The Ontario Securities Commission

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Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

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Chapter 1

Notices

1.1 Notices

1.1.1 Notice of Amendments – Bill 100

NOTICE OF AMENDMENTS
TO THE SECURITIES ACT AND THE COMMODITY FUTURES ACT

On May 29, 2019, the Government's Bill 100, the *Protecting What Matters Most Act (Budget Measures), 2019*, received Royal Assent. Bill 100 includes a number of amendments to the *Securities Act* and the *Commodity Futures Act*. An explanation of these amendments is provided in Chapter 9.

Questions may be referred to:

Simon Thompson
Senior Legal Counsel
416-593-8261
sthompson@osc.gov.on.ca

1.4 Notices from the Office of the Secretary

1.4.1 Issam El-Bouji

FOR IMMEDIATE RELEASE
June 5, 2019

ISSAM EL-BOUJI,
File No. 2018-28

TORONTO – Take notice that the hearing in the above named matter scheduled to be heard on June 6 and 7, 2019 will not proceed as scheduled.

The hearing will continue on June 21, 2019 and June 27, 2019 at 10:00 a.m., and June 28, 2019 at 9:00 a.m.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.2 Issam El-Bouji

FOR IMMEDIATE RELEASE
June 6, 2019

ISSAM EL-BOUJI,
File No. 2018-28

TORONTO – Take notice that the hearing dates in the above named matter are currently scheduled to be heard on June 21, June 27 and June 28, 2019.

The June 27 and June 28, 2019 hearing dates are vacated and the hearing will continue at 10:00 a.m. on July 16 and July 17, 2019.

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1-877-785-1555 (Toll Free)

1.4.3 BDO Canada LLP

FOR IMMEDIATE RELEASE
June 7, 2019

BDO CANADA LLP,
File No. 2018-59

TORONTO – The Commission issued its Reasons and Decision on a Motion in the above named matter.

A copy of the Reasons and Decision on a Motion dated June 6, 2019 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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media_inquiries@osc.gov.on.ca

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OSC Contact Centre
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1-877-785-1555 (Toll Free)

1.4.4 MOAG Copper Gold Resources Inc. et al.

FOR IMMEDIATE RELEASE
June 10, 2019

MOAG COPPER GOLD RESOURCES INC.,
GARY BROWN and
BRADLEY JONES,
File No. 2018-41

TORONTO – The Commission issued an Order in the above named matter.

A copy of the Order dated June 10, 2019 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Granite Real Estate Investment Trust and Granite REIT Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions and Multilateral Instrument 11-202 Passport System – NI 44-102 Shelf Distributions, s. 11.1 – real estate investment trust and the corporation want relief from certain basic qualification criterial to accommodate stapled structure – exemption granted subject to conditions including that if the Stapled Units are unstapled and trade separately, neither real estate investment trust nor the corporation will thereafter continue to use any such base shelf prospectus.

Applicable Legislative Provisions

National Instrument 44-102 Shelf Distributions, s. 11.1.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
GRANITE REAL ESTATE INVESTMENT TRUST AND
GRANITE REIT INC.

DECISION

Background

The principal regulator (the **Decision Maker**) in the Jurisdiction has received an application (the **Application**) from Granite Real Estate Investment Trust (**Granite REIT**) and Granite REIT Inc. (**Granite GP**) (Granite REIT and Granite GP each a **Filer** and, collectively, the **Filers**), for a decision (the **Exemption Sought**) by the Decision Maker under the securities legislation of the Jurisdiction (the **Legislation**) that:

(a) pursuant to section 11.1 of National Instrument 44-102 – *Shelf Distributions* (**NI 44-102**), sections 2.2(3)(b)(i) and (iii) shall not apply to Granite REIT; and

(b) pursuant to section 11.1 of NI 44-102, sections 2.2(3)(b)(i), (ii) and (iii) shall not apply to Granite GP.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for the Application; and

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut (the **Other Jurisdictions**).

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision or the Varied Decision Document (as defined below).

Representations

This decision is based on the following facts represented by the Filers:

1. Granite REIT is a Canadian-based real estate investment trust engaged, directly and through Granite LP (as defined below) and its subsidiaries, in the acquisition, development, management and ownership of industrial, warehouse and logistics properties in North America and Europe.

2. Granite GP is a corporation formed under the *Business Corporations Act* (British Columbia). Granite GP acts as the general partner of Granite REIT Holdings Limited Partnership (**Granite LP**), a limited partnership formed under the laws of Quebec. Granite REIT is the sole limited partner of Granite LP.

3. Each of Granite REIT and Granite GP is a reporting issuer in the Jurisdiction and the Other Jurisdictions and on the date hereof neither of the Filers is in default of applicable securities legislation or the rules and regulations made pursuant thereto in the Jurisdiction or any of the Other Jurisdictions.

4. Each trust unit of Granite REIT (a **Granite REIT Unit**) is stapled to a common share of Granite GP (a **Granite GP Common Share**) to form a "stapled unit" (a **Stapled Unit**), and the two securities trade together (the **Stapled Structure**). The Stapled Units are currently listed and trade on the Toronto Stock Exchange and the New York Stock Exchange.

5. The Granite REIT Units and Granite GP Common Shares forming the Stapled Units are separately listed, but not separately posted for trading, on the Toronto Stock Exchange.

6. Granite REIT and Granite GP are party to a support agreement (as amended, the **Support Agreement**) which facilitates the Stapled Structure. Among other things, the Support Agreement requires each to issue its component part of a Stapled Unit simultaneously with the other, and to cooperate to facilitate the other in fulfilling its obligations to issue Granite REIT Units or Granite GP Common Shares, as applicable, to form Stapled Units.

7. The Granite REIT Units and the Granite GP Common Shares will only become unstapled (a) in the event that holders of Granite REIT Units vote in favour of the unstapling of Granite REIT Units and Granite GP Common Shares, such that the two securities will trade separately, or (b) at the sole discretion of the trustees of Granite REIT or the directors of Granite GP upon an event of bankruptcy or insolvency of either Granite REIT or Granite GP.

8. In connection with the formation of the Filers' Stapled Structure in 2013, the Filers obtained exemptive relief from certain continuous disclosure and other requirements of applicable securities laws in the Jurisdiction and the Other Jurisdictions in a Decision by the Ontario Securities Commission, as principal regulator, dated December 21, 2012 (*In the Matter of Granite Real Estate Inc., on its own behalf and on behalf of Granite Real Estate Investment Trust and Granite REIT Inc.*) (the **2012 Decision**), which Decision was subsequently varied by a Decision by the Ontario Securities Commission, as principal regulator, dated May 16, 2014 (*In the Matter of Granite Real Estate Investment Trust and Granite REIT Inc.*) (the 2012 Decision, as so varied, the **Varied Decision Document**).

9. The Varied Decision Document provides for exemptive relief from a number of the continuous disclosure requirements of the securities laws in the Jurisdiction and the Other Jurisdictions including, in particular, those relating to (i) financial statements disclosure to permit Granite REIT and Granite GP to prepare, file and deliver one set of combined financial statements prepared by the Filers on a combined basis (**Combined Financial Statements**) using the accounting principles applicable to Granite REIT and Granite GP pursuant to the securities legislation of the Jurisdiction, and related management's discussion and analysis (**MD&A**), to reflect the financial position and results of Granite REIT and Granite GP on a combined basis, instead of each of them preparing, filing and delivering its own stand-alone financial statements and MD&A, and (ii) annual information form (**AIF**) disclosure by Granite GP, so long as the AIF filed by Granite REIT contains all information that would be required in an AIF filed by Granite GP for the same reporting period, in each case while the Stapled Structure is in place.

10. The Varied Decision Document provides exemptive relief for Granite REIT from certain of the basic qualification criteria contained in sections 2.2(d)(i) and 2.2(e) of National Instrument 44-101 – *Short Form Prospectus Distributions* (**NI 44-101**) for eligibility to file a short form prospectus, in particular the requirements that Granite REIT have current annual financial statements for any period for which Granite REIT files Combined Financial Statements, and that Granite REIT have equity securities listed and posted for trading on a short form eligible exchange.

11. The Varied Decision Document provides exemptive relief for Granite GP from certain of the basic qualification criteria contained in sections 2.2(d) and 2.2(e) of NI 44-101 for eligibility to file a short form prospectus, in particular the requirements that Granite GP have current annual financial statements for any period for which Granite REIT files Combined Financial Statements, a current AIF and equity securities listed and posted for trading on a short form eligible exchange.

12. The Filers are each eligible to file a short form prospectus pursuant to section 2.2 of NI 44-101 and the Varied Decision Document.

13. The Filers have determined that they may wish to offer securities pursuant to a short form base shelf prospectus and applicable prospectus supplements.

14. If Granite REIT and Granite GP rely on the Varied Decision Document and the Exemption Sought with respect to the filing of a short form base shelf prospectus and applicable prospectus supplements to distribute Stapled Units or other securities, they will file a single shelf prospectus and applicable prospectus supplement for such a distribution, qualifying the distribution of securities of each issuer (a **Joint Prospectus**), which will incorporate by reference the following documents:

    (a) Granite REIT's then current AIF (**Granite REIT's Current AIF**);

    (b) the then most recent audited annual Combined Financial Statements, together with the related MD&A;

    (c) if, at the date of the Joint Prospectus, Granite REIT or Granite GP have filed or have been required to file interim Combined Financial Statements for a period subsequent to the then most recent financial year-end, such interim financial statements together with the related interim MD&A;

    (d) any applicable segmented financial information referred to in Section 2(c)(iv), below;

    (e) the content of any news release or other public communication that is disseminated by Granite REIT or Granite GP prior to the filing of the Joint Prospectus and that contains historical financial information about one or both of Granite REIT and Granite GP for a period more recent than the end of the most recent period for which financial statements are required under paragraphs (b) and (c) above;

    (f) any material change report of Granite REIT or Granite GP, other than a confidential material change report, filed by Granite REIT under Part 7 of National Instrument 51-102 – *Continuous Disclosure Obligations* (**NI 51-102**) or by Granite GP in accordance with the Varied Decision Document since the end of the financial year in respect of which Granite REIT's Current AIF is filed;

    (g) any business acquisition report filed by Granite REIT or Granite GP under Part 8 of NI 51-102 and in accordance with the Varied Decision Document for acquisitions completed since the beginning of the financial year in respect of which Granite REIT's Current AIF is filed, unless:

    (i) the business acquisition report is incorporated by reference in an AIF that is itself incorporated by reference in the Joint Prospectus; or

    (ii) at least nine months of the relevant business operations are reflected in annual financial statements that are incorporated by reference in the Joint Prospectus;

    (h) any information circular filed by Granite REIT under Part 9 of NI 51-102, or by Granite GP in accordance with the Varied Decision Document, since the beginning of the financial year in respect of which Granite REIT's Current AIF is filed, other than an information circular prepared in connection with an annual general meeting of either Granite REIT or Granite GP if it has filed and incorporated by reference in the Joint Prospectus an information circular for a later annual general meeting; and

    (i) any other disclosure document which Granite REIT or Granite GP has filed pursuant to an undertaking to a provincial and territorial securities regulatory authority, or pursuant to an exemption from any requirement of securities legislation of a Canadian jurisdiction, since the beginning of the financial year in respect of which Granite REIT's Current AIF is filed.

Decision

1. The Decision Maker is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

2. The decision of the Decision Maker under the Legislation is that the Exemption Sought is granted, provided that:

(a) each Granite GP Common Share is stapled to a Granite REIT Unit and they trade together as a Stapled Unit;

(b) each Stapled Unit is listed and posted for trading on a short form eligible exchange, as defined in NI 44-101;

(c) Granite REIT and Granite GP continue to satisfy the conditions set out in paragraph (a) of section 2 of the Varied Decision Document (with item (vi) varied as set forth below), namely:

(i) Granite REIT and Granite GP continue to satisfy the conditions set out in paragraph (b) of section 2 of the Varied Decision Document, as reproduced in paragraph (d), below;

(ii) Granite REIT files, under its profile on the System for Electronic Document Analysis and Retrieval (**SEDAR**), one set of Combined Financial Statements using the accounting principles applicable to Granite REIT and Granite GP pursuant to the securities legislation of the Jurisdiction (**Applicable Accounting Principles**) to reflect the financial position and results of Granite REIT and Granite GP on a combined basis;

(iii) any Combined Financial Statements filed by Granite REIT include the components specified in sections 4.1(1) of 51-102 (for annual financial reporting periods) and 4.3(2) of NI 51-102 (for interim financial reporting periods);

(iv) the Combined Financial Statements filed by Granite REIT provide in the notes thereto segmented financial information for each of Granite GP and Granite REIT if and to the extent required under Applicable Accounting Principles;

(v) the annual Combined Financial Statements filed by Granite REIT are audited;

(vi) prior to filing its unaudited Combined Financial Statements for each interim period Granite REIT and its auditor have concluded that the preparation of Combined Financial Statements is acceptable under Applicable Accounting Principles;

(vii) the Combined Financial Statements filed by Granite REIT are accompanied by the fee, if any, applicable to filings of annual financial statements;

(viii) the MD&A of Granite REIT is prepared with reference to the Combined Financial Statements;

(ix) Granite GP files a notice under its SEDAR profile indicating that it is relying on the financial statements and related MD&A filed by Granite REIT and directing readers to refer to Granite REIT's SEDAR profile;

(x) Granite REIT and Granite GP continue to satisfy the requirements set out in National Instrument 52-110 – *Audit Committees*;

(xi) the audit committee of Granite REIT and Granite GP is responsible for:

(A) overseeing the work of the external auditors engaged for the purposes of auditing the Combined Financial Statements under Applicable Accounting Principles; and

(B) resolving disputes between the external auditors and management of both Granite REIT and Granite GP regarding financial reporting; and

(xii) Granite REIT continues to satisfy the requirements of section 4.6 of NI 51-102, except that for each financial reporting period in respect of which Combined Financial Statements are prepared, Granite REIT shall only be required to send to holders of Granite REIT Units copies of the Combined Financial Statements and related MD&A;

(d) Granite REIT and Granite GP continue to satisfy the conditions set out in paragraph (b) of section 2 of the Varied Decision Document, namely:

(i) Granite REIT is a reporting issuer in a designated Canadian jurisdiction (as defined in section 13.4 of NI 51-102), complies with NI 51-102 or the conditions of any exemptions therefrom and is an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and*

Retrieval (SEDAR) that has filed all documents it is required to file under NI 51-102 or under the conditions of any exemptions therefrom;

(ii) Granite GP does not issue, and has no outstanding, securities other than (A) the Granite GP Common Shares, (B) subscription receipts, warrants, rights or other securities that are convertible into or exercisable or exchangeable for Granite GP Common Shares that will form Stapled Units, (C) debt securities that are stapled to debt securities of Granite REIT, (D) securities issued to or held by directors, trustees, officers, employees or consultants (or former directors, trustees, officers, employees or consultants) of Granite GP, Granite REIT or a related entity (as defined under National Instrument 45-106 – *Prospectus Exemptions* (**NI 45-106**)) or a permitted assign (as defined under NI 45-106), including options, rights or other securities under equity compensation plans that are convertible into or exercisable or exchangeable for Granite GP Common Shares and/or Granite REIT Units that will form Stapled Units, and (E) the securities listed in sections 13.4(2)(c)(iii) and (iv) of NI 51-102;

(iii) an AIF, management information circular or statement of executive compensation filed by Granite REIT contains all information that would be required in an AIF, management information circular or statement of executive compensation, as applicable, filed by Granite GP for the same reporting period;

(iv) Granite GP files a notice under its SEDAR profile indicating that it is relying on the AIF, management information circular, material change reports and statements of executive compensation (if applicable) filed by Granite REIT and directing readers to refer to Granite REIT's SEDAR profile;

(v) Granite GP issues a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the affairs of Granite GP that is not also a material change in the affairs of Granite REIT;

(vi) Granite REIT continues to satisfy the requirements set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

(vii) each Granite GP Common Share is stapled to a Granite REIT Unit and they trade together as a Stapled Unit; and

(viii) if the Granite GP Common Shares and the Granite REIT Units become unstapled and trade separately, Granite GP will comply with the requirements of sections 9.1(1) and 9.1(2)(a) of NI 51-102 in respect of any meeting for which it gives notice to any registered holder of securities of Granite GP;

(e) each Joint Prospectus filed by Granite REIT and Granite GP incorporates by reference any applicable documents listed in paragraph 14, above; and

(f) if the Granite GP Common Shares and the Granite REIT Units become unstapled and trade separately, neither Granite REIT nor Granite GP will thereafter continue to use any base shelf prospectus that was filed while the Stapled Structure was in place to distribute securities (if a receipt for such a base shelf prospectus is determined to be still effective based on section 2.2(3)(b) of NI 44-102).

"Winnie Sanjoto"
Manager, Corporate Finance
DATED this 6th day of June, 2019

2.1.2 Brandes Investment Partners & Co.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from subsection 5.1(a) of NI 81-105 to allow an investment fund manager to pay to a participating dealer direct costs incurred by the participating dealer relating to a sales communication, investor conference or investor seminar prepared or presented by the participating dealer which has a primary purpose of providing educational information on financial planning matters.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Fund Sales Practices, ss. 5.1(a) and 9.1.

May 31, 2019

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
BRANDES INVESTMENT PARTNERS & CO.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for relief from subsection 5.1(a) of National Instrument 81-105 *Mutual Fund Sales Practices* (**NI 81-105**) to permit the Filer to pay to a participating dealer direct costs incurred by the participating dealer relating to a sales communication, investor conference or investor seminar prepared or presented by the participating dealer (collectively, **Cooperative Marketing Initiatives** and each, a **Cooperative Marketing Initiative**) if the primary purpose of the Cooperative Marketing Initiative is to promote or provide educational information concerning investing in securities and investment, retirement and tax and estate planning (collectively, **Financial Planning**) matters (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 81-105 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Nova Scotia with its head office based in Toronto, Ontario.

2. The Filer is registered as an investment fund manager in Newfoundland and Labrador, Ontario and Quebec and a portfolio manager and exempt market dealer in each of the Jurisdictions.

3. The Filer acts and may in the future act as investment fund manager in respect of various mutual funds governed by National Instrument 81-102 *Investment Funds* (each a **Fund** and collectively the **Funds**), the securities of which are, or will be, qualified for distribution to investors in each of the Jurisdictions pursuant to one or more simplified prospectuses.

4. Securities of the Funds are or will be, distributed by participating dealers in the Jurisdictions.

5. The Filer is a "member of the organization" (as that term is defined in NI 81-105) of the Funds, as the Filer is the manager of the Funds.

6. The Filer complies with NI 81-105, including Part 5 of NI 81-105, in respect of its marketing and educational practices.

7. The Filer is not in default of securities legislation in any of the Jurisdictions.

8. Under subsection 5.1(a) of NI 81-105, the Filer is permitted to pay direct costs incurred by a participating dealer where the purpose of the Cooperative Marketing Initiative is to promote or provide educational information about the Funds, the mutual fund family of which the Funds are members, or mutual funds generally.

9. Subsection 5.1(a) of NI 81-105 prohibits the Filer from paying direct costs incurred by a participating dealer relating to a Cooperative Marketing Initiative where the primary purpose is to provide educational information about Financial Planning matters. Consequently, the Filer is not permitted to sponsor the cost of sales communications, investor seminars or investor conferences prepared or presented by participating dealers where the main topics discussed include investment planning, retirement planning, tax planning and estate planning, each of which are aspects of Financial Planning.

10. The Filer has expertise in Financial Planning or may retain others with such expertise from time to time.

11. In addition to the topics currently permitted under subsection 5.1(a) of NI 81-105, the Filer wishes to sponsor Cooperative Marketing Initiatives where the primary purpose of the Cooperative Marketing Initiatives is to provide educational information concerning Financial Planning matters. The Filer will comply with subsections 5.1(b) to (e) of NI 81-105 in respect of such Cooperative Marketing Initiatives it sponsors.

12. Mutual funds typically form only a portion of an investor's portfolio and should be considered in the broader context of the investor's Financial Planning. Allowing the Filer to sponsor Cooperative Marketing Initiatives on Financial Planning matters may benefit investors as it may facilitate and potentially increase investors' access to educational information on such matters, which may in turn better equip them to make financial decisions that involve mutual funds.

13. Under sections 5.2 and 5.5 of NI 81-105, the Filer is permitted to sponsor the costs incurred by participating dealers in attending or organizing and presenting at conferences where the primary purpose is the provision of educational information on, among other things, financial planning.

14. Specifically, under subsection 5.2(a) of NI-81-105, the Filer is permitted to provide a non-monetary benefit to a representative of a participating dealer by allowing him or her to attend a conference or seminar organized and presented by the Filer where the primary purpose is the provision of educational information about, among other things, financial planning, investing in securities or mutual fund industry matters.

15. Similarly, under subsection 5.5(a) of NI 81-105, the Filer is permitted to pay to a participating dealer part of the direct costs the participating dealer incurs in organizing or presenting at a conference or seminar that is not an investor conference or investor seminar referred to in section 5.1 of NI 81-105, where the primary purpose is the provision of educational information about, among other things, financial planning, investing in securities or mutual fund industry matters.

16. The Filer will not require participating dealers to sell any of its Funds or other financial products to investors as a condition of the Filer's sponsorship of a Cooperative Marketing Initiative.

