

B.11.2.3 Canadian Securities Exchange – Housekeeping Rule Amendments to CSE Listing Policies & Procedures – Notice

CANADIAN SECURITIES EXCHANGE

NOTICE OF
HOUSEKEEPING RULE AMENDMENTS TO
CSE LISTING POLICIES & PROCEDURES

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto attached as Appendices to the Exchange’s recognition order (the “Protocol”), CNSX Markets Inc., operator of the Canadian Securities Exchange (“CSE” or “Exchange”) has adopted housekeeping rule changes to CSE Listing Policies & Procedures (the “Amendments”). The Amendments have been classified as Housekeeping Rules and as such, have not been published for comment. Staff of the British Columbia Securities Commission (“BCSC”) and the Ontario Securities Commission (“OSC”) have not disagreed with this classification.

DESCRIPTION OF THE AMENDMENTS AND RATIONALE

The amendments are necessary to reflect the industry move to a trade settlement one trading day after the trade date (“T+1”) basis.

Amendments to Policy 9 *Corporate Actions* and Policy 6 *Distributions and Corporate Finance* are being made to conform to applicable amendments being made in North America to move to T+1 as set out CSA Staff Notice 24-318 – Preparing for the Implementation of T+1 Settlement (the “CSA Staff Notice”).

	CSE Policy Section	Amendment	Rationale
1.	6.6 Rights Offerings	(3)(b) Rights are listed on the first Trading Day preceding the Record Date. At the same time, the shares of the Listed Issuer commence trading on an ex-rights basis, which means that purchasers of the Listed Issuer’s securities are not entitled to receive the rights.	Amended to indicate that listed rights will commence trading on the record date.
2.	9.2 Stock Split	(6) The shares will commence trading on the Exchange on a split basis at the opening of business on the Trading Day preceding the Record Date. The Exchange will issue a Bulletin to Dealers advising of the stock split and effective date of trading on a split basis.	Amended to indicate that trading on a split basis will commence on the record date
3.	9.3 Stock Consolidation	(5) The shares will commence quotation trading on the Exchange on a consolidated basis on the first Trading Day preceding the Record Date. The Exchange will issue a Bulletin to Dealers advising of the share consolidation and effective date of trading on the consolidated basis.	Amended to replace “quotation” with “trading” for consistency. Amended for T+1 settlement.
4.	9.4 Share Reclassification (with no Stock Split)	(3) The reclassification will normally become effective for trading purposes on the Exchange one Trading Day preceding on the Record Date. The Exchange will issue a Bulletin to Dealers advising of the share reclassification and effective date of trading on the reclassified basis.	Amended to indicate that trading will be effective on the record date for a reclassification of a listed security.
5.	9.5 Dividends and Other Entitlements	If a Listed Issuer has established a Record Date for a distribution of cash or securities, including securities of an issuer other than the Listed Issuer, the Listed Issuer must notify the Exchange of the Record Date at least 5 days in advance of the Record Date. The Exchange will publish a Bulletin announcing the record date and the ex-dividend date. The ex-dividend date will normally be one Trading Day prior to the Record Date.	Amended to indicate that trading on an ex-dividend basis will commence on the record date.

A blackline of the CSE Listing Policies and Procedures showing the Amendments is attached as Appendix A to this Notice and a clean version is attached as Appendix B.

The CSE Policy can be viewed at:

[Policies](#) | CSE - Canadian Securities Exchange (thecse.com)

A. Effective Date

The Housekeeping Amendments will be effective May 27, 2024.

B. Classification

Amendments have been classified as housekeeping and were not published for comment.

C. Questions

Questions regarding this notice may be directed to:

Anastassia Tikhomirova
Senior Legal Counsel & Designated Privacy Officer
Email: Anastassia.Tikhomirova@thecse.com

APPENDIX A
BLACKLINE VERSION OF
CSE POLICIES

CSE Listing Policies and Procedures

[...]

Policy 6 – Distributions & Corporate Finance

[...]

6.6 Rights Offerings

[...]

(3) Listing of Rights

[...]

- (b) Rights are listed on ~~the first Trading Day preceding~~ the Record Date. At the same time, the shares of the Listed Issuer commence trading on an ex-rights basis, which means that purchasers of the Listed Issuer's securities are not entitled to receive the rights.

[...]

Policy 9 Corporate Actions

[...]

9.2 Stock Split

[...]

- (6) The shares will commence trading on the Exchange on a split basis at the opening of business on the ~~Trading Day preceding the~~ Record Date. The Exchange will issue a Bulletin to Dealers advising of the stock split and effective date of trading on a split basis.

[...]

9.3 Stock Consolidation

[...]

- (5) The shares will commence ~~quotation trading~~ on the Exchange on a consolidated basis on the ~~first Trading Day preceding the~~ Record Date. The Exchange will issue a Bulletin to Dealers advising of the share consolidation and effective date of trading on the consolidated basis.

[...]

9.4 Share Reclassification (with no Stock Split)

[...]

- (3) The reclassification will normally become effective for trading purposes on the Exchange ~~one Trading Day preceding on~~ the Record Date. The Exchange will issue a Bulletin to Dealers advising of the share reclassification and effective date of trading on the reclassified basis.

[...]

9.5 Dividends and Other Entitlements

If a Listed Issuer has established a Record Date for a distribution of cash or securities, including securities of an issuer other than the Listed Issuer, the Listed Issuer must notify the Exchange of the Record Date at least 5 days in advance of the Record Date. The Exchange will publish a Bulletin announcing the record date and the ex-dividend date. The ex-dividend date will normally be ~~one Trading Day prior to~~ the Record Date.

APPENDIX B
CLEAN VERSION OF
CSE POLICIES

CSE Listing Policies and Procedures

[...]

Policy 6 – Distributions & Corporate Finance

[...]

6.6 Rights Offerings

[...]

(3) Listing of Rights

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Policy 9 Corporate Actions

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