](#)

"Exchange Contract" means any contract:

(a) to buy and sell any ~~listed~~ security, if such contract is made through the facilities of the Exchange; or

~~(b) (b) for delivery of and payment for any listed security (or security which was a listed security) arising from settlement through the Clearing Corporation.~~
[security that was posted for trading on the Exchange](#) when the contract was made).

[Amended April 2, 2012](#)

~~"External distribution" means a distribution by a member or affiliated company, with the approval of the Exchange, of a block of stock owned by such member or affiliated company where the securities are qualified under a prospectus or Exchange offering prospectus.~~

~~"Guaranteeing" includes the becoming liable for, providing for or entering into an agreement (contingent or otherwise) having the effect or result of so becoming liable for or providing security for a person, including an agreement to purchase an investment, property or services, to supply funds, property or services or to make an investment primarily for the purpose of directly or indirectly enabling such person to perform its obligations in respect of such security or investment or assuring the investor of such performance.~~

~~"Independent member" means a member that is not a related issuer in respect of the member that is acting as an advisor, agent or underwriter or as a member of a selling group with respect to a distribution of securities by an issuer.~~

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

Amended April 2, 2012

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

Amended April 2, 2012

"Opening time" means the time fixed by the Board for the opening of Sessions of trading in ~~listed~~ securities.

Amended April 2, 2012

~~"Private placement" means an issuance from treasury of securities for cash in reliance on one or more of the exempting provisions from the prospectus requirements of the applicable securities laws as amended, or equivalent legislation of another jurisdiction, including the issuance of shares, units, share purchase warrants, convertible securities or debt, but not including a rights offering.~~

"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

~~"Restrictive securities" means securities of a member, or holding company of a member which, in the opinion of the Exchange, entitle the holders thereof to rights which give them a more extensive or substantial degree of influence over the issuer or the operations thereof than is usual for holders of the same amount of securities of the same type.~~

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

Amended April 2, 2012

"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 ~~listed~~ 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

~~"Unlisted security" means a security which is not a listed security.~~

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 ~~securities~~ 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) ~~suspend trading or delist securities from the Exchange or to revoke a suspension imposed on any security listed on the Exchange; and~~ 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.

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](#)

RULE C.1.00 – GOVERNANCE OF TRADING SESSION

C.1.02 – Trades Outside of Hours for Session

Except as approved by a Market Official, no trade in a ~~listed~~ 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.1.05 – Trading in the Book

- (1) The Book shall contain and display all committed orders to buy or sell a ~~listed~~ 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 ~~listed~~ securities on the Exchange shall be executed in the Book, unless otherwise provided by the Exchange.

Amended ~~March 10, 2006~~ [April 2, 2012](#)

1.

RULE C.2.00 – TRADING PROCEDURES AND PRACTICES

Opening

C.2.04 – Execution of Trades at an Opening

- (1) Subject to Rule C.2.05, ~~listed~~ securities shall open for trading at the opening time and opening trades shall be at the Calculated Opening Price.

~~Rule C.2.04~~ Amended ~~May 4, 2009~~ [April 2, 2012](#)

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 ~~listed~~ security is delayed, a Market Official shall open the security for trading according to Exchange Requirements.

~~Rule C.2.05~~ Amended ~~May 4, 2009~~ [April 2, 2012](#)

C.2.07 – Minimum Quotation Spread

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

<u>Increment</u>	
Selling under \$0.50	\$0.005
Selling at \$0.50 and over	\$0.010

Amended April 2, ~~2003~~ [2012](#)

C.2.10 – Stop Loss Orders

A stop loss order to buy a ~~listed~~ 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 ~~listed~~ 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.2.19 – Trades on a "When Issued" Basis

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

C.2.23 – Approval by Exchange

- (1) Except as permitted by the Exchange, no person shall enter orders or trade ~~Exchange-listed~~ securities on the Exchange for or on behalf of a Member (whether as principal or agent) ~~on the Exchange~~ 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

Trading of Securities Not Listed by the Exchange

C.2.56 – Requirements

- (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

RULE C.3.00 – CLEARING AND SETTLEMENT OF TRADES OF ~~LISTED~~ 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 ~~listed~~ securities to which it is entitled from another Member.

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

[Amended April 2, 2012](#)

C.3.03 – Trades to be Settled Through Clearing Corporation

On all trades in ~~listed~~ securities [executed on the Exchange](#), except those specifically designated as cash trades, delivery and payment shall be made through the Clearing Corporation unless authorized by the Exchange.

[Amended April 2, 2012](#)

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.~~3.003.00~~.

(1) **Failed Trade**

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

(2) **Security Loans**

In the absence of any agreement to the contrary, a loan of ~~listed~~ 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 third 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 ~~listed~~ 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](#)

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 ~~listed~~ 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.3.08 – 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 ~~listed~~ securities provided that the principal supplying the ~~listed~~ 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 ~~listed~~ 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](#)

RULE D.4.00 – LIMITATION OF LIABILITY AND INDEMNIFICATION

D.4.01 – Definitions

For the purposes of this section 1 only:

"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 ~~listed~~ 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](#)

Policy Statement CR11 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 ~~Exchange-listed~~ 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 newly listed](#)~~new~~ security.

Amended ~~May 1, 2009~~ [April 2, 2012](#)

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Statistics:	
	Count
Insertions	70
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Moved to	0
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Total changes	139