17. The Filer will pay for its sponsorship of Cooperative Marketing Initiatives out of their normal sources of revenue. Accordingly, the sponsorship cost will not be borne by the Funds.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that in respect of a Cooperative Marketing Initiative whose primary purpose is to provide educational information concerning Financial Planning matters:

(a) the Filer otherwise complies with the requirements of subsections 5.1(b) through (e) of NI 81-105;

(b) the Filer does not require any participating dealer to sell any of its Funds or other financial products to investors;

(c) other than as permitted by NI 81-105, the Filer does not provide participating dealers and their representatives with any financial or other incentives for recommending any of its Funds to investors;

(d) the materials presented in a Cooperative Marketing Initiative concerning Financial Planning matters contain only general educational information about such matters;

(e) the Filer prepares or approves the content of the general educational information about Financial Planning matters, presented in a Cooperative Marketing Initiative it sponsors and selects or approves an appropriately-qualified speaker for each presentation about such matters delivered in a Cooperative Marketing Initiative;

(f) any general educational information about Financial Planning matters, presented in a Cooperative Marketing Initiative contains an express statement that the content presented is for information purposes only, and is not providing advice to the attendees of the investor conference or investor seminar or the recipients of the sales communication, as applicable; and

(g) any general educational information about Financial Planning matters, presented in a Cooperative Marketing Initiative contains an indication of the types of professionals who may generally be qualified to provide advice on the subject matter of the information presented.

“Heather Zordel”
Commissioner
Ontario Securities Commission

“M. Cecilia Williams”
Commissioner
Ontario Securities Commission

2.1.3 TD Securities Inc.

Headnote

Application for a ruling pursuant to section 74 of the Securities Act granting relief from the dealer registration requirement in section 25 of the OSA to allow the Filer, an investment dealer and member of the Investment Industry Regulatory Organization of Canada (IIROC), to use employees of a Designated Foreign Affiliate of the Filer for "after-hours trading" in securities on the Bourse de Montréal Inc. – Relief granted, subject to terms and conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1) and 74(1).

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7.

June 4, 2019

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Legislation)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
TD SECURITIES INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Designated Foreign Affiliate Employees (as defined below) of the Filer, when conducting Extended Hours Activities (as defined below) on the Bourse de Montréal Inc. (the **MX**), from the dealer registration requirement in the Legislation (the **dealer registration requirement**), subject to the terms and conditions set out below (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer in each of the provinces of Canada other than Québec.

Interpretation

Terms defined in MI 11-102 or National Instrument 14-101 *Definitions* have the same meaning if used in this decision unless otherwise defined herein.

Representations

This decision is based upon the following facts represented by the Filer:

The Filer

1. The Filer is a corporation formed under the laws of Ontario. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as an investment dealer under the securities legislation of all the provinces and territories of Canada; is registered as a futures commission merchant under the commodity futures legislation of Ontario and Manitoba; and is registered as a derivatives dealer under the derivatives legislation of Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and an approved participant of the MX.

4. The Filer is not in default of securities, derivatives or commodity futures legislation in any jurisdiction of Canada.

5. TD Securities Limited (**TDSL**) is a corporation incorporated under the laws of England and Wales. The head office of TDSL is located in London, United Kingdom.

6. The Filer and TDSL are each wholly-owned subsidiaries of the same ultimate parent entity, The Toronto-Dominion Bank.

7. TDSL is a United Kingdom-based financial service provider that carries on business in the United Kingdom, and is authorised and regulated by the Financial Conduct Authority.

8. The Filer wishes to make use of certain designated employees of TDSL certified under applicable laws of the United Kingdom in a category that permits trading the types of products which they would be trading on the MX (**Designated Foreign Affiliate Employees**) to handle trading requests on the MX from the Filer's clients and the Filer on a proprietary basis during the MX's extended trading hours from 2:00 a.m. Eastern time (ET) to 6:00 a.m. ET each day on which the MX is open for trading (the **Extended Hours Activities**).

The MX Extended Trading Hours Amendments

9. The MX, based in Montréal, Québec, operates an exchange for options, commodity futures contracts and commodity futures options, and offers access to trading in those to market participants in Canada.

10. On July 9, 2018, the MX announced that the MX had approved amendments to its rules and procedures in order to accommodate the extension of the MX's trading hours. As a result of these amendments, since October 9, 2018, trading of certain products on the MX now commences at 2:00 a.m. ET rather than the previous 6:00 a.m. ET.

11. As set out in MX Circular 111-18, in order to accommodate this earlier trading, the MX amended its rules to allow participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis.

Application of the dealer registration requirement to Designated Foreign Affiliate Employees

12. The Filer is an MX approved participant and TDSL is an affiliate of the Filer. The Filer wishes to make use of the Designated Foreign Affiliate Employees to conduct the Extended Hours Activities.

13. The dealer registration requirement under the Legislation requires an individual to be registered to act as a dealing representative on behalf of a registered firm. The Exemption Sought is intended to provide the Filer with an exemption from (i) the requirement that the Filer use only registered dealing representatives to conduct the Extended Hours Activities; and (ii) the requirement that the Designated Foreign Affiliate Employees who will be conducting the Extended Hours Activities be registered as dealing representatives of the Filer.

14. The Filer seeks an exemption from the dealer registration requirement because, in the absence of such exemption, each Designated Foreign Affiliate Employee who was to trade on behalf of the Filer would be required to become individually registered and licensed in Canada. The Filer believes this is duplicative since the Designated Foreign Affiliate Employees are certified under applicable United Kingdom law and will be supervised by the Filer's Designated Supervisors (as defined below) and are otherwise subject to the conditions set forth below. The Filer believes the dealer registration requirement is unduly onerous in light of the limited trading activities the Designated Foreign Affiliate Employees will be conducting and only during the period from 2:00 a.m. ET to 6:00 a.m. ET.

15. The Filer has also applied to, and obtained from, IIROC an exemption from the registered representative requirements that are found in IIROC Dealer Member Rules 18.2 and 500 and the requirement to enter into an employee or agent

relationship with the person conducting securities related business on its behalf that is found in IIROC Dealer Member Rule 39.3 (the **IIROC Relief**).

16. The IIROC Relief obtained by the Filer is subject to certain conditions, including:

(a) The Designated Foreign Affiliate Employees must be registered/licensed and subject to equivalent regulatory supervision in the United Kingdom.

(b) The Designated Foreign Affiliate Employees may only accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 2:00 a.m. ET to 6:00 a.m. ET, and are not permitted to provide advice.

(c) The actions of the Designated Foreign Affiliate Employees must be supervised by Canadian based registered Supervisors qualified to supervise the relevant trading (including futures contracts, futures contract options and options) (the **Designated Supervisors**).

(d) The Filer must establish and maintain written policies and procedures that address the performance and supervision requirements relating to this extended trading hours arrangement.

(e) The Filer and TDSL must jointly and severally undertake to ensure IIROC has, upon request, prompt access to the audit trail of all trades, wherever located, that relate to Extended Hours Activities at TDSL, and records evidencing the supervision of such activities.

(f) The Filer retains all responsibilities for its client accounts.

(g) The Filer and each Designated Foreign Affiliate Employee must enter into an agency arrangement pursuant to which the Filer would assume all responsibility for the actions of the Designated Foreign Affiliate Employee and of TDSL that relate to the Filer's clients and the Filer would be liable under IIROC rules for such actions.

(h) All MX trading rules apply to orders entered by the Designated Foreign Affiliate Employees.

(i) All other existing Canadian regulatory requirements continue to apply, including:

(i) the Filer's client accounts would continue to be carried on the books of the Filer;

(ii) all communications with the Filer's clients will continue to be in the name of the Filer; and

(iii) the Filer's client account monies, security and property will continue to be held by the Filer.

(j) The Filer must disclose this extended trading hours arrangement to its clients and provide specific instructions concerning the placement of orders relating to the extended trading hours arrangement.

(k) The Filer must provide, in writing to IIROC, the names of the foreign affiliate(s) and all Designated Foreign Affiliate Employees authorised to accept and enter orders from the Filer's clients on behalf of the Filer under the extended trading hours arrangement. Such individuals are subject to IIROC's "fit and proper" review and IIROC Registration staff may refuse their participation in this extended trading hours arrangement.

(l) The Filer must provide, in writing to IIROC, timely updates to the list of Designated Foreign Affiliate Employees, and confirm any changes on at least an annual basis.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as:

(a) TDSL and the Designated Foreign Affiliate Employees are registered, licensed, certified or authorized under the applicable laws of the foreign jurisdiction in which the head office or principal place of business of TDSL is located in a category that permits trading the type of products which the Designated Foreign Affiliate Employees will be trading on the MX;

(b) the Designated Foreign Affiliate Employees are permitted to accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 2:00 a.m. ET to 6:00 a.m. ET, and will not be permitted to give advice;

(c) the Filer retains all responsibilities for its client accounts;

(d) the actions of the Designated Foreign Affiliate Employees will be supervised by the Designated Supervisors, each of whom is qualified to supervise trading in futures contracts, futures contract options and options;

(e) the Filer and the Designated Foreign Affiliate Employees enter into an agency arrangement substantially as described in paragraph 16(g), and such agreement remains in effect; and

(f) the Filer remains in compliance with the terms and conditions of the IIROC Relief.

"Garnet W. Fenn"
Commissioner
Ontario Securities Commission

"Lawrence P. Haber"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 TMX Group Limited et al. — ss. 21, 144

Headnote

Subsection 144(1) of the Securities Act (Ontario) – application for order varying the Commission's order recognizing TMX Group Limited, TSX Inc. and Alpha Exchange Inc. as exchanges – variations required to reflect the reorganization of certain entities affiliated with TMX Group Limited, TSX Inc., and Alpha Exchange Inc. – requested orders granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 144(1).

May 31, 2019

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(Act)

AND

IN THE MATTER OF
TMX GROUP LIMITED
AND
TSX INC.
AND
ALPHA EXCHANGE INC.

AND

IN THE MATTER OF
ALBERTA INVESTMENT MANAGEMENT CORPORATION
CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC
CANADA PENSION PLAN INVESTMENT BOARD
CIBC WORLD MARKETS INC.
DESJARDINS FINANCIAL CORPORATION
FONDS DE SOLIDARITÉ DES TRAVAILLEURS DU QUÉBEC (F.T.Q.)
THE MANUFACTURERS LIFE INSURANCE COMPANY
NATIONAL BANK FINANCIAL INC.
NATIONAL BANK GROUP INC.
ONTARIO TEACHERS' PENSION PLAN BOARD
SCOTIA CAPITAL INC.
TD SECURITIES INC.
AND
1802146 ONTARIO LIMITED

ORDER
(Sections 21 and 144 of the Act)

WHEREAS the Ontario Securities Commission (**Commission**) issued an order dated July 4, 2012, which was varied on April 24, 2015, September 29, 2015, June 22, 2018, and February 8, 2019, recognizing each of Maple Group Acquisition Corporation (now TMX Group Limited), TMX Group Inc., TSX Inc., Alpha Trading Systems Limited Partnership, and Alpha Exchange Inc. as exchanges pursuant to section 21 of the Act (**Exchange Recognition Order**);

AND WHEREAS at the time the Commission issued the Exchange Recognition Order, the Alberta Investment Management Corporation, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., Desjardins Financial Corporation, Dundee Capital Markets Inc., Fonds de solidarité des travailleurs du Québec (**F.T.Q.**), The Manufacturers Life Insurance Company, National Bank Financial & Co. Inc., Ontario Teachers' Pension Plan Board, Scotia Capital Inc., and TD Securities Inc. (collectively, the original Maple shareholders) were the investors in Maple Group Acquisition Corporation, either directly or, in the case of the Alberta Investment Management Corporation (**AIMCo**), through AIMCo Maple 1 Inc. and AIMCo Maple 2 Inc.;

AND WHEREAS the Commission considers the proper operation of the exchanges as essential to investor protection and maintaining a fair and efficient capital market, and therefore requires that any conflicts of interest in the operation of the exchanges be dealt with appropriately, the fairness and efficiency of the market not be impaired by any anti-competitive activity, and that systemic risks are monitored and controlled;

AND WHEREAS TMX Group Limited (**TMX Group**), TSX Inc. (**TSX**), Alpha Exchange Inc. (**Alpha Exchange**), and the original Maple shareholders have agreed to the applicable terms and conditions set out in Schedules 2 to 9 to the Exchange Recognition Order;

AND WHEREAS TMX Group provided to Commission Staff a letter, dated June 28, 2012, regarding TMX Group's undertakings to the Autorité des marchés financiers, which is attached to the Exchange Recognition Order at Appendix C;

AND WHEREAS, effective December 13, 2017, TMX Group completed an internal reorganization whereby TMX Group Limited, TMX Group Inc., and certain other affiliated entities amalgamated, with the resulting entity named TMX Group Limited;

AND WHEREAS, effective November 1, 2018, TMX Group reorganized Alpha Exchange, Alpha Trading Systems Limited Partnership, Alpha Trading Systems Inc. and Alpha Market Services Inc., winding up and amalgamating certain entities with Alpha Exchange (**Alpha Reorganization**);

AND WHEREAS the Commission has received an application under section 144 of the Act to vary and restate the Exchange Recognition Order to reflect the Alpha Reorganization (**Application**);

AND WHEREAS based on the Application and the representations that TMX Group, TSX and Alpha Exchange have made to the Commission, the Commission has determined that:

(a) TMX Group, TSX, and Alpha Exchange continue to satisfy the recognition criteria set out in Schedule 1 to the Exchange Recognition Order,

(b) it is in the public interest to continue to recognize each of TMX Group, TSX, and Alpha Exchange as an exchange pursuant to section 21 of the Act, and

(c) it is not prejudicial to the public interest to vary and restate the Exchange Recognition Order pursuant to section 144 of the Act;

IT IS ORDERED, pursuant to section 144 of the Act, that the Application to vary and restate the Exchange Recognition Order is granted.

IT IS ORDERED, pursuant to section 21 of the Act, that:

(a) TMX Group continues to be recognized as an exchange,

(b) TSX continues to be recognized as an exchange, and

(c) Alpha Exchange continues to be recognized as an exchange,

provided that TMX Group, TSX, Alpha Exchange, and the original Maple shareholders, as defined in Schedule 2 to the Exchange Recognition Order, comply with the terms and conditions set out in Schedules 2, 3, 5, 7, and 9 to the Exchange Recognition Order, as applicable.

DATED THIS 31st day of May 2019.

"M. Cecilia Williams"

"Heather Zordel"

SCHEDULE 1

CRITERIA FOR RECOGNITION

PART 1 COMPLIANCE WITH NI 21-101 AND NI 23-101

1.1 Compliance with NI 21-101 and NI 23-101

The exchange complies with the requirements set out in National Instrument 21-101 *Marketplace Operation* (NI 21-101) and in National Instrument 23-101 *Trading Rules*, each as amended from time to time, which include requirements relating to:

(a) access;
(b) marketplace operations;
(c) exchange rules, policies and other similar instruments;
(d) order and trade transparency;
(e) transparency of marketplace operations;
(f) record keeping;
(g) marketplace systems and business continuity planning;
(h) confidentiality of information;
(i) outsourcing;
(j) clearing and settlement;
(k) fair and orderly markets;
(l) the management of conflicts of interest; and
(m) filing of financial statements.

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

(a) effective oversight of the exchange;

(b) that business and regulatory decisions are in keeping with the exchange's public interest mandate;

(c) fair, meaningful and diverse representation on the board of directors (Board) and any committees of the Board, including:

  (i) appropriate representation of independent directors, and

  (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange;

(d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest; and

(e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person.

PART 3 ACCESS

3.1 Fair Access

(a) The exchange has established appropriate written standards for access to its services including requirements to ensure participants are appropriately registered under Ontario securities laws, or exempted from these requirements.

(b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

PART 4 REGULATION OF PARTICIPANTS AND ISSUERS ON THE EXCHANGE

4.1 Regulation

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

PART 5 RULES AND RULEMAKING

5.1 Rules and Rulemaking

(a) The exchange has rules, policies, and other similar instruments (Rules) that are designed to appropriately govern and regulate the operations and activities of participants and issuers.

(b) In addition to meeting the requirements of NI 21-101 relating to market operations and exchange rules, policies and other similar instruments as referred to in paragraphs 1.1(b) and (c) of this Schedule, respectively, the Rules are also designed to

(i) ensure a fair and orderly market; and

(ii) provide a framework for disciplinary and enforcement actions.

PART 6 DUE PROCESS

6.1 Due Process

For any decision made by the exchange that affects a participant or issuer, or an applicant to be a participant or issuer, including a decision in relation to access, listing, exemptions, or discipline, the exchange ensures that:

(a) parties are given an opportunity to be heard or make representations, and

(b) it keeps a record of, gives reasons for and provides for appeals or reviews of its decisions.

PART 7 CLEARING AND SETTLEMENT

7.1 Clearing and Settlement

The exchange has appropriate arrangements for the clearing and settlement of trades.

PART 8 SYSTEMS AND TECHNOLOGY

8.1 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

PART 9 FINANCIAL VIABILITY

9.1 Financial Viability

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

PART 10 FEES

10.1 Fees

(a) All fees imposed by the exchange are reasonable and equitably allocated and are consistent with the requirements in Ontario securities laws, including those listed in paragraphs 1.1(a) and (e) of this Schedule.

(b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 11 INFORMATION SHARING AND REGULATORY COOPERATION

11.1 Information Sharing and Regulatory Cooperation

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the Commission, recognized self-regulatory organizations, other recognized or exempt exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

SCHEDULE 2

TERMS AND CONDITIONS APPLICABLE TO TMX GROUP LIMITED, TSX INC., AND ALPHA EXCHANGE

1. DEFINITIONS AND INTERPRETATION

(a) For the purposes of this Schedule:

"accounting principles" means accounting principles as defined in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

"affiliated entity" has the meaning ascribed to it in section 1.3 of NI 21-101, except that in the case of AIMCo "affiliated entity" means an AIMCo Affiliate;

"AIMCo" means the Alberta Investment Management Corporation;

"AIMCo Affiliate" means each AIMCo Client, any person directly or indirectly controlled by one or more AIMCo Clients, any investment pool managed by AIMCo, and any affiliated entity of any of the foregoing, in each case to the extent that, but only to the extent that, their respective assets are managed by AIMCo;

"AIMCo Clients" means Her Majesty the Queen in right of Alberta and certain Alberta public sector pension plans, in each case to the extent that, but only to the extent that, their respective assets are managed by AIMCo;

"Alpha Member" means a person or company that has been permitted to access the trading facilities of Alpha Exchange and is subject to regulatory oversight by Alpha Exchange, and the person's or company's representatives;

"associate" has the meaning ascribed to it in subsection 1(1) of the Act;

"ATS" means an alternative trading system as defined in subsection 1(1) of the Act;

"audited consolidated financial statements" means financial statements that

(i) are prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises, including that they adhere to the standards specified for consolidated financial statements in International Accounting Standard 27 *Consolidated and Separate Financial Statements*,

(ii) include notes to the financial statements that identify the accounting principles used to prepare the financial statements, and

(iii) are audited in accordance with Canadian GAAS and are accompanied by an auditor's report;

"Board" means the board of directors;

"criteria for recognition" means all of the criteria for recognition set out in Schedule 1 to the Exchange Recognition Order;

"dealer" means "investment dealer" as that term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements*;

"dealer affiliate" means Desjardins Securities Inc. and Manulife Securities Incorporated;

"Governance Committee" means the governance committee established by TMX Group pursuant to section 19 of Schedule 3 to the Exchange Recognition Order;

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

"Maple nomination agreement" means a nomination agreement provided for under Section 12(h) of the Amended and Restated Acquisition Governance Agreement of June 10, 2011 of Maple, as amended;

"marketplace" has the meaning ascribed to it in subsection 1(1) of the Act;

"marketplace participant" has the meaning ascribed to it in section 1.1 of NI 21-101;

"NI 21-101" means National Instrument 21-101 *Marketplace Operation*;

"officer" has the meaning ascribed to it in subsection 1(1) of the Act;

"original Maple shareholder" means each of AIMCo, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., Desjardins Financial Corporation, Fonds de solidarité des travailleurs du Québec (F.T.Q.), The Manufacturers Life Insurance Company, National Bank Group Inc., National Bank Financial Inc., Ontario Teachers' Pension Plan Board, Scotia Capital Inc., TD Securities Inc. and 1802146 Ontario Limited;

"original significant Maple shareholder" means a shareholder of TMX Group that is both an original Maple shareholder and a significant TMX shareholder;

"regulated TMX marketplace" means a TMX marketplace that is regulated by the Commission as a recognized exchange or an ATS;

"Regulatory Oversight Committee" means the committee established by TMX Group pursuant to section 20 of Schedule 3 to the Exchange Recognition Order;

"Rule" means a rule, policy, or other similar instrument of TSX or Alpha Exchange, as applicable;

"significant TMX shareholder" means a person or company that:

(i) beneficially owns or exercises control or direction over more than 5% of the outstanding shares of TMX Group provided, however, that the ownership of or control or direction over additional TMX Group shares in connection with the following activities shall not be included for the purposes of determining whether the 5% threshold has been exceeded:

(A) investment activities on behalf of the person or company or its affiliated entity where such investments are made (I) by a bona fide third party investment manager with discretionary authority (subject to such retained discretion in order for the person or company or its affiliated entity to fulfil its fiduciary duties); or (II) by an investment fund or other pooled investment vehicle in which the person or company or such affiliated entity has directly or indirectly invested and which is managed by a third party who has not been provided with confidential, undisclosed information about TMX Group,

(B) acting as a custodian for securities in the ordinary course,

(C) normal course trading (including proprietary client facilitation trading) and wealth management activities (including, for greater certainty, in connection with the management of any mutual funds, pooled funds, trust accounts, estate portfolios and other investor funds and portfolios), including electronic securities trading, conducted for or on behalf of clients of the person or company, provided that any fund manager with discretionary authority carrying out such activities on behalf of such clients, or such clients, have not been provided with confidential, undisclosed information about TMX Group,

(D) the acquisition of TMX Group shares in connection with the adjustment of index-related portfolios or other "basket" related trading,

(E) making a market in securities to facilitate trading in shares of TMX Group by third party clients or to provide liquidity to the market in the person or company's capacity as a designated market maker for shares of TMX Group securities, in the person or company's capacity as designated market maker for derivatives on TMX Group shares, or in the person or company's capacity as market maker or "designated broker" for exchange traded funds which may have investments in shares of TMX Group, in each case in the ordinary course, (which, for greater certainty, shall include acquisitions or other derivative transactions undertaken in connection with hedging positions of, or in relation to, TMX Group shares), or

(F) providing financial services to any other person or company in the ordinary course of business of its and their banking, securities, wealth and insurance businesses, provided that such other person or company has not been provided with confidential, undisclosed information about TMX Group,

and subject to the conditions that the ownership of or control or direction over TMX Group shares by a person or company in connection with the activities listed in (A) through (F) above:

(G) is not intended by that person or company to facilitate evasion of the 5% threshold set out in clause (i), and

(H) does not provide that person or company the ability to exercise voting rights over more than 5% of the voting shares of TMX Group in a manner that is solely in the interests of that person or company as it relates to that person or company's ownership of or control or direction over the subject shares, except where the ability to exercise voting rights over more than 5% of the voting shares arises as a result of the activities listed in (E) above in which case the person or company shall not exercise its voting rights with respect to those excess voting shares;

(ii) is an original Maple shareholder that is a party to a Maple nomination agreement, for as long as its Maple nomination agreement is in effect; or

(iii) is an original Maple shareholder (A) whose obligations under Schedule 9 have not terminated pursuant to section 72 thereof and (B) that has a partner, officer, director or employee who is a director on the TMX Group Board other than pursuant to a Maple nomination agreement, for so long as such partner, officer, director or employee remains a member of the TMX Group Board;

"TMX clearing agency" means any clearing agency owned or operated by TMX Group or TMX Group's affiliated entities;

"TMX dealer" means an original Maple shareholder that is also a dealer;

"TMX issuer" means a person or company whose securities are listed on a TMX marketplace;

"TMX marketplace" means any marketplace owned or operated by TMX Group or TMX Group's affiliated entities;

"TMX marketplace participant" means a marketplace participant of any TMX marketplace;

"TMX recognized exchange" means an exchange owned or operated by TMX Group or TMX Group's affiliated entities that is recognized by the Commission as an exchange pursuant to section 21 of the Act;

"TMX trading facility" means any trading facility owned or operated by TMX Group or TMX Group's affiliated entities;

"TSX Issuer" means a person or company whose securities are listed on TSX;

"TSX PO" means a person or company that has been permitted to access the trading facilities of TSX and is subject to regulatory oversight by TSX, and the person's or company's representatives;

"unaudited consolidated financial statements" means financial statements that are prepared in the same manner as audited consolidated financial statements, except that they are not audited; and

"unaudited non-consolidated financial statements" means financial statements that are prepared in the same manner as audited consolidated financial statements, except that

(i) they are not audited; and

(ii) investments in subsidiary entities, jointly controlled entities and associates are accounted for as specified for separate financial statements in International Accounting Standard 27 *Consolidated and Separate Financial Statements*.

(b) For the purposes of this Schedule, an individual is independent if the individual is "independent" within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*, as amended from time, but is not independent if the individual is:

(i) a partner, director, officer or employee, of a TMX marketplace participant or an associate of a partner, director, officer or employee of a TMX marketplace participant, or

(ii) a partner, director, officer or employee of an affiliated entity of a TMX marketplace participant, who is responsible for or is actively or significantly engaged in the day-to-day operations or activities of that TMX marketplace participant.

(c) For the purposes of this Schedule, an individual is unrelated to original Maple shareholders if the individual:

(i) is not a partner, officer or employee of an original Maple shareholder or any of its affiliated entities or an associate of that partner, officer or employee;

(ii) is not nominated under a Maple nomination agreement;

(iii) is not a director of an original Maple shareholder or any of its affiliated entities or an associate of that director; and

(iv) does not have, and has not had, any relationship with an original Maple shareholder that could, in the view of the Governance Committee having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgment as a director of the recognized exchange.

(d) For the purposes of paragraph (c), the Governance Committee may waive the restrictions set out in sub-paragraph (c)(iii) provided that:

(i) the individual being considered does not have, and has not had, any relationship with an original Maple shareholder that could, in the view of the Governance Committee having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgment as a director of the recognized exchange;

(ii) the recognized exchange publicly discloses the use of the waiver with reasons why the particular candidate was selected;

(iii) the recognized exchange provides advance notice to the Commission, at least 15 business days before the public disclosure in sub-paragraph 1(d)(ii) is made; and

(iv) the Commission does not object within 15 business days of its receipt of the notice provided under sub-paragraph 1(d)(iii) above.

(e) **[Deleted]**

2. PUBLIC INTEREST RESPONSIBILITIES

(a) The recognized exchange shall conduct the business and operations of the recognized exchange in a manner that is consistent with the public interest.

(b) The mandate of the Board of the recognized exchange shall expressly include the regulatory and public interest responsibilities of the recognized exchange.

(c) **[Deleted]**

3. CRITERIA FOR RECOGNITION

The recognized exchange shall continue to meet the criteria for recognition set out in Schedule 1 to the Exchange Recognition Order.

4. FITNESS

The recognized exchange shall take reasonable steps to ensure that each director and officer of the recognized exchange is a fit and proper person. As part of those steps, the recognized exchange shall consider whether the past conduct of each director or officer affords reasonable grounds for the belief that the director or officer will perform his or her duties with integrity and in a manner that is consistent with the public interest responsibilities of the recognized exchange.

5. BOARD OF DIRECTORS

(a) The recognized exchange shall ensure that:

(i) at least 50% of its Board members are independent directors; and

(ii) for as long as any Maple nomination agreement is in effect, at least 50% of its Board members are unrelated to original Maple shareholders.

(b) The chair of the Board of the recognized exchange shall be independent and, for so long as any Maple nomination agreement is in effect, unrelated to original Maple shareholders.

(c) In the event that the recognized exchange fails to meet the requirements of paragraphs (a) or (b) of this section, it shall immediately advise the Commission and take appropriate measures to promptly remedy such failure.

(d) The recognized exchange shall not enter into any nomination agreement with any person or company that is not a party to a Maple nomination agreement as at the effective date of the recognition of TMX Group as an exchange pursuant to this Exchange Recognition Order, without the prior approval of the Commission.

(e) The recognized exchange shall ensure that the Board is subject to requirements that the quorum for the Board consists of at least two-thirds of the Board members.

6. REPRESENTATION OF INDEPENDENT DEALERS

At least one director of the recognized exchange shall be a representative of a marketplace participant that:

(a) is not affiliated with any Canadian Schedule I bank; and

(b) for so long as any Maple nomination agreement is in effect, is unrelated to original Maple shareholders.

7. GOVERNANCE REVIEW

(a) At the request of the Commission, the recognized exchange shall engage an independent consultant, or independent consultants, acceptable to the Commission to prepare a written report assessing the governance structure of TMX Group and TSX, and shall also include Alpha Exchange if requested by the Commission (Governance Review).

(b) The recognized exchange shall provide the written report to its Board promptly after the report's completion and then to the Commission within 30 days of providing it to its Board.

(c) The scope of the Governance Review shall be approved by the Commission and shall include, at a minimum, the following:

(i) a review of the Board composition, in particular whether the composition of the Board continues to meet the recognition criteria, including the requirement that there be fair, meaningful and diverse representation on the Board and any committees of the Board, including:

(A) appropriate representation of independent directors and directors unrelated to original Maple shareholders, and

(B) a proper balance among the interests of the different persons or companies using the services and facilities of the recognized exchange;

(ii) a review of the impact of the Board composition requirements, including requirements imposed by all securities regulatory authorities, on the recognized exchange's ability to meet the recognition criteria;

(iii) a review of the appropriateness and effectiveness of identical Boards for TMX Group, TSX, and Alpha Exchange if applicable;

(iv) a review of the degree to which the governance structure of TMX Group, TSX and Alpha Exchange allows for appropriate input into the business and operations of the recognized exchange by users of the recognized exchange's services and facilities;

(v) a review of how the Governance Committee actually discharges its mandate and performs its role and functions; and

(vi) a review of how the Regulatory Oversight Committee actually discharges its mandate and performs its role and functions, including how conflicts of interest and potential conflicts of interest are actually managed, whether they are managed effectively, if there are any identified deficiencies, what they were and how they were remedied and whether further measures are warranted.

(d) The Governance Review shall include an appropriate degree of public consultation, including consultation with users of the recognized exchange's services and facilities.

8. FEES, FEE MODELS AND INCENTIVES

(a) The recognized exchange shall not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide:

(i) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a particular marketplace participant or any other particular person or company; or

(ii) any discount, rebate, allowance, price concession or other similar arrangement for any service or product offered by the recognized exchange that is conditional upon:

(A) the requirement to have a TMX marketplace be set as the default or first marketplace a marketplace participant routes to, or

(B) the router of a TMX marketplace being used as the marketplace participant's primary router.

(b) Except with the prior approval of the Commission, the recognized exchange shall not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide:

(i) any discount, rebate, allowance, price concession or other similar arrangement on any services or products offered by the recognized exchange that is conditional upon the purchase of any other service or product provided by the recognized exchange or any affiliated entity; or

(ii) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a class of marketplace participants or of any other persons or companies.

(c) The recognized exchange shall obtain prior Commission approval before implementing any new, or amendments to, fees and fee models, including any new, or amendments to, any incentives relating to arrangements that provide for equity ownership in TMX Group for marketplace participants or their affiliated entities based on trading volumes or values on TMX marketplaces.

(d) The recognized exchange shall not require another person or company to purchase or otherwise obtain products or services from any TMX clearing agency as a condition of the recognized exchange supplying or continuing to supply a product or service.

(e) Except with the prior approval of the Commission, the recognized exchange shall not require another person or company to purchase or otherwise obtain products or services from the recognized exchange, any TMX marketplace or a significant TMX shareholder as a condition of the recognized exchange supplying or continuing to supply a product or service.

(f) At the request of the Commission, the recognized exchange shall:

(i) conduct a review, the scope of which shall be approved by the Commission, of the fees and fee models of the recognized exchange and all regulated TMX marketplaces that are related to trading, clearing, settlement, depository, data and any other services specified by the Commission;

(ii) include input from relevant stakeholders; and

(iii) provide a written report on the outcome of such review to its Board promptly after the report's completion and then to the Commission within 30 days of providing it to its Board.

(g) If the Commission considers that it would be in the public interest, the Commission may require a recognized exchange to submit, for approval by the Commission, a fee, fee model or incentive that has previously been filed with and/or approved by the Commission.

(h) Where the Commission decides not to approve the fee, fee model or incentive submitted under paragraph (g), any previous approval for the fee, fee model or incentive shall be revoked, if applicable, and the recognized exchange shall no longer be permitted to offer the fee, fee model or incentive.

(i) Any fee, fee model or incentive, or amendment thereto, shall be filed in accordance with the Rule and Form 21-101F1 Filing Protocol attached as Schedule 10.

9. ORDER ROUTING

The recognized exchange shall not support, encourage or incent, either through fee incentives or otherwise, TMX marketplace participants to coordinate the routing of TMX marketplace participants' orders to a particular TMX marketplace or TMX trading facility.

10. INTEGRATION OF ANY BUSINESS OR CORPORATE FUNCTIONS

The recognized exchange shall obtain the prior approval of the Commission before implementing any significant integration, combination or reorganization of any businesses, operations or corporate functions relating to trading, clearing and settlement, including marketplace and clearing agency operations, between the recognized exchange and its affiliated entities.

11. INTERNAL COST ALLOCATION MODEL AND TRANSFER PRICING

(a) The recognized exchange shall establish and maintain an internal cost allocation model and policy or policies with respect to the allocation of costs or transfer of prices between the recognized exchange and its affiliated entities.

(b) The recognized exchange shall obtain prior Commission approval before making any amendments to the internal cost allocation model and policy or policies established and required to be maintained under paragraph (a).

(c) The recognized exchange shall annually engage an independent auditor to conduct an audit and prepare a written report in accordance with established audit standards regarding compliance by the recognized exchange and its affiliated entities with the approved internal cost allocation model and transfer pricing policies.

(d) The recognized exchange shall provide the written report of the independent auditor to its Board promptly after the report’s completion and then to the Commission within 30 days of providing it to its Board.

(e) The costs or expenses borne by the recognized exchange, and indirectly by the users of the recognized exchange’s services, for each of the services provided by the recognized exchange, shall not include any costs or expenses incurred by the recognized exchange in connection with any activity carried on by the recognized exchange that is not related to that service.

12. CLEARING AND SETTLEMENT

The recognized exchange shall not establish requirements relating to clearing and settlement of trades that would result in:

(a) unfair discrimination of or between market participants based on the clearing agency used; or

(b) an imposition of any burden on competition among clearing agencies or back-office or post-trade service providers that is not reasonably necessary or appropriate; or

(c) an unreasonable prohibition, condition or limitation relating to access by a person or company to services offered by the recognized exchange or a TMX clearing agency.

13. FINANCIAL REPORTING

(a) Within 90 days of its financial year end, the recognized exchange shall deliver to the Commission audited consolidated financial statements and unaudited non-consolidated financial statements without notes for its latest financial year.

(b) Within 45 days of each quarter end, the recognized exchange shall deliver to the Commission unaudited consolidated financial statements and unaudited non-consolidated financial statements without notes for its latest financial quarter.

(c) Shorter time periods shall apply in paragraphs (a) and (b) above to TMX Group, if mandated for reporting issuers under applicable securities laws.

(d) The recognized exchange shall deliver to the Commission its annual financial budget, together with the underlying assumptions, that has been approved by its Board, within 30 days after the commencement of each fiscal year.

14. ADDITIONAL INFORMATION

The recognized exchange shall provide the Commission with the information set out in Appendix A to this Schedule 2, as amended from time to time.

15. PROVISION OF INFORMATION

(a) The recognized exchange shall, and shall cause its affiliated entities to, promptly provide the Commission, on request, any and all data, information and analyses in the custody or control of the recognized exchange or any of its affiliated entities, without limitations, redactions, restrictions or conditions, including, without limiting the generality of the foregoing:

(i) data, information and analyses relating to all of its or their businesses; and

(ii) data, information and analyses of third parties in its or their custody or control.

(b) The recognized exchange shall share information and otherwise cooperate with other recognized or exempt exchanges, recognized self-regulatory organizations, other recognized or exempt clearing agencies, investor protection funds, and other appropriate regulatory bodies.

(c) The disclosure or sharing of information by the recognized exchange or any affiliated entities pursuant to the Schedules to the Exchange Recognition Order is subject to any confidentiality provisions contained in agreements entered into with the Bank of Canada pertaining to information received from the Bank of Canada in its role as registrar, issuing agent, transfer agent or paying agent for the Government of Canada.

16. COMPLIANCE WITH TERMS AND CONDITIONS

(a) The recognized exchange shall certify in writing to the Commission, in a certificate signed by its CEO and general counsel, within one year of the effective date of the recognition of the recognized exchange as an exchange pursuant to this Exchange Recognition Order and every year subsequent to that date, or at other times required by the Commission, that the recognized exchange is in compliance with the terms and conditions applicable to it in the Exchange Recognition Order and describe in detail:

(i) the steps taken to require compliance;

(ii) the controls in place to verify compliance; and

(iii) the names and titles of employees who have oversight of compliance.

(b) If a recognized exchange, or its directors, officers or employees becomes aware of a breach or a possible breach of any of the terms and conditions applicable to the recognized exchange under the Schedules to the Exchange Recognition Order, such person shall, within two business days after becoming aware of the breach or possible breach, notify the Regulatory Oversight Committee of the breach or possible breach. The director, officer or employee of the recognized exchange shall provide to the Regulatory Oversight Committee details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach.

(c) The Regulatory Oversight Committee shall, within two business days after being notified of the breach or possible breach under paragraph 16(b), notify the Commission and confirm that the breach or possible breach is under investigation as required by paragraph 16(d).

(d) The Regulatory Oversight Committee shall promptly cause an investigation to be conducted of the breach or possible breach reported under paragraph 16(b). Once the Regulatory Oversight Committee has made a determination as to whether there has been a breach, or that there is an impending breach, of any terms and conditions applicable to the recognized exchange under the Schedules to the Exchange Recognition Order, the Regulatory Oversight Committee shall, within two business days of such determination, notify the Commission of its determination and shall provide details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or impending breach, and any actions that will be taken to address it.

APPENDIX A

Additional Reporting Obligations

1. Ad Hoc

(a) Immediate notification of a decision to enter into a definitive agreement (including a binding letter of intent), memorandum of understanding or other similar arrangement with any governmental or regulatory body, self-regulatory organization, clearing agency, stock exchange, other marketplace or market, except in the case where the agreement or arrangement: (i) is primarily intended to restrict the use or disclosure of confidential information, (ii) is primarily for the purpose of facilitating discussions in connection with a possible definitive agreement, (iii) is necessary to support the provision of the existing exchange services, or (iv) relates to the provision of the existing exchange services and is also subject to the standard form agreements of the exchange (for example, listing agreements, data subscription agreements, etc.).

(b) Any plans by the recognized exchange or its affiliated entities that carry on business in Canada to enter into new businesses (directly or indirectly, including joint ventures) or to cease existing businesses, promptly after the Board has made the decision to implement those plans.

(c) **[Deleted]**

(d) **[Deleted]**

(e) Immediate notification if the recognized exchange:

(i) becomes the subject of any order, directive or other similar action of a governmental or regulatory authority;

(ii) becomes aware that it is the subject of a criminal or regulatory investigation; or

(iii) becomes, or is notified that it will become, the subject of a material lawsuit.

(f) Any strategic plan for the recognized exchange and its affiliated entities carrying on business in Canada, including strategic plans relating to its equities, fixed income, and derivatives (including exchange-traded and over-the-counter or otherwise) businesses, within 30 days of approval by the Board

(g) Any filings made by the recognized exchange with a Canadian securities regulatory authority pursuant to a recognition order, exemption order or NI 21-101, filed concurrently.

2. Quarterly Reporting

(a) **[Deleted]**

(b) A list of the internal audit reports and risk management reports issued in the previous quarter that relate to the operations and business of the recognized exchange.

3. Annual Reporting

(a) At least annually or more frequently if required by the Commission, the recognized exchange's assessment of the risks, including business risks, facing the recognized exchange and its affiliated entities carrying on business in Canada and its plan for addressing such risks.

SCHEDULE 3

TERMS AND CONDITIONS APPLICABLE TO TMX GROUP LIMITED

17. DEFINITIONS AND INTERPRETATION

Terms used in this Schedule have the same meanings and interpretation as in section 1 of Schedule 2.

18. SHARE OWNERSHIP RESTRICTIONS

(a) TMX Group shall continue to own, directly or indirectly, all of the issued and outstanding voting shares of TSX and Alpha Exchange.

(b) Without the prior approval of the Commission, and subject to terms and conditions considered appropriate by the Commission, no person or company and no combination of persons or companies acting jointly or in concert shall beneficially own or exercise control or direction over more than 10%, or such other percentage as may be prescribed by the Commission, of any class or series of voting shares of TMX Group. The Commission's approval under this paragraph may be subject to such terms and conditions as the Commission considers appropriate.

(c) The articles of TMX Group shall contain the share ownership restrictions and provisions respecting the enforcement of such restrictions which, without limiting the foregoing, may provide for the filing of declarations, the suspension of voting rights, the forfeiture of dividends, the refusal of the issue or registration of voting shares and the sale or redemption of voting shares held contrary to the restrictions and payment of net proceeds of the sale or redemption to the person entitled thereto.

19. GOVERNANCE COMMITTEE

(a) TMX Group shall maintain a governance committee of the Board that, at a minimum:

(i) is made up of independent directors and, for so long as any Maple nomination agreement is in effect, a majority of members who are unrelated to original Maple shareholders;

(ii) confirms the status of nominees to the TMX Group Board as independent and/or unrelated to original Maple shareholders, as appropriate, before the name of the individual is submitted to shareholders as a nominee for election to the TMX Group Board;

(iii) confirms on an annual basis that the status of the directors who are independent and/or unrelated to original Maple shareholders, as appropriate, has not changed;

(iv) assesses and approves all nominees of management to the TMX Group Board, and any nominees pursuant to any Maple nomination agreement; and

(v) has a requirement that the quorum consist of a majority of independent directors, and, for so long as any Maple nomination agreement is in effect, a majority of directors who are unrelated to original Maple shareholders.

20. REGULATORY OVERSIGHT COMMITTEE

(a) TMX Group shall establish and maintain a Regulatory Oversight Committee that, at a minimum:

(i) has a minimum of three directors;

(ii) is made up of independent directors and, for so long as any Maple nomination agreement is in effect, a majority of members who are unrelated to original Maple shareholders;

(iii) considers real or perceived conflicts of interest that may arise, including but not limited to the following contexts:

(A) ownership interests in TMX Group by any TMX marketplace participant with representation on the TMX Group Board,

(B) increased concentration of ownership of the recognized exchange, and

(C) the profit-making objective and the public interest responsibilities of TMX Group, including general oversight of the management of the regulatory and public interest responsibilities of TSX and Alpha Exchange;

(iv) oversees the establishment of mechanisms to avoid or appropriately manage conflicts of interest or potential conflicts of interest, perceived or real, including any policies and procedures that are developed by TMX Group, TSX or Alpha Exchange, including those that are required to be established pursuant to the Schedules to the Exchange Recognition Order;

(v) monitors the operation of mechanisms that deal with conflicts of interest, including oversight of reporting of issuer regulation activities and conflicts of interest by TSX and Alpha Exchange;

(vi) reviews the effectiveness of the policies and procedures regarding conflicts of interest on a regular, and at least annual, basis;

(vii) annually prepares a written report examining the avoidance and management of conflicts of interest, the mechanisms used and the effectiveness of those mechanisms and provides the report to the TMX Group Board promptly and to the Commission within 30 days of providing it to its Board;

(viii) has a requirement that the quorum consist of a majority of independent directors and, for so long as any Maple nomination agreement is in effect, a majority of directors who are unrelated to original Maple shareholders; and

(ix) reports in writing directly to the Commission on any matter that the Regulatory Oversight Committee deems appropriate or that is required by the Commission without first requiring Board approval or notification for such reporting.

(b) The Regulatory Oversight Committee shall provide such information as may be required by the Commission from time to time.

21. FEES, FEE MODELS AND INCENTIVES

(a) TMX Group shall ensure that a regulated TMX marketplace does not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide:

(i) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a particular market participant or any other particular person or company; or

(ii) any discount, rebate, allowance, price concession or other similar arrangement for any service or product offered by the regulated TMX marketplace that is conditional upon:

(A) the requirement to have a TMX marketplace be set as the default or first marketplace a marketplace participant routes to, or

(B) the router of a TMX marketplace being used as the marketplace participant's primary router.

(b) TMX Group shall ensure that any affiliated entity does not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide:

(i) any discount, rebate, allowance, price concession or other similar arrangement on any services or products offered by the affiliated entity that is conditional upon the purchase of any other service or product provided by a regulated TMX marketplace; or

(ii) any discount, rebate, allowance, price concession or other similar arrangement for any service or product offered by the affiliated entity that is conditional upon

(A) the requirement to have a regulated TMX marketplace be set as the default or first marketplace a marketplace participant routes to, or

(B) the router of a regulated TMX marketplace being used as the marketplace participant's primary router.

(c) Unless prior approval has been granted by the Commission, TMX Group shall ensure that a regulated TMX marketplace does not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide:

(i) any discount, rebate, allowance, price concession or other similar arrangement on any services or products offered by the regulated TMX marketplace that is conditional upon the purchase of any other service or product provided by the regulated TMX marketplace or any affiliated entity; or

(ii) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a class of marketplace participants or of any other persons or companies.

(d) TMX Group shall ensure that a regulated TMX marketplace obtains prior Commission approval before implementing any new, or amendments to, fees and fee models, including any new, or amendments to, any incentives relating to arrangements that provide for equity ownership in TMX Group for marketplace participants or their affiliated entities based on trading volumes or values on TMX marketplaces.

(e) TMX Group shall ensure that a regulated TMX marketplace does not require another person or company to purchase or otherwise obtain products or services from any TMX clearing agency as a condition of the regulated TMX marketplace supplying or continuing to supply a product or service.

(f) TMX Group shall ensure that a regulated TMX marketplace does not require a person or company to obtain products or services from the regulated TMX marketplace, any other TMX marketplace or a significant TMX shareholder as a condition of the regulated TMX marketplace supplying or continuing to supply a product or service, unless prior approval has been granted by the Commission.

(g) TMX Group shall ensure that any affiliated entity does not require another person or company to obtain products or services from any regulated TMX marketplace or any TMX clearing agency as a condition of the affiliated entity supplying or continuing to supply a product or service.

(h) If the Commission considers that it would be in the public interest, the Commission may require a regulated TMX marketplace to submit, for approval by the Commission, a fee, fee model or incentive that has previously been filed with and/or approved by the Commission.

(i) Where the Commission decides not to approve the fee, fee model or incentive submitted under paragraph (h), any previous approval for the fee, fee model or incentive shall be revoked, if applicable, and the regulated TMX marketplace shall no longer be permitted to offer the fee, fee model or incentive.

22. CONFLICTS OF INTEREST AND CONFIDENTIALITY

(a) TMX Group shall establish, maintain, and require compliance with policies and procedures that:

(i) identify and manage any conflicts of interest or potential conflicts of interest, perceived or real, arising from its interest in TSX and Alpha Exchange and from the involvement of any partner, director, officer or employee of a significant TMX shareholder in the management or oversight of the marketplace operations or regulation functions of a TMX marketplace and the services and products provided by the TMX marketplace; and

(ii) require that confidential information regarding marketplace operations, regulation functions, a TMX marketplace participant or TMX issuer that is obtained by a partner, director, officer or employee of a significant TMX shareholder through that individual's involvement in the management or oversight of marketplace operations or regulation functions of a TMX marketplace:

(A) be kept separate and confidential from the business or other operations of the significant TMX shareholder, except with respect to information regarding marketplace operations where disclosure is necessary to carry out the individual's responsibilities for the management or oversight of marketplace operations and the individual can and does exercise due care in his or her disclosure of the information, and

(B) not be used to provide an advantage to the significant TMX shareholder or its affiliated entities.

(b) TMX Group shall cause each regulated TMX marketplace to mandate that each marketplace participant of the regulated TMX marketplace that is a TMX dealer, an affiliated entity of the TMX dealer, or a dealer affiliate, each of

whose obligations under Schedule 9 have not terminated pursuant to section 72 thereof, shall disclose the marketplace participant's relationship to TMX Group and the regulated TMX marketplace to:

(i) clients whose orders might be, and clients whose orders have been, routed to the regulated TMX marketplace; and

(ii) entities for whom the marketplace participant is acting or proposing to act as underwriter in connection with the issuance of securities to be listed on a regulated TMX marketplace.

(c) TMX Group shall regularly review compliance with the policies and procedures established in accordance with paragraph 22(a) and shall document each review and any deficiencies and how those deficiencies were remedied. A report detailing review(s) conducted shall be provided to the Commission on an annual basis.

(d) The policies established in accordance with paragraph 22(a) shall be made publicly available on the website of TMX Group.

23. ALLOCATION OF RESOURCES

(a) TMX Group shall, for so long as TSX carries on business as an exchange, allocate sufficient financial and other resources to TSX to ensure that TSX can carry out its functions in a manner that is consistent with the public interest and in compliance with Ontario securities law.

(b) TMX Group shall, for so long as Alpha Exchange carries on business as an exchange, allocate sufficient financial and other resources to Alpha Exchange to ensure that Alpha Exchange can carry out its functions in a manner that is consistent with the public interest and in compliance with Ontario securities law.

(c) TMX Group shall notify the Commission immediately upon becoming aware that it is or will be unable to allocate sufficient financial and other resources, as required under paragraphs 23(a) or (b), to TSX or Alpha Exchange, as applicable.

(d) TMX Group shall ensure that there continues to be significant focus on the development of its core senior equities business, including by allocating sufficient financial and other resources to allow for such development.

24. COMPLIANCE

TMX Group shall do everything within its control to cause TSX and Alpha Exchange to carry out its activities as an exchange recognized under section 21 of the Act and in compliance with Ontario securities law.

SCHEDULE 4

[DELETED]

SCHEDULE 5

TERMS AND CONDITIONS APPLICABLE TO TSX

30. DEFINITIONS AND INTERPRETATION

Terms used in this Schedule have the same meanings and interpretation as in section 1 of Schedule 2.

31. CONFLICTS OF INTEREST AND CONFIDENTIALITY

(a) TSX shall establish, maintain and require compliance with policies and procedures that:

(i) identify and manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from the operation of the marketplace or the services it provides including, but not limited to, the following:

(A) conflicts of interest or potential conflicts of interest that arise from the involvement of any partner, director, officer or employee of a significant TMX shareholder in the management or oversight of the exchange operations or regulation functions of TSX and the services and products it provides,

(B) conflicts of interest or potential conflicts of interest that arise from any interactions between TSX and a significant TMX shareholder or an original Maple shareholder whose obligations under Schedule 9 have not terminated pursuant to section 72 thereof, where TSX may be exercising discretion that involves or affects the original Maple shareholder or significant TMX shareholder either directly or indirectly, and

(C) conflicts of interest or potential conflicts of interest that arise between the regulation functions and the business activities of TSX, particularly with respect to the conflicts of interest or potential conflicts of interest that arise between the TSX Issuer regulation functions and the business activities of TSX; and

(ii) require that confidential information regarding exchange operations, regulation functions, a TSX PO or TSX Issuer that is obtained by a partner, director, officer or employee of a significant TMX shareholder through that individual's involvement in the management or oversight of exchange operations or regulation functions:

(A) be kept separate and confidential from the business or other operations of the significant TMX shareholder, except with respect to information regarding exchange operations where disclosure is necessary to carry out the individual's responsibilities for the management or oversight of exchange operations and the individual can and does exercise due care in his or her disclosure of the information, and

(B) not be used to provide an advantage to the significant TMX shareholder or its affiliated entities.

(b) TSX shall establish, maintain and require compliance with policies and procedures that identify and manage any conflicts of interest or potential conflicts of interest arising from the listing of the shares of any significant TMX shareholder on TSX, and such policies and procedures, and any amendments, shall not be implemented without prior approval of the Commission.

(c) TSX shall require each TSX PO that is a TMX dealer, an affiliated entity of a TMX dealer, or a dealer affiliate, each of whose obligations under Schedule 9 have not terminated pursuant to section 72 thereof, to disclose the TSX PO's relationship with TSX to:

(i) clients whose orders might be, and clients whose orders have been, routed to TSX; and

(ii) entities for whom the TSX PO is acting or proposing to act as underwriter in connection with the issuance of securities to be listed on TSX.

(d) TSX shall regularly review compliance with the policies and procedures established in accordance with paragraphs 31(a), (b) and (c), and shall document each review, and any deficiencies and how those deficiencies were remedied. A report detailing review(s) conducted shall be provided to the Commission on an annual basis.

(e) The policies established in accordance with paragraphs 31(a), (b) and (c) shall be made publicly available on the website of TSX.

32. ACCESS

TSX's requirements shall provide access to the facilities of TSX only to properly registered investment dealers that are members of IIROC and satisfy the access requirements reasonably established by TSX.

33. REGULATION OF TSX POs AND TSX ISSUERS

(a) TSX shall establish, maintain and require compliance with policies and procedures that effectively monitor and enforce the Rules against TSX Issuers and TSX POs, either directly or indirectly through a regulation services provider.

(b) TSX has retained and shall continue to retain IIROC as a regulation services provider to provide certain regulation services which have been approved by the Commission.

(c) In providing the regulation services, as set out in the agreement between IIROC and TSX (Regulation Services Agreement), IIROC provides certain regulation services to TSX pursuant to a delegation of TSX's authority in accordance with section 13.08(4) of the Toronto Stock Exchange Act and will be entitled to exercise all of the authority of TSX with respect to the administration and enforcement of certain market integrity rules and other related rules, policies and by-laws.

(d) TSX shall perform all other regulation functions not performed by IIROC, and shall maintain adequate staffing, systems and other resources in support of those functions. TSX shall obtain prior Commission approval before outsourcing such regulation functions to any party, including affiliated entities or associates of TSX.

(e) TSX shall notify the Commission of any violations of Ontario securities law of which it becomes aware in the ordinary course of its business or otherwise.

34. RULES, RULEMAKING AND FORM 21-101F1

(a) TSX shall comply with the process for review and approval of Rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Schedule 10, as amended from time to time.

(b) TSX shall, within sixty days of the effective date of the recognition of TSX as an exchange pursuant to this Exchange Recognition Order, establish and maintain a TSX Board Rules Committee that would, at a minimum:

(i) be composed of independent directors and, for so long as any Maple nomination agreement is in effect, a majority of members who are unrelated to original Maple shareholders;

(ii) be responsible for considering and recommending to the TSX Board all Rules that must be submitted to the Commission under Schedule 10 and

(iii) **[Deleted]**

35. DUE PROCESS

(a) TSX shall ensure that the requirements of TSX relating to access to the trading and listing facilities of TSX, the imposition of limitations or conditions on access, and denial of access are fair and reasonable, including in respect of notice, an opportunity to be heard or make representations, the keeping of a record, the giving of reasons and the provisions of appeals.

36. FINANCIAL VIABILITY MONITORING AND REPORTING

(a) TSX shall calculate monthly the following financial ratios:

(i) a current ratio, being the ratio of current assets to current liabilities;

(ii) a debt to cash flow ratio, being the ratio of total debt (including any line of credit draw downs, and the current and long-term portions of any loans, but excluding accounts payable, accrued expenses and other liabilities) to adjusted EBITDA (i.e., earnings before interest, taxes, stock based compensation, depreciation and amortization) for the most recent 12 months; and

(iii) a financial leverage ratio, being the ratio of total assets to shareholders' equity,

in each case calculated based on both consolidated and non-consolidated financial statements.

(b) TSX shall report quarterly in writing to the Commission, along with the financial statements required to be delivered pursuant to Schedule 2, the monthly calculations for the previous quarter of the financial ratios as required to be calculated under paragraph (a).

(c) If TSX determines that it does not have, or anticipates that, in the next twelve months, it will not have, on a consolidated or non-consolidated basis:

(i) a current ratio of greater than or equal to 1.1/1,

(ii) a debt to cash flow ratio of less than or equal to 4.0/1, or

(iii) a financial leverage ratio of less than or equal to 4.0/1,

it shall immediately notify the Commission of the above ratio(s) that it is not maintaining, or that it anticipates it will not maintain, the reasons and an estimate of the length of time before the ratio(s) will be compliant.

(d) Upon receipt of a notification made by TSX under paragraph (c), the Commission may, as determined appropriate, impose additional terms or conditions on TSX.

(e) TSX shall deliver to the Commission its annual financial budget, on a non-consolidated basis, together with the underlying assumptions, that has been approved by its Board, within 30 days after the commencement of each fiscal year.

37. OUTSOURCING

TSX shall obtain prior Commission approval before entering into or amending any outsourcing arrangements related to any of its key services or systems with a service provider, which includes affiliated entities or associates of TMX Group, TSX or Alpha Exchange.

38. LISTING-RELATED CONDITIONS

TSX shall establish, maintain, and require compliance with policies and procedures that identify and manage any conflicts of interest or potential conflicts of interest arising from the listing of the shares of TMX Group or a competitor to TMX Group on TSX, and such policies and procedures, and any amendments, shall not be implemented without prior approval of the Commission.

39. ADDITIONAL INFORMATION

(a) TSX shall provide the Commission with:

(i) the information set out in Appendix B to this Schedule 5, as amended from time to time; and

(ii) any information required to be provided by TSX to IIROC, including any and all order and trade information, as required by the Commission.

(b) **[Deleted]**

40. COMPLIANCE

TSX shall carry out its activities as an exchange recognized under section 21 of the Act and in compliance with Ontario securities law.

APPENDIX A

[Deleted]

APPENDIX B

Additional Reporting Obligations

1. Definitions and Interpretation

For the purposes of this Appendix:

"Participant" means a TSX PO or Alpha Member, as applicable.

2. Ad Hoc

(a) Prior notification of a decision to enter into a definitive agreement (including a binding letter of intent), memorandum of understanding or other similar arrangement with any governmental or regulatory body, self-regulatory organization, clearing agency, stock exchange, other marketplace or market, except in the case where the agreement or arrangement: (i) is primarily intended to restrict the use or disclosure of confidential information, (ii) is primarily for the purpose of facilitating discussions in connection with a possible definitive agreement, (iii) is necessary to support the provision of the existing exchange services, or (iv) relates to the provision of the existing exchange services and is also subject to the standard form agreements of the exchange (for example, listing agreements, data subscription agreements, etc.).

(b) Copies of all notices, bulletins and similar forms of communication that the recognized exchange sends to Participants or issuers.

(c) Prompt notification of any suspension or delisting of an issuer, including the reasons for the suspension or delisting.

(d) Prompt notification of any suspension or termination of a Participant's status as a Participant of the recognized exchange, including the reasons for the suspension or termination.

3. Quarterly Reporting

(a) A quarterly report summarizing all exemptions or waivers granted during the period pursuant to the Rules to any Participant or issuer, which shall include the following information:

  (i) the name of the Participant or issuer;

  (ii) the type of exemption or waiver granted during the period;

  (iii) the date of the exemption or waiver; and

  (iv) a description of the recognized exchange's reason for the decision to grant the exemption or waiver.

(b) A quarterly report regarding original listing applications containing the following information:

  (i) the name of any issuer whose original listing application was conditionally approved, the date of such approval, the type of listing, the category of listing and, if known, whether the issuer was denied an application to list its securities on another marketplace;

  (ii) the name of any issuer whose original listing application was rejected and the reasons for rejection, by category of listing; and

  (iii) the name of any issuer whose original listing application was withdrawn or abandoned and, if known, the reasons why the application was withdrawn or abandoned, by category of listing.

(c) A quarterly report summarizing all significant incidents of Issuer non-compliance identified by the recognized exchange during the period, together with a summary of the actions taken to address and resolve the incidents of non-compliance.

SCHEDULE 6

[DELETED]

SCHEDULE 7

TERMS AND CONDITIONS APPLICABLE TO ALPHA EXCHANGE

48. DEFINITIONS AND INTERPRETATION

Terms used in this Schedule have the same meanings and interpretation as in section 1 of Schedule 2.

49. CONFLICTS OF INTEREST AND CONFIDENTIALITY

(a) Alpha Exchange shall establish, maintain and require compliance with policies and procedures that:

(i) identify and manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from the operation of the marketplace or the services it provides including, but not limited to, the following:

(A) conflicts of interest or potential conflicts of interest that arise from the involvement of any partner, director, officer or employee of a significant TMX shareholder in the management or oversight of the exchange operations or regulation functions of Alpha Exchange and the services and products it provides,

(B) conflicts of interest or potential conflicts of interest that arise from any interactions between Alpha Exchange and a significant TMX shareholder or an original Maple shareholder whose obligations under Schedule 9 have not terminated pursuant to section 72 thereof, where Alpha Exchange may be exercising discretion that involves or affects the original Maple shareholder or significant TMX shareholder either directly or indirectly, and

(C) conflicts of interest or potential conflicts of interest that arise between the regulation functions and the business activities of Alpha Exchange, particularly with respect to the conflicts of interest or potential conflicts of interest that arise between the Alpha Issuer regulation functions and the business activities of Alpha Exchange; and

(ii) require that confidential information regarding exchange operations, regulation functions, or an Alpha Member that is obtained by a partner, director, officer or employee of a significant TMX shareholder through that individual's involvement in the management or oversight of exchange operations or regulation functions:

(A) be kept separate and confidential from the business or other operations of the significant TMX shareholder, except with respect to information regarding exchange operations where disclosure is necessary to carry out the individual's responsibilities for the management or oversight of exchange operations and the individual can and does exercise due care in his or her disclosure of the information, and

(B) not be used to provide an advantage to the significant TMX shareholder or its affiliated entities.

(b) Alpha Exchange shall require each Alpha Member that is a TMX dealer, an affiliated entity of a TMX dealer, or a dealer affiliate, each of whose obligations under Schedule 9 have not terminated pursuant to section 72 thereof, to disclose the Alpha Member's relationship with Alpha Exchange to clients whose orders might be, and clients whose orders have been, routed to Alpha Exchange.

(c) Alpha Exchange shall regularly review compliance with the policies and procedures established in accordance with paragraphs 49(a) and (b) and shall document each review, and any deficiencies and how those deficiencies were remedied. A report detailing review(s) conducted shall be provided to the Commission on an annual basis.

(d) The policies established in accordance with paragraphs 49(a) and (b) shall be made publicly available on the website of Alpha Exchange.

50. ACCESS

Alpha Exchange's requirements shall provide access to the facilities of Alpha Exchange only to properly registered investment dealers that are members of IIROC and satisfy the access requirements reasonably established by Alpha Exchange.

51. REGULATION OF ALPHA MEMBERS

(a) Alpha Exchange shall establish, maintain and require compliance with policies and procedures that effectively monitor and enforce the Rules against Alpha Members, either directly or indirectly through a regulation services provider.

(b) Alpha Exchange has retained and shall continue to retain IIROC as a regulation services provider to provide certain regulation services which have been approved by the Commission.

(c) Alpha Exchange shall perform all other regulation functions not performed by IIROC, and shall maintain adequate staffing, systems and other resources in support of those functions. Alpha Exchange shall obtain prior Commission approval before outsourcing such regulation functions to any party, including affiliated entities or associates of Alpha Exchange.

(d) Alpha Exchange shall notify the Commission of any violations of Ontario securities law of which it becomes aware in the ordinary course of its business or otherwise.

52. RULES, RULEMAKING AND FORM 21-101F1

(a) Alpha Exchange shall comply with the process for review and approval of Rules and the information contained in Form 21-101F1 and the exhibits thereto as set out in Schedule 10, as amended from time to time.

(b) Alpha Exchange shall, within sixty days of the effective date of the recognition of Alpha Exchange as an exchange pursuant to this Exchange Recognition Order, establish and maintain an Alpha Exchange Board Rules Committee that would, at a minimum:

(i) be composed of independent directors and, for so long as any Maple nomination agreement is in effect, a majority of members who are unrelated to original Maple shareholders;

(ii) be responsible for considering and recommending to the Alpha Exchange Board all Rules that must be submitted to the Commission under Schedule 10; and

(iii) **[Deleted]**

53. DUE PROCESS

(a) Alpha Exchange shall ensure that the requirements of Alpha Exchange relating to access to the trading facilities of Alpha Exchange, the imposition of limitations or conditions on access, and denial of access are fair and reasonable, including in respect of notice, an opportunity to be heard or make representations, the keeping of a record, the giving of reasons and the provisions of appeals.

54. FINANCIAL VIABILITY MONITORING AND REPORTING

(a) Alpha Exchange shall calculate monthly the following financial ratios:

(i) a current ratio, being the ratio of current assets to current liabilities;

(ii) a debt to cash flow ratio, being the ratio of total debt (including any line of credit draw downs, and the current and long-term portions of any loans, but excluding accounts payable, accrued expenses and other liabilities) to adjusted EBITDA (i.e., earnings before interest, taxes, stock based compensation, depreciation and amortization) for the most recent 12 months; and

(iii) a financial leverage ratio, being the ratio of total assets to shareholders' equity,

in each case calculated based on both consolidated and non-consolidated financial statements.

(b) Alpha Exchange shall report quarterly in writing to the Commission, along with the financial statements required to be delivered pursuant to Schedule 2, the monthly calculations for the previous quarter of the financial ratios as required to be calculated under paragraph (a).

(c) If Alpha Exchange determines that it does not have, or anticipates that, in the next twelve months, it will not have, on a consolidated or non-consolidated basis:

(i) a current ratio of greater than or equal to 1.1/1,

(ii) a debt to cash flow ratio of less than or equal to 4.0/1, or

(iii) a financial leverage ratio of less than or equal to 4.0/1,

it shall immediately notify the Commission of the above ratio(s) that it is not maintaining, or that it anticipates it will not maintain, the reasons and an estimate of the length of time before the ratio(s) will be compliant.

(d) Upon receipt of a notification made by Alpha Exchange under paragraph (c), the Commission may, as determined appropriate, impose additional terms or conditions on Alpha Exchange.

(e) Alpha Exchange shall deliver to the Commission its annual financial budget, on a non-consolidated basis, together with the underlying assumptions, that has been approved by its Board, within 30 days after the commencement of each fiscal year.

55. OUTSOURCING

(a) Alpha Exchange shall obtain prior Commission approval before entering into or amending any outsourcing arrangements related to any of its key services or systems with a service provider, which includes affiliated entities or associates of TMX Group, TSX or Alpha Exchange.

(b) **[Deleted]**

56. LISTING-RELATED CONDITIONS

[Deleted]

57. SEPARATION OF LISTING MARKETS

[Deleted]

58. ADDITIONAL INFORMATION

(a) Alpha Exchange shall provide the Commission with:

(i) the information set out in Appendix B to Schedule 5, as amended from time to time; and

(ii) any information required to be provided by Alpha Exchange to IIROC, including any and all order and trade information, as required by the Commission.

(b) **[Deleted]**

59. COMPLIANCE

Alpha Exchange shall carry out its activities as an exchange recognized under section 21 of the Act and in compliance with Ontario securities law.

SCHEDULE 8

[DELETED]

SCHEDULE 9

TERMS AND CONDITIONS APPLICABLE TO ORIGINAL MAPLE SHAREHOLDERS

63. DEFINITIONS

Terms used in this Schedule have the same meaning and interpretation as in section 1 of Schedule 2.

64. CONFLICTS OF INTEREST AND CONFIDENTIALITY

(a) Each original significant Maple shareholder shall establish, maintain and require compliance with policies and procedures that:

(i) identify and manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from the involvement of a nominee of the original significant Maple shareholder on the Board of the recognized exchange, including, but not limited to, conflicts of interest or potential conflicts of interest that arise from the involvement of the nominee in the management or oversight of the marketplace operations or regulation functions of TMX Group, TSX and Alpha Exchange and the services and products each provides; and

(ii) require that confidential information regarding marketplace operations or regulation functions, or regarding a TSX PO, TSX Issuer or Alpha Member that is obtained by such nominee on the Board of the recognized exchange:

(A) be kept separate and confidential from the business or other operations of the original significant Maple shareholder, except with respect to information regarding marketplace operations where disclosure is necessary to carry out the individual's responsibilities for the management or oversight of exchange operations and the individual can and does exercise due care in his or her disclosure of the information, and

(B) not be used to provide an advantage to the original significant Maple shareholder or its affiliated entities.

(b) Each original Maple shareholder shall establish, maintain and require compliance, or ensure that its dealer affiliate establishes, maintains and requires compliance, with policies and procedures that identify and manage any conflicts of interest or potential conflicts of interest, real or perceived, arising from its ownership interest in TMX Group, and indirectly TSX, Alpha Exchange and CDS, including, but not limited to, conflicts of interest or potential conflicts of interest that arise from any interactions between either of TSX or Alpha Exchange and the original Maple shareholder, or an original Maple shareholder's dealer affiliate, where TSX or Alpha Exchange, as applicable, may be exercising discretion in the application of its Rules that involves or affects the original Maple shareholder either directly or indirectly.

(c) Each original Maple shareholder shall regularly review compliance with the policies and procedures established in accordance with paragraphs (a) and (b), as applicable, and shall document each review of compliance.

65. ROUTING AND OTHER OPERATIONAL DECISIONS

(a) Each original Maple shareholder shall not enter into any arrangements, undertakings, commitments, understandings or agreements with TMX Group, TSX, Alpha Exchange, any other original Maple shareholder or any other marketplace participant with respect to coordination of the routing of orders between the original Maple shareholder or any of its affiliated entities and any other entity, including the coordination of the routing of orders to a particular TMX marketplace or TMX trading facility, except with respect to activities that are permitted by the requirements of a marketplace, a TMX trading facility, or IIROC.

(b) Each original Maple shareholder shall not cause its dealer affiliate to enter into any arrangements, undertakings, commitments, understandings or agreements with TMX Group, TSX, Alpha Exchange, any other original Maple shareholder or any other marketplace participant with respect to coordination of the routing of orders between the original Maple shareholder or any of its affiliated entities and any other entity, including the coordination of the routing of orders to a particular TMX marketplace or TMX trading facility, except with respect to activities that are permitted by the requirements of a marketplace, a TMX trading facility, or IIROC.

(c) Each TMX dealer shall not cause its affiliated entity to enter into any arrangements, undertakings, commitments, understandings or agreements with TMX Group, TSX, Alpha Exchange, any other original Maple shareholder or any other marketplace participant with respect to coordination of the routing of orders between the original Maple

shareholder or any of its affiliated entities and any other entity, including the coordination of the routing of orders to a particular TMX marketplace or TMX trading facility, except with respect to activities that are permitted by the requirements of a marketplace, a TMX trading facility, or IIROC.

(d) For greater certainty, paragraphs (a), (b) and (c) are not intended to prohibit any temporary agreements or coordination between any original Maple shareholder, dealer affiliate or affiliated entity and any other original Maple shareholder, dealer affiliate or affiliated entity or any other marketplace participant in the event of any failure, malfunction or material delay of the systems or equipment of a marketplace if and to the extent reasonably necessary to protect the integrity and liquidity of capital markets, provided that prior notice of the temporary agreement or coordination is provided to the Commission.

(e) Each original Maple shareholder shall not, and shall not cause an affiliated entity to, offer or pay any benefit, financial or otherwise to:

(i) its traders that would incent such traders to direct their orders to a TMX marketplace or TMX trading facility in preference to any other marketplace; or

(ii) its employees involved in and responsible for underwriting activities that would incent such employees to recommend to issuers or prospective issuers for whom such original Maple shareholder or affiliated entity is acting or proposing to act as underwriter to list securities on a TMX recognized exchange in preference to any other marketplace.

(f) Each original Maple shareholder that is not a TMX dealer shall provide a written directive to its traders that they shall not cause routing decisions to be made based on the original Maple shareholder's ownership interest in TMX Group.

(g) Each TMX dealer, or its affiliated entities that are marketplace participants, shall establish, maintain and require compliance with a written directive requiring its traders to base routing decisions on the best execution and order protection obligations, where applicable, without regard to any ownership interest of the TMX dealer in a TMX marketplace or TMX trading facility. The written policy shall provide that where best execution and order protection obligations are satisfied and an order or orders are being routed on the basis of other factors, the TMX dealer's routing decisions, including the use of algorithms, or those of its affiliated entities that are marketplace participants, shall not take into account any financial benefit that would accrue to the TMX dealer by virtue of its equity ownership interest in TMX Group.

(h) Each TMX dealer, or its affiliated entities that are marketplace participants, shall establish, maintain and require compliance with a written directive requiring its employees involved in and responsible for underwriting activities to base any listing recommendations on what would be most advantageous for the issuer or prospective issuer, without regard to any ownership interest of the TMX dealer, or of those affiliated entities that are marketplace participants, in a TMX recognized exchange.

66. DISCLOSURE TO CLIENTS

(a) Each TMX dealer shall or shall ensure that any of its affiliated entities that is a TMX marketplace participant shall, disclose its relationship with TMX Group and TMX Group's affiliated entities to:

(i) clients whose orders might be, and clients whose orders have been, routed to a TMX marketplace; and

(ii) entities for whom the TMX marketplace participant is acting or proposing to act as underwriter in connection with the issuance of securities to be listed on an exchange operated or owned by TMX Group or its affiliated entities.

(b) Each original Maple shareholder that is not a TMX dealer shall ensure that any of its affiliated entities that is a TMX marketplace participant shall disclose its relationship with TMX Group and TMX Group's affiliated entities to:

(i) clients whose orders might be, and clients whose orders have been, routed to a TMX marketplace; and

(ii) entities for whom the TMX marketplace participant is acting or proposing to act as underwriter in connection with the issuance of securities to be listed on an exchange operated or owned by TMX Group or its affiliated entities.

67. COMPETITION OF TRADING FACILITIES AND ANCILLARY SERVICE PROVIDERS

(a) Each original Maple shareholder shall not enter or, in the case of a TMX dealer or an original Maple shareholder with a dealer affiliate, cause its affiliated entities or dealer affiliates, as applicable, to enter any exclusive, substantially exclusive or preferential arrangements, undertakings, commitments, understandings or agreements regarding the trading of any derivatives or related products, including over-the-counter derivatives and fixed income securities, through trading facilities owned or operated by TMX Group or its affiliated entities.

(b) Each original Maple shareholder shall not enter or, in the case of a TMX dealer or an original Maple shareholder with a dealer affiliate, cause its affiliated entities or dealer affiliates, as applicable, to enter into any arrangement, undertaking, commitment, understanding or agreement to engage, on an exclusive or substantially exclusive basis, or preference any service provider that is an affiliated entity of TMX Group and that provides back-office, post-trade or ancillary services relating to trading in securities or derivatives.

68. CONDITIONAL PROVISION OF PRODUCTS OR SERVICES

(a) A TMX dealer shall not require another person or company to obtain products or services from TMX Group or any of TMX Group's affiliated entities as a condition of the TMX dealer supplying or continuing to supply a product or service.

(b) An original Maple shareholder with a dealer affiliate shall not cause its dealer affiliate to require another person or company to obtain products or services from TMX Group or any of TMX Group's affiliated entities as a condition of the original Maple shareholder supplying or continuing to supply a product or service.

69. NOTIFICATION OF NEW DEALER AFFILIATES

Each original Maple shareholder shall promptly notify the Commission if it creates or acquires an affiliate that is a dealer.

70. CERTIFICATIONS

(a) Each original Maple shareholder shall certify in writing to the Commission, in a certificate signed by its CEO and either its general counsel or chief compliance officer, within ten days of the date that is one year from the effective date of the recognition of TMX Group as an exchange pursuant to this Exchange Recognition Order and every year subsequent to that date, or at other times required by the Commission, that, based on their knowledge, having exercised reasonable diligence, the original Maple shareholder is in compliance with the terms and conditions applicable to it in this Schedule and describe the steps taken to require compliance.

(b) Each original Maple shareholder shall certify in writing, in a certificate signed by its CEO and either its general counsel or chief compliance officer, within ten days of the date that is one year from the effective date of the recognition of TMX Group as an exchange pursuant to this Exchange Recognition Order and every year subsequent to that date, or at other times required by the Commission, that, based on their knowledge, having exercised reasonable diligence:

(i) the original Maple shareholder is not acting jointly or in concert with any other original Maple shareholder (or any affiliated entity or associate thereof) with respect to any voting shares of TMX Group;

(ii) the original Maple shareholder has no agreement, commitment or understanding, written or otherwise, with any other original Maple shareholder (or any affiliated entity or associate thereof) with respect to the acquisition or disposition of voting shares of TMX Group (other than, in the case of dispositions, section 22 of the Maple Acquisition Governance Agreement), the exercise of any voting rights attached to any voting shares of TMX Group or the coordination of decisions or voting by its nominee director of TMX Group (if any) with the decisions or voting by the nominee of any other original Maple shareholder; and

(iii) since the last certification, the original Maple shareholder has not acted jointly or in concert with any other original Maple shareholder (or any affiliated entity or associate thereof) with respect to (i) any voting shares of TMX Group, including with respect to the acquisition or disposition of any voting shares of TMX Group (other than, in the case of dispositions, under section 22 of the Maple Acquisition Governance Agreement) or the exercise of any voting rights attached to any voting shares of TMX Group, or (ii) coordination of decisions or voting by its nominee director of TMX Group (if any) with the decisions or voting by the nominee director of any other original Maple shareholder.

71. COMPLIANCE WITH TERMS AND CONDITIONS

(a) If the original Maple shareholder or its partners, officers, directors, or employees (or, in the case of an original Maple shareholder that is not a dealer, its relevant officers, directors, or employees that are subject to policies and procedures

implemented for the purpose of complying with the applicable terms of this Schedule) becomes aware that there has been a breach or possible breach of any of the terms and conditions applicable to it under this schedule of the Exchange Recognition Order, such person shall, promptly after becoming aware of the breach or possible breach, notify the Designated Recipient (as defined below) of such original Maple shareholder of the breach or possible breach. The partner, director, officer or employee of the original Maple shareholder shall provide to the Designated Recipient details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach.

(b) "Designated Recipient" means the person or body that the original Maple shareholder designates as having the responsibilities described in this section 71, which may be its Board, audit committee, governance committee (or chairperson of any of the foregoing), General Counsel, Chief Compliance Officer, an ombudsperson specifically designated by the original Maple shareholder to review compliance with corporate policies under the shareholder's established whistle-blowing procedures, or, with the prior approval of the Commission, such other person or committee designated by the original Maple shareholder.

(c) The Designated Recipient shall promptly cause an investigation to be conducted of the breach or possible breach reported under paragraph (a) and shall promptly provide a report to the Commission after concluding such investigation if the Designated Recipient determines that a breach has occurred or that there is an impending breach. Any such report to the Commission by the Designated Recipient shall include details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or impending breach, and any actions that will be taken to address it.

72. EXPIRY OF TERM AND CONDITIONS

The obligations of an original Maple shareholder to comply with the terms and conditions of this Schedule expire on the first anniversary of the later of:

(a) the earlier of:

(i) six years from the date of the Exchange Recognition Order; and

(ii) the date on which for a consecutive six month period such original Maple shareholder has beneficially owned or exercised control or direction over that number of voting shares of TMX Group that represents less than 50% of the number of voting shares of TMX Group which it beneficially owned or exercised control or direction over on the date of completion of the Subsequent Arrangement; and

(b) the later of:

(i) the termination or expiry of any right it has to nominate a director to the TMX Group Board; and

(ii) the date on which no partner, officer, director or employee of the original Maple shareholder is a director on the TMX Group Board.

SCHEDULE 10

PROCESS FOR THE REVIEW AND APPROVAL OF RULES AND THE INFORMATION CONTAINED IN FORM 21-101F1 AND THE EXHIBITS THERETO

1. Purpose

This Protocol sets out the procedures a recognized exchange (Exchange) must follow for any Rule or Change, both as defined in section 2 below, and describes the procedures for their review by Commission Staff (Staff) and approval by the Commission or the Director. This Protocol also establishes requirements regarding the time at which an Exchange may begin operations following recognition by the Commission.

2. Definitions

For the purposes of this Protocol:

(a) *Change* means a Fee Change, a Housekeeping Change or a Significant Change.

(b) *Director* means "Director" as defined in subsection 1(1) of the Securities Act (Ontario).

(c) *Fee Change* means any new fee or fee model of the Exchange and any amendment to a fee or fee model.

(d) *Housekeeping Change* means an amendment to the information in Form 21-101F1 that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(e) *Housekeeping Rule* means a new Rule or an amendment to a Rule that

(i) does not have a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets, or

(ii) is of a housekeeping or administrative nature and is comparable to the types of housekeeping changes listed in subsection 6.1(5)(b) of Companion Policy 21-101CP.

(f) *Public Interest Rule* means a Rule or an amendment to a Rule that is not a Housekeeping Rule.

(g) *Rule includes* a rule, policy and other similar instrument of the Exchange.

(h) *Significant Change* means an amendment to the information in Form 21-101F1 other than

(i) a Housekeeping Change,

(ii) a Fee Change, or

(iii) a Rule,

and for greater certainty includes the matters listed in subsection 6.1(4) of Companion Policy 21-101 CP.

(i) *Significant Change* subject to Public Comment means a Significant Change that

(i) is listed in paragraphs 6.1(4)(a) or (b) of Companion Policy 21-101 CP, or

(ii) in Staff's view, has a significant impact on the Exchange, its market structure, members, issuers, investors or the Canadian capital markets or otherwise raises regulatory or public interest concerns and should be subject to public comment.

3. Scope

The Exchange and Staff will follow the process for review and approval set out in this Protocol for all Changes, new Rules and Rule amendments.

4. Board Approval

The Exchange's board of directors, or a duly authorized committee of the board, must approve all Rules prior to their submission under this Protocol.

5. Waiving or Varying the Protocol

(a) The Exchange may file a written request with Staff to waive or vary any part of this Protocol. The request must provide reasons why granting the waiver is appropriate in the circumstances.

(b) Staff will use their best efforts to provide to the Exchange within five business days of receipt of its request either:

(i) written notice that Staff object to granting the waiver or variation; or

(ii) written notice that the waiver or variation has been granted by Staff.

6. Commencement of Exchange Operations

The Exchange must not begin operations until the later of

(a) three months after the Exchange is notified that it has been recognized by the Commission, and

(b) a reasonable period of time after the Exchange is notified that it has been recognized by the Commission.

7. Materials to be Filed and Timelines

(a) Prior to the implementation of a Fee Change, Public Interest Rule or Significant Change, the Exchange will file with Staff the following materials:

(i) a cover letter that, together with the notice for publication filed under paragraph (a)(ii), if applicable, fully describes:

(A) the proposed Fee Change, Public Interest Rule or Significant Change;

(B) the expected date of implementation of the proposed Fee Change, Public Interest Rule or Significant Change;

(C) the rationale for the proposal and any relevant supporting analysis;

(D) the expected impact of the proposed Fee Change, Public Interest Rule or Significant Change on the market structure, members and, if applicable, on investors, issuers and the capital markets;

(E) whether a proposed Public Interest Rule or Significant Change would increase or decrease systemic risk in the Canadian financial system and how any increase would be mitigated, if applicable;

(F) the expected impact of the Fee Change, Public Interest Rule or Significant Change on the Exchange's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets;

(G) details of any consultations undertaken in formulating the Fee Change, Public Interest Rule or Significant Change, including the internal governance process followed to approve the Rule or Change;

(H) if the Public Interest Rule or Significant Change will require members or service vendors to modify their systems after implementation of the Rule or Change, the expected impact of the Rule or Change on the systems of members and service vendors together with a reasonable estimate of the amount of time needed to perform the necessary work, or an explanation as to why a reasonable estimate was not provided;

(I) where the proposed Significant Change is not a Significant Change subject to Public Comment, the rationale for why the proposed Significant Change is not considered a Significant Change subject to Public Comment;

(J) a discussion of any alternatives considered; and

(K) if applicable, whether the proposed Fee Change, Significant Change or Public Interest Rule would introduce a fee model, feature or Rule that currently exists in other markets or jurisdictions;

(ii) for a proposed Public Interest Rule or Significant Change subject to Public Comment, a notice for publication that includes the information required under paragraph (a)(i), except that the following may be excluded from the notice:

(A) supporting analysis required under subparagraph (a)(i)(C) that, if included in the notice, would result in the public disclosure of intimate financial, commercial or technical information;

(B) the information on systemic risk required under subparagraph (a)(i)(E);

(C) the information on the internal governance processes followed required under subparagraph (a)(i)(G);

(D) the reasonable estimate of time needed for members and service vendors to modify their own systems, or the explanation as to why a reasonable estimate was not provided, required under subparagraph (a)(i)(H), so long as the notice for publication contains a statement that the Exchange did not or could not make a reasonable estimate;

(E) the rationale for why the Significant Change is not considered a Significant Change subject to Public Comment; and

(F) the discussion of alternatives required under subparagraph (a)(i)(J).

(iii) for a proposed Public Interest Rule, the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules, and if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) for a proposed Fee Change or Significant Change, blacklined and clean copies of Form 21-101F1 showing the proposed Change.

(b) The Exchange will file the materials set out in subsection (a)

(i) at least 45 days prior to the expected implementation date of a proposed Public Interest Rule or Significant Change; and

(ii) at least seven business days prior to the expected implementation date of a proposed Fee Change.

(c) For a Housekeeping Rule, the Exchange will file with Staff the following materials:

(i) a cover letter that fully describes the Rule and indicates that it was classified as a Housekeeping Rule and provides an analysis of the rationale for the classification, and the date or proposed date of implementation of the Rule;

(ii) the text of the Rule and a blacklined version of the Rule indicating changes to any existing Rules;

(iii) if supplementary material relating to the Rule is contained in Form 21-101F1, blacklined and clean copies of Form 21-101F1; and

(iv) a notice for publication on the OSC website and in the OSC Bulletin that contains the information in paragraph (ii) as well as the implementation date for the Rule and indicates that the Rule has been classified as a Housekeeping Rule and was not published for comment.

(d) For a Housekeeping Change, the Exchange will file with Staff the following materials:

(i) a cover letter that indicates that the Change was classified as a Housekeeping Change and provides an analysis of the rationale for the classification and the expected or actual date of implementation of the Change; and

(ii) blacklined and clean copies of Form 21-101F1 showing the Change.

(e) The Exchange will file the materials set out in subsection (d) by the earlier of

(i) the Exchange's close of business on the 10th calendar day after the end of the month in which the Housekeeping Change was implemented; and

(ii) the date on which the Exchange publicly announces a Housekeeping Change, if applicable.

8. Review by Staff of notice and materials to be published for comment

(a) Within 5 business days of the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will review the notice and materials to ensure that they contain an adequate level of detail, analysis and discussion to elicit meaningful public comment, and will promptly notify the Exchange of any deficiency requiring a refiling of the notice and materials.

(b) Where the notice and materials are considered by Staff to be deficient, the Exchange will amend and resubmit the notice and materials accordingly, and the date of resubmission will serve as the filing date for the purposes of this Protocol.

(c) Where the notice and materials are considered by Staff to be adequate for publication, Staff will proceed with the processes set out in section 9.

9. Publication of a Public Interest Rule or Significant Change Subject to Public Comment

(a) As soon as practicable after the receipt of the notice and materials filed by the Exchange relating to a Public Interest Rule or Significant Change subject to Public Comment in accordance with subsection 7(a), Staff will publish in the OSC Bulletin and on the OSC website the notice prepared by the Exchange, along with a notice prepared by Staff, if necessary, that provides market participants with an opportunity to provide comments to Staff and to the Exchange within 30 days from the date the notice appears in the OSC Bulletin or on the OSC website, whichever comes first.

(b) If public comments are received

(i) the Exchange will forward copies of the comments promptly to Staff; and

(ii) the Exchange will prepare a summary of the public comments and a response to those comments and provide them to Staff promptly after the end of the comment period.

10. Review and Approval Process for Proposed Fee Changes, Public Interest Rules and Significant Changes

(a) Staff will use their best efforts to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change within

(i) 45 days from the date of filing of a proposed Public Interest Rule or Significant Change; and

(ii) seven business days from the date of filing of a proposed Fee Change.

(b) Staff will notify the Exchange if they anticipate that their review of the proposed Fee Change, Public Interest Rule or Significant Change will exceed the timelines in subsection (a).

(c) If Staff have material comments or require additional information to complete their review of a proposed Fee Change, Public Interest Rule or Significant Change, Staff will use best efforts to provide the Exchange with a comment letter promptly by the end of the public comment period for a Public Interest Rule or Significant Change subject to Public Comment, and promptly after the receipt of the materials filed under section 7 for all other Changes.

(d) The Exchange will respond to any comments received from Staff in writing.

(e) Unless Staff agree to an extension of time, if the Exchange fails to respond to Staff's comments within 120 days after the receipt of Staff's comment letter, the Exchange will be deemed to have withdrawn the proposed Fee Change,

Public Interest Rule or Significant Change. If the Exchange wishes to proceed with the Fee Change, Public Interest Rule or Significant Change after it has been deemed withdrawn, the Exchange will have to be re-submit it for review and approval in accordance with this Protocol.

(f) Upon completion of Staff's review of a Fee Change, Public Interest Rule or Significant Change, Staff will submit the Change or Rule to the Director or, in the circumstances described in subsection (g), to the Commission, for a decision within the following timelines:

(i) for a Public Interest Rule or a Significant Change subject to Public Comment, the later of 45 days from the date that the related materials were published for comment and the date that Staff's comments and public comments, including any concerns identified, have been adequately addressed by the Exchange;

(ii) for any other Significant Change, the later of 45 days from the date of filing of the Change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange; or

(iii) for a Fee Change, the later of seven business days from the date of filing of the change and the date that Staff's comments and any concerns identified have been adequately addressed by the Exchange.

(g) A Fee Change, Public Interest Rule or Significant Change may be submitted to the Commission for a decision, within the timelines in subsection (f),

(i) if the proposed Fee Change, Public Interest Rule or Significant Change introduces a novel feature to the Exchange or the capital markets;

(ii) if the proposed Fee Change, Public Interest Rule or Significant Change raises significant regulatory or public interest concerns; or

(iii) in any other situation where, in Staff's view, Commission approval is appropriate.

(h) Staff will promptly notify the Exchange of the decision.

(i) If a Public Interest Rule or Significant Change subject to Public Comment is approved, Staff will publish the following documents in the OSC Bulletin and on the OSC website promptly after the approval:

(i) a notice indicating that the proposed Rule or Change is approved;

(ii) the summary of public comments and responses prepared by the Exchange, if applicable; and

(iii) if non-material changes were made to the version published for public comment, a brief description of these changes prepared by the Exchange and a blacklined copy of the revised Rule or Change highlighting the revisions made.

11. Review Criteria for a Fee Change, Public Interest Rule and Significant Change

(a) Staff will review a proposed Fee Change, Public Interest Rule or Significant Change in order to assess whether it is in the public interest for the Director or the Commission to approve the Rule or Change. In making this determination, Staff will have regard to the mandate of the Commission as set out section 1.1 of the Securities Act (Ontario). The factors that Staff will consider in making their determination also include whether:

(i) the Rule or Change would impact the Exchange's compliance with Ontario securities law;

(ii) the Exchange followed its established internal governance practices in approving the proposed Rule or Change;

(iii) the Exchange followed the requirements of this Protocol and has provided sufficient analysis of the nature, purpose and effect of the Rule or Change; and

(iv) the Exchange adequately addressed any comments received.

12. Effective Date of a Fee Change, Public Interest Rule or Significant Change

(a) A Fee Change, Public Interest Rule or Significant Change will be effective on the later of:

(i) the date that the Exchange is notified that the Change or Rule is approved;

(ii) if applicable, the date of publication of the notice of approval on the OSC website; and

(iii) the date designated by the Exchange.

(b) Where a Significant Change involves a change to any of the systems, operated by or on behalf of the Exchange, described in section 12.1 of National Instrument 21-101, the Significant Change will not be effective until a reasonable period of time after the Exchange is notified that the Significant Change is approved.

(c) The Exchange must notify Staff promptly following the implementation of a Fee Change, Public Interest Rule or Significant Change that becomes effective under subsection (a).

(d) Where the Exchange does not implement a Fee Change, Public Interest Rule or Significant Change within 180 days of the effective date of the Fee Change, Public Interest Rule or Significant Change, as provided for in subsection (a), the Fee Change, Public Interest Rule or Significant Change will be deemed to be withdrawn.

13. Significant Revisions and Republication

(a) If, subsequent to its publication for comment, the Exchange revises a Public Interest Rule or a Significant Change subject to Public Comment in a manner that results in a material change to the proposed substance or effect of the Rule or Change, Staff will, in consultation with the Exchange, determine whether or not the revised Rule or Change should be published for an additional 30-day comment period.

(b) If a Public Interest Rule or Significant Change subject to Public Comment is republished under subsection (a), the request for comments will include a blacklined version marked to the originally published version, a summary of comments and responses prepared by the Exchange, and an explanation of the revisions and the supporting rationale for the revisions.

14. Withdrawal of a Fee Change, Public Interest Rule or Significant Change

(a) If the Exchange withdraws a Fee Change, Public Interest Rule or a Significant Change that was previously submitted, it will provide a written notice of withdrawal to Staff.

(b) If the notice of withdrawal relates to a Public Interest Rule or Significant Change subject to Public Comment, Staff will publish the notice of withdrawal in the OSC Bulletin and OSC website as soon as practicable.

(c) If a Public Interest Rule or Significant Change subject to Public Comment is deemed to have been withdrawn as provided in subsection 10(e), Staff will prepare and publish a notice informing market participants that the Exchange did not proceed with the Rule or Change.

15. Effective Date of a Housekeeping Rule or Housekeeping Change

(a) Subject to subsections (c) and (d), a Housekeeping Rule will be effective on the later of

(i) the date of the publication of the notice to be published on the OSC website in accordance with subsection (e), and

(ii) the date designated by the Exchange.

(b) Subject to subsections (c) and (d), a Housekeeping Change will be effective on the date designated by the Exchange.

(c) Staff will review the materials filed by the Exchange for a Housekeeping Change or Housekeeping Rule to assess the appropriateness of the categorization of the Rule or Change as housekeeping within five business days from the date that the Exchange filed the documents in accordance with subsections 7(c) and 7(d). The Exchange will be notified in writing if there is disagreement with respect to the categorization of the Rule or Change as housekeeping.

(d) If Staff disagree with the categorization of the Rule or Change as housekeeping, the Exchange will immediately repeal the Change, if applicable, file the proposed Rule as a Public Interest Rule or the proposed Change as a Significant Change, and follow the review and approval processes described in this Protocol as applying to a Public Interest Rule or Significant Change, including those processes applicable to a Significant Change subject to Public Comment if applicable.

(e) If Staff do not disagree with the categorization of the Rule, Staff will publish a notice to that effect in the OSC Bulletin and on the OSC website as soon as is practicable.

16. Immediate Implementation of a Public Interest Rule or Significant Change

(a) The Exchange may need to make a Public Interest Rule or Significant Change effective immediately where the Exchange determines that there is an urgent need to implement the Rule or Change to maintain fair and orderly markets, or because of a substantial and imminent risk of material harm to the Exchange, its members, other market participants, issuers or investors.

(b) When the Exchange determines that immediate implementation is necessary, it will advise Staff in writing as soon as possible but in any event at least five business days prior to the proposed implementation of the Public Interest Rule or Significant Change. The written notice will include the expected effective date of the Public Interest Rule or Significant Change and an analysis to support the need for immediate implementation. An application for an exemption from the 45-day advance filing requirements in National Instrument 21-101 must also be included as part of the written notice.

(c) If Staff do not agree that immediate implementation is necessary, Staff will promptly notify the Exchange, in writing, of the disagreement no later than the end of the third business day following filing of the notice under subsection (b). If the disagreement is not resolved, the Exchange will file the Public Interest Rule or Significant Change in accordance with the timelines in section 7.

17. Review of a Public Interest Rule or Significant Change Implemented Immediately

A Public Interest Rule or Significant Change that has been implemented immediately in accordance with section 16 will be published, if applicable, and reviewed and approved by the Director or by the Commission in accordance with the procedures set out in section 10, with necessary modifications. If the Director or the Commission does not approve the Public Interest Rule or Significant Change, the Exchange will immediately repeal the Rule or Change and inform its members of the decision.

18. Application of Section 21 of the Securities Act (Ontario)

The Commission's powers under subsection 21(5) of the Securities Act (Ontario) are not constrained in any way, notwithstanding a Rule or Change having been approved under this Protocol.

APPENDIX C

June 28, 2012

Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto ON M5H 3S8

Attention: John P. Stevenson, Secretary of the Commission

Dear Mr. Stevenson:

Re: Maple Group - AMF Undertakings

This letter is further to the meeting on March 7, 2012 during which OSC staff and TMX discussed Maple's understanding of the impact of the proposed undertakings to the AMF set out in the January 31, 2012 draft letter of Maple to Mr. Mario Albert, President and CEO of the AMF.

In paragraphs 15 and 16 of the letter (now paragraphs 14 and 15), Maple has undertaken, in effect, to continue to develop Montreal as a centre of excellence in derivatives. At the meeting, counsel to Maple indicated that this is consistent with Maple's current plans to continue to utilize the assets and resources at MX and CDCC to grow the trading and clearing of derivatives products, including both exchange traded derivatives and OTC derivatives. These undertakings would not have the effect of requiring TMX to move any existing businesses to Montreal, nor would they restrict Maple from developing and investing in derivatives opportunities, including for fixed income derivatives, in jurisdictions outside Montreal if that makes sense at some point in the future.

With respect to paragraphs 19, 20 and 21 (now paragraphs 18, 19 and 20), Maple is undertaking that if it establishes an exchange or clearing house in Canada (or participates in a joint venture or partnership) for trading or clearing derivatives that are presently over-the-counter derivatives, the head and executive office of that exchange or clearing house (or the principal Maple business unit that manages Maple's interest in that joint venture or partnership) will be in Montreal, the senior management responsible for overseeing operating plans and budgets, and development and execution of policy and direction, for that exchange or clearing house (or the principal Maple business unit that manages Maple's interest in that joint venture or partnership), will be in Montreal, and the most senior officer will be a resident of Quebec. With respect to over-the-counter derivatives, the application of these undertakings is limited to recognized exchanges and clearing houses in Canada (or participation in a joint venture or partnership) for over-the-counter derivatives. For the sake of clarity, since the undertakings are made by Maple, the undertakings do not prevent any investor in Maple from trading any derivatives or related products, including over-the-counter derivatives, through facilities not owned by Maple or its subsidiaries.

With respect to our discussions regarding the application of the undertakings to "fixed income transactions", reference to this term was added because CDCC currently clears transactions that are not "derivatives" within the ordinary meaning of that term, and the AMF wanted to ensure that the undertaking covered clearing of repurchase transactions (aka repos) and clearing of trades involving securities that are eligible for repurchase transactions. Following discussion with AMF staff, we have revised the AMF undertakings to clarify that only these transactions are covered by the undertakings, by referencing only the clearing of fixed income transactions in paragraph 30(c)(ii) (now paragraph 29(c)(ii)) and more clearly defining the term fixed income transactions in footnote 1. A revised draft of the undertakings, blacklined to the version previously circulated to you, has been provided to you for your reference.

Except for

(i) the clearing through CDCC of trades in derivatives that are exchange traded on MX,

(ii) the clearing through CDCC of trades for fixed income transactions or other securities that are intended to be cleared through the central counterparty facility of CDCC, and

(iii) a clearing house subject to paragraphs 19, 20 and 21 (now paragraphs 18, 19 and 20),

the undertakings do not limit or restrict the location in which Maple or its affiliated entities conduct or manage business related to back office or post-trade processing of trades, including collateral management; and, for greater certainty, are not intended to transfer or diminish CDS' current cash markets clearing, settlement and depository functions. In addition, for the sake of clarity, since the undertakings are made by Maple, the undertakings do not prevent any investor in Maple from trading and/or clearing any fixed income securities through facilities not owned by Maple or its subsidiaries.

Finally, Maple confirms that management of TMX Group have considered these undertakings from the perspective of TMX's businesses. They are comfortable with these undertakings and believe they are consistent with TMX's current business plans and would not negatively impact TMX's ability to conduct its current or future businesses in the public interest.

We hope the foregoing is helpful.

Yours very truly,

Luc Bertrand
on behalf of
Maple Group Acquisition Corporation

cc: Mario Albert
Autorité des marchés financiers

Mark Wang
British Columbia Securities Commission

Tom Graham
Alberta Securities Commission

Susan Greenglass
Ontario Securities Commission

2.2.2 MOAG Copper Gold Resources Inc. et al.

FILE NO.: 2018-41

IN THE MATTER OF
MOAG COPPER GOLD RESOURCES INC.,
GARY BROWN and
BRADLEY JONES

Timothy Moseley, Vice-Chair and Chair of the Panel

June 10, 2019

ORDER

WHEREAS on June 7, 2019, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of the representatives for Staff of the Commission, and Bradley Jones, appearing in person, and Gary Brown, participating by telephone, and of Peter Cooper, participating by telephone on behalf of MOAG Copper Gold Resources Inc.;

IT IS ORDERED THAT:

1. each Respondent shall serve on every other party a summary of each witness's anticipated evidence by no later than June 28, 2019;

2. each Respondent shall file a completed *E-hearing Checklist for the Hearing on the Merits* by no later than July 3, 2019;

3. each party shall serve on every other party a hearing brief containing copies of the documents, and identifying the other things, that the party intends to produce or enter as evidence at the joint merits and sanctions hearing, by September 25, 2019;

4. each party shall provide to the Registrar a copy of an index to the party's hearing brief by September 30, 2019;

5. the final interlocutory attendance is scheduled for 1:00 p.m. on October 4, 2019, or on such other date and time as may be agreed by the parties and set by the Office of the Secretary;

6. each party shall provide to the Registrar the electronic documents that the party intends to rely on or enter into evidence at the joint merits and sanctions hearing, along with an index file, in accordance with the *Protocol for E-hearings*, by October 30, 2019; and

7. the joint merits and sanctions hearing shall commence at 10:00 a.m. on November 4, 2019 and continue on November 5, 6, 8, 11, 12, 13 and 14, 2019 at 10:00 a.m. on each day, or on such other dates and times as may be agreed by the parties and set by the Office of the Secretary.

"Timothy Moseley"

2.2.3 Refinitiv Multilateral Trading Facility – s. 147

Headnote

Application for a Variation Order to extend the Interim Order that a multilateral trading facility authorized by the United Kingdom Financial Conduct Authority is exempt from the requirement to register as an exchange in Ontario – requested order granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5 as am., s. 144.

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
("THE ACT"),

AND

IN THE MATTER OF
REFINITIV MULTILATERAL TRADING FACILITY

ORDER
(Section 147 of the Act)

WHEREAS Refinitiv Transaction Services Limited (**RTSL**) has filed an application on behalf of the Refinitiv Multilateral Trading Facility (the **Facility** or **MTF**), formerly known as the Thomson Reuters Multilateral Trading Facility, dated March 20, 2018 (**Application**) with the Ontario Securities Commission (**Commission**);

AND WHEREAS the application dated March 20, 2018 requested an interim order pursuant to section 147 of the Act requesting exemption of the Facility from the requirement to be recognized as an exchange under subsection 21(1) of the Act (**Order**);

AND WHEREAS the MTF has participants and intends to have participants located in Ontario;

AND WHEREAS a multilateral trading facility allowing access to Ontario participants is considered by the Ontario Securities Commission (**Commission**) to be carrying on business as an exchange in Ontario;

AND WHEREAS the Commission has issued an interim order dated August 17, 2018 pursuant to section 147 of the Act exempting the MTF from the requirement to be recognized as an exchange under section 21(1) of the Act (the **Interim Order**);

AND WHEREAS the Interim Order will terminate on the earlier of (i) August 16, 2019 (ii) the effective date of a subsequent order (**Subsequent Order**) recognizing the MTF as an exchange under section 21(1) of the Act or exempting it from the requirement to be recognized as an exchange under section 147 of the Act (**Termination Date**);

AND WHEREAS the Applicant filed an application for the Subsequent Order on November 5, 2018;

AND WHEREAS there is an intention to migrate the operation of the MTF from RTSL, a U.K.-incorporated entity, to Financial & Risk Transaction Services Ireland Limited (**FRTSIL**), an Irish-incorporated entity, in light of the United Kingdom's proposed exit from the European Union (**Brexit**);

AND WHEREAS on March 28, 2019 FRTSIL received authorization from the Central Bank of Ireland (**CBI**), the Irish financial services regulator, as an investment firm with permission to operate a multilateral trading facility in respect of European Economic Area and global clients;

AND WHEREAS the Applicant intends to delay the migration of the MTF from RTSL to FRTSIL to the end of the September 2019, in light of uncertainties over Brexit and in order to ensure that appropriate regulatory approvals have been secured before the migration occurs;

AND WHEREAS the Applicant informed MTF participants on March 4, 2019 of the Applicant's intention to delay the migration;

AND WHEREAS the Commission has determined that it is not prejudicial to the public interest to vary the Interim Order to extend the MTF's interim exemption from the requirement to be recognized as an exchange pursuant to section 21(1) of the Act;

IT IS ORDERED, pursuant to section 144 of the Act, that

1. The Interim Order is varied by replacing the reference to "August 16, 2019" on page five with "March 1, 2020"; and

2. The Interim Order is varied by replacing the reference to "the effective date of the Subsequent Order" on page five with "the 90th day after the effective date of the Subsequent Order";

DATED this 7th day of June, 2019.

"Heather Zordel"

2.4 Rulings

2.4.1 TJM Institutional Services LLC – s. 38 of the CFA and s. 6.1 of OSC Rule 91-502 Trades in Recognized Options

Headnote

Application to the Commission pursuant to section 38 of the Commodity Futures Act (Ontario) (CFA) for a ruling that the Applicant be exempted from the dealer registration requirement in paragraph 22(1)(a) and the prohibition against trading on non-recognized exchanges in section 33 of the CFA. As an introducing broker, the Applicant will offer the ability to trade in commodity futures contracts and commodity futures options that trade on exchanges located outside of Canada and that are cleared through clearing corporations located outside of Canada to certain of its clients in Ontario who meet the definition of "permitted client" in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Application to the Director for an exemption, pursuant to section 6.1 of OSC Rule 91-502 Trades in Recognized Options (OSC Rule 91-502) exempting the Applicant and its Representatives from the proficiency requirements in section 3.1 of OSC Rule 91-502 for trades in commodity futures options on exchanges located outside of Canada.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22, 33 and 38.
Securities Act, R.S.O. 1990, c. S.5, as am.
Ontario Securities Commission Rule 91-502 Trades in Recognized Options, ss. 3.1 and 6.1.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.18.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED
(the OSA)

AND

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 91-502
TRADES IN RECOGNIZED OPTIONS
(Rule 91-502)

AND

IN THE MATTER OF
TJM INSTITUTIONAL SERVICES LLC

RULING & EXEMPTION
(Section 38 of the CFA and Section 6.1 of Rule 91-502)

UPON the application (the **Application**) of TJM Institutional Services LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for:

(a) a ruling of the Ontario Securities Commission (the **Commission**), pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirements in section 22 of the CFA (the **dealer registration requirements in the CFA**) or the trading restrictions in section 33 of the CFA (the **trading restrictions in the CFA**) in connection with trades in commodity futures contracts or commodity futures options that trade on one or more organized exchanges located outside of Canada and cleared through one or more clearing corporations located outside of Canada (**Exchange-Traded Futures**) on exchanges located outside Canada (**Non-Canadian Exchanges**) where the Applicant is acting as principal or agent in such trades to, from or on behalf of clients in Ontario who are Permitted Clients (as defined below);

(b) a ruling of the Commission, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirements in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges, where the Applicant acts in respect of the trades in Exchange-Traded Futures on behalf of the Permitted Client; and

(c) a decision of the Director, pursuant to section 6.1 of OSC Rule 91-502 *Trades in Recognized Options* (**Rule 91-502**), exempting the Applicant and its salespersons, directors, officers and employees, (the **Representatives**) from Section 3.1 of Rule 91-502 in connection with trades in Exchange-Traded Futures;

AND WHEREAS for the purposes of this ruling and exemption (collectively, the **Decision**):

(i) "**CEA**" means the United States Commodity Exchange Act;

"**CFTC**" means the United States Commodity Futures Trading Commission;

"**FINRA**" means the Financial Industry Regulatory Authority in the United States;

"**NI 31-103**" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

"**NFA**" means the National Futures Association in the United States;

"**Permitted Client**" means a client in Ontario that is a "permitted client" as that term is defined in section 1.1 of NI 31-103;

"**SEC**" means the United States Securities and Exchange Commission;

"**specified affiliate**" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 Registration Information;

(ii) terms used in this Decision that are defined in the Securities Act (Ontario) (OSA), and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicant having represented to the Commission and the Director as follows:

1. The Applicant is formed under the laws of Delaware with its head office in Chicago, Illinois.

2. The Applicant engages in the business of execution and introduction for clearing for institutional clients only.

3. The Applicant is wholly owned by its holding company, TJM Holdings, LLC.

4. The Applicant is not a reporting issuer in any jurisdiction in Canada.

5. The Applicant is not registered in any capacity under the CFA or the OSA and does not rely on any exemption from registration in Canada.

6. The Applicant is registered as a futures introducing broker (**IB**) with the CFTC.

7. The Applicant is a member of the NFA.

8. The Applicant is a member of the Chicago Mercantile Exchange.

9. The Applicant is not in default of securities or commodity futures legislation in any jurisdiction in Canada. The Applicant is in compliance in all material respects with US commodity futures laws.

Activities

10. The Applicant solicits and accepts orders for trades in Exchange-Traded Futures and either: (a) introduces them to another broker for execution and clearing or (b) executes (under a sponsored access arrangement) and submits for

clearing trades in Exchange-Traded Futures for customers on exchanges globally through affiliated or unaffiliated member firms on other exchanges.

11. Pursuant to its registrations and memberships, the Applicant is authorized to solicit, accept, and execute customer orders, and otherwise act as a futures execution-only broker, in the US. The Applicant is also authorized to solicit and accept customer orders and introduce them to an executing broker registered as a futures commission merchant in the US. Rules of the CFTC and NFA require the Applicant to maintain adequate capital levels, make and keep specified types of records relating to customer accounts and transactions including confirmations and statements, and comply with other forms of customer protection rules including rules respecting: know-your-customer obligations, account opening requirements, suitability requirements, anti-money laundering checks and best execution. These rules do not permit the Applicant to treat Permitted Clients materially differently from the Applicant's US customers. In respect of Exchange-Traded Futures, the Applicant does not provide clearing services nor is it authorised to receive or hold client money in any jurisdiction.

12. The Applicant proposes to offer certain of its Permitted Clients in Ontario the ability to trade in Exchange-Traded Futures through the Applicant, in its role as introducing broker.

13. The Applicant will solicit and accept orders for trades in Exchange-Traded Futures on behalf of Permitted Clients in Ontario in the same manner that it solicits and accepts orders for Exchange-Traded Futures on behalf of its US clients, all of which are "Eligible Contract Participants" as defined in the CEA. The Applicant will follow the same know-your-customer, suitability and order handling procedures that it follows in respect of its US clients. Permitted Clients will be afforded the benefits of compliance by the Applicant with the statutory and other requirements of applicable securities and commodity futures regulators, self-regulatory organizations and exchanges located in the US. Permitted Clients in Ontario will have the same contractual rights against the Applicant as US clients of the Applicant.

14. The Applicant will not maintain an office, sales force or physical place of business in Ontario.

15. The Applicant will solicit and accept orders for trades in Exchange-Traded Futures in Ontario only from persons who qualify as Permitted Clients.

16. The Applicant will only offer Permitted Clients in Ontario the ability to effect trades in Exchange-Traded Futures on Non-Canadian Exchanges.

17. The Exchange-Traded Futures to be traded by Permitted Clients will include, but will not be limited to, Exchange-Traded Futures for interest rate, energy, currency, agricultural and other commodity products.

18. Permitted Clients of the Applicant in Ontario will be able to trade Exchange-Traded Futures through the Applicant by communicating with the Applicant's authorized Representatives or via the Applicant's proprietary electronic order routing system. Permitted Clients may also be able to self-execute trades in Exchange-Traded Futures electronically via an independent service vendor and/or other electronic trading order routing systems.

19. The Applicant may execute a customer's order on the relevant Non-Canadian Exchange in accordance with the rules and customary practices of the exchange, or engage an executing broker registered as a futures commission merchant to assist in the execution of orders. The Applicant will remain responsible for all executions. As the Applicant will only perform the execution of a Permitted Client's contract order and "give-up" the transaction for clearance to the Permitted Client's carrying broker or clearing broker (each, a **Clearing Broker**), such broker will also be required to comply with any relevant regulatory requirements, including requirements under the CFA as applicable. Each Clearing Broker will represent to the Applicant in an industry standard give-up agreement that it will perform its obligations in accordance with applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules and the customs and usages of the exchange or clearing house on which the relevant Permitted Client's orders will be executed and/or cleared. The Applicant will not enter into a give-up agreement with any carrying broker or clearing broker located in the US unless such broker is registered with the CFTC and the US Securities and Exchange Commission.

20. As is customary for all trades in Exchange-Traded Futures, a clearing corporation appointed by the exchange or clearing division of the exchange is substituted as a universal counterparty on all trades in Exchange-Traded Futures and Permitted Client orders submitted to the exchange in the name of the Clearing Broker or the Applicant or, on exchanges where the Applicant is not a member, in the name of another carrying broker. The Permitted Client of the Applicant is responsible to the Clearing Broker for payment of daily mark-to-market variation margin and/or proper margin to carry open positions and the Clearing Broker is in turn responsible to the clearing corporation/division for payment.

21. Permitted Clients will pay commissions for trades to the Applicant for its role as introducing broker and Permitted Clients shall be responsible to pay any commissions to their Clearing Broker directly, if applicable.

22. The trading restrictions in the CFA apply unless, among other things, an Exchange-Traded Future is traded on a recognized or registered commodity futures exchange and the form of the contract is approved by the Director. To date, no Non-Canadian Exchanges have been recognized or registered under the CFA.

23. If the Applicant were registered under the CFA as a "futures commission merchant", it could rely upon certain exemptions from the trading restrictions in the CFA to effect trades in Exchange-Traded Futures to be entered into on certain Non-Canadian Exchanges.

24. Section 3.1 of Rule 91-502 states that any person who trades as agent in, or gives advice in respect of, a recognized option as defined in section 1.1 of Rule 91-502 is required to successfully complete the Canadian Options Course (which has been replaced by the Derivatives Fundamentals Course and the Options Licensing Course).

25. All Representatives of the Applicant who trade commodity futures and options in the U.S. have passed the National Commodity Futures Examination (Series 3) being the relevant futures and options proficiency examination, administered by FINRA.

AND UPON the Commission and the Director being satisfied that it would not be prejudicial to the public interest to do so;

IT IS RULED, pursuant to section 38 of the CFA, that the Applicant is not subject to the dealer registration requirement in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges where the Applicant is acting as principal or agent in such trades to, from or on behalf of Permitted Clients provided that:

(a) each client effecting trades in Exchange-Traded Futures is a Permitted Client;

(b) the executing broker and the clearing broker have each represented and covenanted to the Applicant, and the Applicant has taken reasonable steps to verify, that the broker is or will be appropriately registered under the CFA, or has been granted exemptive relief from registration under the CFA, in connection with the Permitted Client effecting trades in Exchange-Traded Futures;

(c) the Applicant only introduces and/or executes and submits for clearing trades in Exchange-Traded Futures for Permitted Clients on Non-Canadian Exchanges;

(d) at the time trading activity is engaged, the Applicant:

  (i) has its head office or principal place of business in the US;

  (ii) is registered as an IB with the CFTC;

  (iii) is a member of the NFA; and

  (iv) engages in the business of an IB in Exchange-Traded Futures in the US;

(e) the Applicant has provided to the Permitted Client the following disclosure in writing:

  (i) a statement that the Applicant is not registered in Ontario to trade in Exchange-Traded Futures as principal or agent;

  (ii) a statement specifying the location of the Applicant’s head office or principal place of business;

  (iii) a statement that all or substantially all of the Applicant’s assets may be situated outside of Canada;

  (iv) a statement that there may be difficulty enforcing legal rights against the Applicant because of the above; and

  (v) the name and address of the Applicant’s agent for service of process in Ontario;

(f) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix A;

(g) the Applicant notifies the Commission of any regulatory action initiated after the date of this ruling in respect of the Applicant, or any predecessors or specified affiliates of the Applicant, by completing and filing with the Commission Appendix B hereto within ten days of the commencement of any such action; provided that, the Applicant may satisfy this condition by filing with the Commission (A) a copy of any notice filed by the

Applicant pursuant to CFTC Regulation 1.12(k), (l) or (m) at the same time such notice is filed with the CFTC and the NFA, and (B) on a quarterly basis, (1) a copy of the regulatory actions appearing on the Applicant's NFA Background Affiliation Status Information Center (BASIC) page and (2) a copy of any disclosures that would be required to be reported by the Applicant in the Regulatory Disclosures section of the Applicant's Annual Registration Update to the NFA;

(h) if the Applicant does not rely on the international dealer exemption in section 8.18 of NI 31-103 (the **IDE**), by December 31st of each year, the Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of OSC Rule 13-502 *Fees*, as if the Applicant relied on the IDE;

(i) by December 1st of each year, the Applicant notifies the Commission of its continued reliance on the exemption from the dealer registration requirement granted pursuant to this Decision; and

This Decision will terminate on the earliest of:

(i) the expiry of any such transition period as may be provided by law, after the effective date of the repeal of the CFA;

(ii) six months, or such other such transition period as provided by law, after the coming into force of any amendments to Ontario commodity futures law or Ontario securities law (as defined in the OSA) that affects the dealer registration requirements in the CFA or the trading restrictions in the CFA; and

(iii) five years after the date hereof.

AND IT IS FURTHER RULED, pursuant to section 38 of the CFA, that a Permitted Client is not subject to the dealer registration requirements in the CFA or the trading restrictions in the CFA in connection with trades in Exchange-Traded Futures on Non-Canadian Exchanges where the Applicant acts in connection with trades in Exchange-Traded Futures on behalf of the Permitted Clients pursuant to the above ruling.

Date: May 31, 2019

"Heather Zordel"
Commissioner
Ontario Securities Commission

"Cecilia Williams"
Commissioner
Ontario Securities Commission

IT IS THE DECISION of the Director, pursuant to section 6.1 of Rule 91-502, that section 3.1 of Rule 91-502 does not apply to the Applicant and its Representatives in respect of trades in Exchange-Traded Futures, provided that:

(a) the Applicant and its Representatives maintain their respective registrations with the CFTC and membership with the NFA which permit them to trade commodity futures options in the United States; and

(b) This Decision will terminate on the earliest of:

(i) the expiry of any such transition period as may be provided by law, after the effective date of the repeal of the CFA;

(ii) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the dealer registration requirement in the CFA or the trading restrictions in the CFA; and

(iii) five years after the date of this Decision.

Date: June 4, 2019

"Felicia Tedesco"
Deputy Director
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT, ONTARIO

1. Name of person or company ("International Firm"):

2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:

3. Jurisdiction of incorporation of the International Firm:

4. Head office address of the International Firm:

5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

   Name:
   E-mail address:
   Phone:
   Fax:

6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "Relief Order"):

   ☐ Section 8.18 [*international dealer*]

   ☐ Section 8.26 [*international adviser*]

   ☐ Other [specify]:

7. Name of agent for service of process (the "Agent for Service"):

8. Address for service of process on the Agent for Service:

9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.

11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator

    a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;

    b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service;

    c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [*Insert name of International Firm*] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

_____
(Signature of the Agent for Service or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

APPENDIX "B"

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates[1] of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

   Yes _____ No _____

   If yes, provide the following information for each settlement agreement:

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Has any financial services regulator, securities or derivatives exchange, SRO or similar organization:

		Yes	No
(a)	Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?	___	___
(b)	Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?	___	___
(c)	Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?	___	___
(d)	Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?	___	___
(e)	Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?	___	___
(f)	Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?	___	___
(g)	Issued an order (other than an exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?	___	___

   If yes, provide the following information for each action:

Name of entity	
Type of action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

[1] In this Appendix, the term "specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliates is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Name of firm:
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

https://www.osc.gov.on.ca/filings

2.4.2 TD Securities Inc. – s. 38(1) of the CFA

Headnote

Application for a ruling pursuant to section 38 of the Commodity Futures Act granting relief from the dealer registration requirement in section 22 of the CFA to allow the Filer, an investment dealer and member of the Investment Industry Regulatory Organization of Canada (IIROC), to use employees of a Designated Foreign Affiliate of the Filer for "after-hours trading" in commodity futures contracts and commodity futures options on the Bourse de Montréal Inc. – Relief granted, subject to terms and conditions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20 as am., ss. 22(1) and 38(1).

June 4, 2019

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C. 20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
TD SECURITIES INC.
(the Filer)

RULING
(Subsection 38(1) of the CFA)

UPON the application (the **Application**) of the Filer to the Ontario Securities Commission (the **Commission**) for a ruling of the Commission, pursuant to subsection 38(1) of the CFA, that the Designated Foreign Affiliate Employees (as defined below) of the Filer are not subject to the dealer registration requirement in the CFA when conducting Extended Hours Activities (as defined below) on the Bourse de Montréal Inc. (the **MX**), subject to the terms and conditions set out below (the **Exemption Sought**).

AND WHEREAS for the purposes of this ruling (the **Decision**):

(i) "**dealer registration requirement in the CFA**" means the provisions of section 22 of the CFA that prohibit a person or company from trading in commodity futures contracts or commodity futures options (as those terms are defined in subsection 1(1) of the CFA) unless the person or company satisfies the applicable provisions of subsection 22(1)(a) of the CFA;

(ii) terms used in this Decision that are defined in the *Securities Act* (Ontario) (**OSA**), and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires.

AND UPON considering the Application and the recommendation of staff of the Commission.

AND UPON the Filer having represented to the Commission and the Director as follows:

The Filer

1. The Filer is a corporation formed under the laws of Ontario. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as an investment dealer under the securities legislation of all the provinces and territories of Canada; is registered as a futures commission merchant under the commodity futures legislation of Ontario and Manitoba; and is registered as a derivatives dealer under the derivatives legislation of Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and an approved participant of the MX.

4. The Filer is not in default of securities, derivatives or commodity futures legislation in any jurisdiction of Canada.

5. TD Securities Limited (**TDSL**) is a corporation incorporated under the laws of England and Wales. The head office of TDSL is located in London, United Kingdom.

6. The Filer and TDSL are each wholly-owned subsidiaries of the same ultimate parent entity, The Toronto-Dominion Bank.

7. TDSL is a United Kingdom-based financial service provider that carries on business in the United Kingdom, and is authorised and regulated by the Financial Conduct Authority.

8. The Filer wishes to make use of certain designated employees of TDSL certified under applicable laws of the United Kingdom in a category that permits trading the types of products which they would be trading on the MX (**Designated Foreign Affiliate Employees**) to handle trading requests on the MX from the Filer's clients and the Filer on a proprietary basis during the MX's extended trading hours from 2:00 a.m. Eastern time (**ET**) to 6:00 a.m. ET each day on which the MX is open for trading (the **Extended Hours Activities**).

The MX Extended Trading Hours Amendments

9. The MX, based in Montréal, Québec, operates an exchange for options, commodity futures contracts and commodity futures options, and offers access to trading in those to market participants in Canada.

10. On July 9, 2018, the MX announced that the MX had approved amendments to its rules and procedures in order to accommodate the extension of the MX's trading hours. As a result of these amendments, since October 9, 2018, trading of certain products on the MX now commences at 2:00 a.m. ET rather than the previous 6:00 a.m. ET.

11. As set out in MX Circular 111-18, in order to accommodate this earlier trading, the MX amended its rules to allow participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis.

Application of the dealer registration requirement in the CFA to Designated Foreign Affiliate Employees

12. The Filer is an MX approved participant and TDSL is an affiliate of the Filer. The Filer wishes to make use of the Designated Foreign Affiliate Employees to conduct the Extended Hours Activities.

13. The dealer registration requirement in the CFA requires an individual to be registered to act as a dealing representative on behalf of a registered firm. The Exemption Sought is intended to provide the Filer with an exemption from (i) the requirement that the Filer use only registered dealing representatives to conduct the Extended Hours Activities; and (ii) the requirement that the Designated Foreign Affiliate Employees who will be conducting the Extended Hours Activities be registered as dealing representatives of the Filer.

14. The Filer seeks an exemption from the dealer registration requirement in the CFA because, in the absence of such exemption, each Designated Foreign Affiliate Employee who was to trade on behalf of the Filer would be required to become individually registered and licensed in Canada. The Filer believes this is duplicative since the Designated Foreign Affiliate Employees are certified under applicable United Kingdom law and will be supervised by the Filer's Designated Supervisors (as defined below) and are otherwise subject to the conditions set forth below. The Filer believes the dealer registration requirement in the CFA is unduly onerous in light of the limited trading activities the Designated Foreign Affiliate Employees will be conducting and only during the period from 2:00 a.m. ET to 6:00 a.m. ET.

15. The Filer has also applied to, and obtained from, IIROC an exemption from the registered representative requirements that are found in IIROC Dealer Member Rules 18.2 and 500 and the requirement to enter into an employee or agent relationship with the person conducting securities related business on its behalf that is found in IIROC Dealer Member Rule 39.3 (the **IIROC Relief**).

16. The IIROC Relief obtained by the Filer is subject to certain conditions, including:

    (a) The Designated Foreign Affiliate Employees must be registered/licensed and subject to equivalent regulatory supervision in the United Kingdom.

    (b) The Designated Foreign Affiliate Employees may only accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 2:00 a.m. ET to 6:00 a.m. ET, and are not permitted to provide advice.

(c) The actions of the Designated Foreign Affiliate Employees must be supervised by Canadian based registered Supervisors qualified to supervise the relevant trading (including futures contracts, futures contract options and options) (the **Designated Supervisors**).

(d) The Filer must establish and maintain written policies and procedures that address the performance and supervision requirements relating to this extended trading hours arrangement.

(e) The Filer and TDSL must jointly and severally undertake to ensure IIROC has, upon request, prompt access to the audit trail of all trades, wherever located, that relate to Extended Hours Activities at TDSL, and records evidencing the supervision of such activities.

(f) The Filer retains all responsibilities for its client accounts.

(g) The Filer and each Designated Foreign Affiliate Employee must enter into an agency arrangement pursuant to which the Filer would assume all responsibility for the actions of the Designated Foreign Affiliate Employee and of TDSL that relate to the Filer's clients and the Filer would be liable under IIROC rules for such actions.

(h) All MX trading rules apply to orders entered by the Designated Foreign Affiliate Employees.

(i) All other existing Canadian regulatory requirements continue to apply, including:

i. the Filer's client accounts would continue to be carried on the books of the Filer;

ii. all communications with the Filer's clients will continue to be in the name of the Filer; and

iii. the Filer's client account monies, security and property will continue to be held by the Filer.

(j) The Filer must disclose this extended trading hours arrangement to its clients and provide specific instructions concerning the placement of orders relating to the extended trading hours arrangement.

(k) The Filer must provide, in writing to IIROC, the names of the foreign affiliate(s) and all Designated Foreign Affiliate Employees authorised to accept and enter orders from the Filer's clients on behalf of the Filer under the extended trading hours arrangement. Such individuals are subject to IIROC's "fit and proper" review and IIROC Registration staff may refuse their participation in this extended trading hours arrangement.

(l) The Filer must provide, in writing to IIROC, timely updates to the list of Designated Foreign Affiliate Employees, and confirm any changes on at least an annual basis.

AND UPON the Commission and the Director being satisfied that it would not be prejudicial to the public interest to do so;

IT IS RULED pursuant to subsection 38(1) of the CFA that the Exemption Sought is granted, so long as:

(a) TDSL and the Designated Foreign Affiliate Employees are registered, licensed, certified or authorized under the applicable laws of the foreign jurisdiction in which the head office or principal place of business of TDSL is located in a category that permits trading the type of products which the Designated Foreign Affiliate Employees will be trading on the MX;

(b) the Designated Foreign Affiliate Employees are permitted to accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 2:00 a.m. ET to 6:00 a.m. ET, and will not be permitted to give advice;

(c) the Filer retains all responsibilities for its client accounts;

(d) the actions of the Designated Foreign Affiliate Employees will be supervised by the Designated Supervisors, each of whom is qualified to supervise trading in futures contracts, futures contract options and options;

(e) the Filer and the Designated Foreign Affiliate Employees enter into an agency arrangement substantially as described in paragraph 16(g), and such agreement remains in effect; and

(f) the Filer remains in compliance with the terms and conditions of the IIROC Relief.

"Garnet W. Fenn"
Commissioner
Ontario Securities Commission

"Lawrence P. Haber"
Commissioner
Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 BDO Canada LLP

IN THE MATTER OF
BDO CANADA LLP

REASONS AND DECISION ON A MOTION

Citation: *BDO Canada LLP (Re)*, 2019 ONSEC 21
Date: 2019-06-06
File No.: 2018-59

Hearing:	May 3, 2019	
Decision:	June 6, 2019	
Panel:	Timothy Moseley	Vice-Chair and Chair of the Panel
Appearances:	Doug McLeod Eric Leinveer	For the moving party BDO Canada LLP
	Robert L. Gain Anna Huculak	For Staff of the Commission

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REASONS AND DECISION

I. OVERVIEW

[1] Staff of the Ontario Securities Commission (**Staff** of the **Commission**) alleges that BDO Canada LLP (**BDO**), in conducting audits relating to Crystal Wealth Management Systems Limited (**Crystal Wealth**), breached certain provisions of the *Securities Act*[1] (the **Act**).

[2] The proceeding against BDO is in its early stages. Staff has made disclosure to BDO of documents and information in Staff's possession relating to the allegations. BDO submits that the disclosure it has received is inadequate. BDO has brought this motion seeking an order of the Commission requiring Staff to make further disclosure. In particular, BDO seeks disclosure of files relating to compliance reviews of Crystal Wealth (the **Compliance Reviews**) conducted by Staff and by staff of the British Columbia Securities Commission (**BCSC Staff**). BDO also objects to Staff's decision not to disclose documents that pre-date January 1, 2012 (three years before the effective date of the earlier of the two impugned audits).

[3] The motion was heard on May 3, 2019. On May 7, 2019, I issued an order dismissing the motion for reasons to follow. These are my reasons.

[4] As I explain more fully below, for BDO to be entitled to an order requiring disclosure of any further documents or information regarding the Compliance Reviews, BDO would have to demonstrate a sufficient connection between the allegations against it and the Compliance Reviews. BDO has failed to do so. BDO also failed to articulate a basis for an order requiring disclosure of documents that pre-date January 1, 2012.

II. BACKGROUND

A. Fraud at Crystal Wealth

[5] Staff previously brought an enforcement proceeding against Clayton Smith, who was the founder and directing mind of Crystal Wealth and of the investment funds managed by Crystal Wealth (the **Funds**). In a settlement of that proceeding,[2] Smith admitted that from 2012 to 2017, he and Crystal Wealth committed various breaches of Ontario securities law, including by engaging in fraud with respect to two of the Funds. Specifically, Smith agreed that he had caused monies to be advanced from the two funds, purportedly to purchase investments for the funds, but instead the monies went to Smith, to Smith's holding company, or to a related company.

[6] In April 2017, the Ontario Superior Court of Justice granted the Commission's application to appoint a receiver over Crystal Wealth, the Funds, and Smith (among other entities).[3]

B. Allegations against BDO

[7] Following the settlement with Smith, Staff commenced this proceeding against BDO. In this proceeding, Staff alleges that from 1998 to 2017, BDO was the auditor of Crystal Wealth and of the Funds. Staff also alleges that with respect to the audits of the Funds as at and for the years ended December 31, 2014, and December 31, 2015, BDO falsely represented to the Funds' unitholders that it had performed the audits in accordance with Canadian generally accepted auditing standards (**GAAS**).

[8] Staff contends that BDO failed to comply with GAAS in three ways:

a. BDO did not obtain sufficient appropriate audit evidence with respect to the Funds' assets;

b. BDO did not undertake its work with sufficient professional skepticism; and

c. BDO did not complete the engagement quality control reviews that it had determined were required.

[9] Staff alleges that as a result, BDO breached:

a. subsection 78(3) of the Act, which requires the auditor of a mutual fund to "make such examinations as will enable the auditor to make the [required] report"; and

[1] RSO 1990, c S.5
[2] The settlement was approved by the Commission in June of 2018: *Clayton Smith (Re)*, 2018 ONSEC 33 (CanLII) (***Smith Settlement***)
[3] *Smith Settlement* at para 16

b. clause 122(1)(b) of the Act, which prohibits the making of a materially misleading or untrue statement in a financial statement required to be filed or furnished under Ontario securities law.

C. BDO's motion for further disclosure

[10] Following a first appearance on October 29, 2018, the Commission ordered that by November 9, 2018, Staff disclose to BDO any "non-privileged relevant documents and things" in Staff's possession or control. Staff took steps to comply with that requirement.

[11] On February 19, 2019, BDO filed this motion, by which it seeks additional disclosure from Staff. BDO's concerns fall into three categories:

a. First, BDO contends that there were various technical issues with certain electronic disclosure that Staff had made, and that as a result BDO was prevented from carrying out a proper review of that disclosure. At the hearing of this motion on May 3, 2019, the parties agreed that the technical issues had been resolved.

b. Second, BDO asks that the Commission require Staff to disclose to BDO all documents and things in Staff's possession or control relating to:

i. compliance reviews of Crystal Wealth and its Funds commenced by Staff in 2011 and 2014 (the **OSC Compliance Reviews**);

ii. compliance reviews of Crystal Wealth commenced by staff of the British Columbia Securities Commission (the **BCSC**) in 2013 and 2015 (the **BCSC Compliance Reviews**);[4] and

iii. "any and all other compliance reviews or investigations conducted by OSC or BCSC Staff of Crystal Wealth or its representatives".

c. Third, BDO objects to Staff's decision not to disclose any documents that pre-date January 1, 2012.

III. ANALYSIS

A. Issues

[12] This motion presents the following issues:

a. What is the extent of Staff's disclosure obligation in an enforcement proceeding?

b. Should Staff be required to disclose the contents of Staff's files relating to the OSC Compliance Reviews?

c. If Staff's disclosure obligation does extend to include the file contents of the OSC Compliance Reviews, what steps if any should Staff be required to take with respect to BCSC Staff's files relating to the BCSC Compliance Reviews?

d. Should Staff be required to disclose documents that pre-date January 1, 2012?

B. What is the extent of Staff's disclosure obligation in an enforcement proceeding?

1. The disclosure obligation generally

[13] Rule 27(1) of the *Ontario Securities Commission Rules of Procedure and Forms*[5] (***OSC Rules***) requires Staff to provide to every other party "copies of all non-privileged documents in Staff's possession that are relevant to an allegation". This rule embodies a disclosure standard similar to that imposed on the Crown in criminal proceedings by *R v Stinchcombe*.[6]

[14] Staff must initially assess which non-privileged documents it considers to be relevant to an allegation. In exercising that judgment, which is later reviewable by the Commission, Staff must:

[4] Staff asserts that it is aware of only one compliance review conducted by BCSC Staff. Given my decision on this motion, it was unnecessary for me to resolve the conflict between Staff's assertion and BDO's request.
[5] (2017), 40 OSCB 8988
[6] [1991] 3 SCR 326

a. include not only documents on which Staff intends to rely, but also documents that might reasonably assist a respondent in making full answer and defence to Staff's allegations, including by helping the respondent make tactical decisions;

b. assess the relevance of documents in the context of the specific allegations being made by Staff;

c. reasonably anticipate defences or issues that a respondent might properly raise, in order to inform Staff's assessment of relevance;

d. include both inculpatory and exculpatory documents; and

e. err on the side of inclusion.[7]

[15] BDO submitted, Staff conceded, and I agree, that the confines of disclosure are not conclusively dictated by Staff's view of the case. A respondent may review the disclosure it receives and consider whether the disclosure appears to be complete. If a respondent believes that it is not, the respondent may request further disclosure from Staff, and if still not satisfied may seek the necessary order from the Commission.

[16] A respondent's belief that the disclosure provided is incomplete could arise for varying reasons, including for example where the respondent contemplates a defence that Staff did not foresee, despite Staff's reasonable efforts to anticipate potential defences. Following initial disclosure, therefore, the burden lies on the respondent to articulate a basis for requesting further disclosure.

[17] While Staff's disclosure obligation is broad, the obligation is not unlimited. Relevance ultimately depends on there being a sufficient connection between the document in question and the respondent's ability to make full answer and defence to Staff's allegations.

[18] BDO argued strenuously that on a motion such as this, the Commission is not to make an admissibility ruling as if this were the merits hearing at which Staff's allegations were being litigated. I agree, but while relevance for the purpose of disclosure may be more expansive than admissibility at a hearing, there are still limits, in that relevance is determined with reference to the specific allegations.

[19] BDO further submitted that Staff's disclosure obligation extends beyond those documents that are relevant, to documents that might possibly be relevant. However, Rule 27(1) of the OSC Rules explicitly imposes the standard of "relevant to an allegation", and nothing broader. In my view, the approach set out in paragraph [14] above, which incorporates a reasonableness standard as well as the obligation to err on the side of inclusion, accurately reflects Rule 27(1) and the applicable authorities, and adequately responds to BDO's submission on this point.

2. Is "Staff work product" an exception to the disclosure obligation?

[20] Staff's written submissions refer to a category of documents and information it calls "Staff Work Product", that Staff submits need not be disclosed because those documents and information are irrelevant. In its written submissions, Staff includes within this category the following:

a. internal Staff notes, analyses or communications;

b. guidance to Staff field team reviewers in respect of the OSC Compliance Reviews;

c. communications between Staff and other regulators; and

d. other similar documents and information.

[21] It is true that some documents falling within this category would not generally need to be disclosed. However, in my view, the term "Staff Work Product", as defined by Staff in its written submissions, is overly broad, is imprecise and is not helpful in analyzing the issues that this motion presents. To illustrate the point, it includes internal Staff notes, which may record statements made by a respondent relating directly to the allegations in the case. In addition, or instead, the notes may record a Staff member's opinions about such statements. Those two different types of content should attract different considerations when determining relevance.[8]

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[7] *Deloitte & Touche LLP v Ontario (Securities Commission)*, (2002) 159 OAC 257, 2002 CanLII 44980, at paras 40, 41 and 44; *Biovail Corp. (Re)*, 2008 ONSEC 14, (2008) 31 OSCB 7161 at paras 15, 32, 40, 41; *Shambleau (Re)*, (2002), 25 OSCB 1850 at para 16; *R v Taillefer (2003)*, [2003] 3 SCR 307 at para 59

[8] The Alberta Securities Commission reached a similar conclusion in *Re Fauth*, 2017 ABASC 3 at para 55 (***Fauth***)

[22] Accordingly, deciding whether a document ought to be disclosed must involve reference to the document's content. The mere fact that a document is generated by Staff as opposed to gathered by Staff from a third party would not necessarily be determinative of whether the document is relevant and disclosable. Documents gathered by Staff from a third party are sometimes referred to as "fruits of the investigation", although as Staff submitted on this motion, that term might also include Staff's note made of a meeting with a third party.

[23] In *Phillips (Re)*,[9] the Commission considered the same issue presented by this motion. There, the Commission defined "Staff work product" more narrowly, as "internally-generated documents evidencing Staff's analysis, commentary, opinion or discussions about commencing proceedings", and held that Staff was not required to disclose "Staff work product" because it was irrelevant to the issues that the Commission would consider at the merits hearing.[10] In oral submissions, Staff counsel adopted a definition that is substantially similar to this narrower characterization.

[24] That definition is more helpful, in that it more faithfully reflects the principles involved. However, like "fruits of the investigation", the term "Staff work product" is of limited value across multiple cases, since the boundaries are not always consistently defined. In addition, each of the two categories may, depending on the context of the particular case in which the question arises, contain both relevant and irrelevant documents. Ultimately, any determination as to whether a document must be disclosed will depend on relevance, as discussed at paragraph [14] above.

3. By disclosing some documents that relate to an event or an issue, can Staff be taken to have conceded that it must disclose all documents relating to that event or issue?

[25] Before turning to apply the general standard to the facts of this case, I must consider BDO's submission that by initially disclosing some documents that related to or mentioned the Compliance Reviews, Staff should be taken to have conceded that the Compliance Reviews are relevant to the allegations and that the files relating to them must therefore be disclosed in full.

[26] BDO offered no authority for this proposition, and I reject it.

[27] Staff's obligation to err on the side of inclusion is an important principle that promotes procedural fairness for a respondent. BDO's proposed approach could act as a disincentive for Staff to take an expansive view of relevance, because a choice to disclose one document of borderline relevance might trigger an obligation to make extensive disclosure of irrelevant documents.

[28] Furthermore, any given document might have a portion that is clearly relevant to one of Staff's allegations, and a second portion that is irrelevant to the allegations. It would be illogical if the requirement to disclose the document because of the relevance of the first portion created an obligation to disclose documents that are irrelevant but that have a subject in common with the second portion.

C. Should Staff be required to disclose the contents of Staff's files relating to the OSC Compliance Reviews?

1. Introduction

[29] Having established the general rule regarding Staff's obligation to make disclosure, I turn to consideration of the main issue on this motion. Specifically, should Staff be required to disclose the files relating to the OSC Compliance Reviews?

[30] BDO's request differs from that more frequently seen on motions of this kind, where respondents want to learn about the investigation that led up to the enforcement proceeding. BDO is not seeking disclosure of documents relating to Staff's investigation of BDO. The requested disclosure is at least two steps removed from that investigation: one step because a compliance review of an entity is, by definition, distinct from the investigation that gives rise to an enforcement proceeding against that entity; and the second step because in the present case, Crystal Wealth, not BDO, was the subject of the Compliance Reviews.

2. Information reasonably available from Crystal Wealth

[31] BDO's central submission on this motion is that the Compliance Reviews are "integral to BDO's defence as [they] will provide crucial insight into the information that was reasonably available from the Crystal Wealth Entities during the relevant period".[11]

[32] I do not accept that submission, for two reasons.

[9] (2012) 35 OSCB 10957 (***Phillips***)
[10] *Phillips* at para 34, citing *Shambleau v Ontario (Securities Commission)*, (2003) 26 OSCB 1629, [2003] OJ No 4089 (Div Ct)
[11] BDO's written submissions, para 5

[33] First, I see nothing in the Statement of Allegations that raises the question of what "was reasonably available from" Crystal Wealth and the Funds. Of the three allegations against BDO in this proceeding, set out in paragraph [8] above, the only one that has any apparent connection to the quantity of information obtained is the first; *i.e.*, whether the audit evidence that BDO did obtain was sufficient to comply with GAAS. However, apart from suggesting that such information would provide "context" (a suggestion I did not find persuasive), BDO did not explain why an inquiry into what information was reasonably available to BDO would assist a determination of whether what BDO did obtain was adequate. Absent a concrete explanation, and an ability for Staff to respond, it is not for me to speculate.

[34] Second, even if an inquiry into what was reasonably available to BDO from Crystal Wealth were a proper component of Staff's case against BDO, it is not apparent to me, and BDO did not explain, how Staff's experience in requesting information from Crystal Wealth might assist. Staff conducts compliance reviews pursuant to the statutory authority found in section 20 of the Act, and in conducting those reviews is empowered to enter a registered firm's premises, and to examine and make copies of the firm's books, records and documents. An auditor's ability to obtain and review information serves a different purpose, derives from a different source, has a different scope, is subject to different limitations, involves different considerations by the entity seeking information, and leads to different outcomes if difficulties are encountered. All of those differences would prompt different considerations by Crystal Wealth or its principals in responding to requests for information. In my view, the distinctions are numerous and fundamental, and any connection there might be is too tenuous to establish the necessary degree of relevance.

3. Overlap between BDO's audits and the Compliance Reviews

[35] BDO seeks to strengthen the connection between its audit work and the work underlying the Compliance Reviews, by submitting that the Compliance Reviews were "regarding many of the same issues underlying Staff's current allegations against BDO",[12] and that Staff was "engaged in a substantially similar exercise to the audits conducted by BDO."[13]

[36] Staff disagrees. In response, Staff submits that a compliance review is primarily an operational review to assess a registered firm's compliance with Ontario securities law. A compliance review extends to such things as supervision, marketing, disclosure of fees and commissions, and responses to previously identified compliance deficiencies. While Staff will typically review the firm's financial statements to assess the firm's financial condition and its compliance with capital requirements, a compliance review is not, and does not include, an audit of the firm's financial statements; nor does it provide any assurance about those statements.

[37] I prefer Staff's submission. BDO and Staff were engaged in very different exercises.

[38] BDO submits, and I agree, that an evaluation of its compliance with GAAS would necessarily include consideration of its assessment as to Crystal Wealth's compliance with GAAP, since that is an essential component of an audit. It is also true that Staff, when conducting a compliance review, would likely do some work to assess compliance with GAAP, in order to support a conclusion as to the firms' compliance with capital requirements, for example.

[39] However, the fact that BDO's audits considered some of the same things that Staff looked at in the Compliance Reviews does not establish that access to the Compliance Review files might assist BDO in defending the allegation that BDO failed to comply with GAAS. According to the Statement of Allegations, the standard against which BDO will be measured is GAAS, not the manner in which Staff discharged a very different, and much broader, obligation.

[40] At the hearing of this motion, BDO suggested other potential defences that it might assert: "that even a nominal defect [in the audits] would have had no impact on GAAP; that the context was such that the audits were, in the ultimate conclusion, absolutely correct; that there was no harm to the public or to investors; and that the underlying thrust of all of these allegations is without merit."[14] I fail to see a link between any of these potential defences and the Compliance Reviews.

4. Staff's actions in connection with the Compliance Reviews

[41] This absence of a connection is further highlighted by BDO's written submissions:

> …BDO is not able to understand the basis upon which OSC and BCSC Staff conducted their reviews, including, critically, the reasons that Staff did not take issue with Crystal Wealth's operations on the same issues which underlay the allegations against BDO. BDO has no insight into any decisions by OSC and BCSC Staff to conclude their reviews without further inquiries or conditions imposed upon Crystal Wealth.[15]

[12] BDO's written submissions, para 11
[13] BDO's written submissions, para 16
[14] Hearing Transcript, *BDO Canada LLP (Re)*, May 3, 2019, at 32, lines 12-17
[15] BDO's written submissions, para 34

[42] Any decision made by Staff as to how to proceed during or following a compliance review is dependent on a number of factors. Many of those factors (*e.g.*, available resources, competing priorities, applicable regulatory standards) are entirely unrelated to the question of whether BDO's audits complied with GAAS. The process of gaining "insight into" Staff's decisions with respect to the Compliance Reviews would be a fishing expedition that the disclosure obligation is not designed to enable, and that process would not assist in determining the sufficiency of the steps that BDO took during the audits.

[43] This is consistent with the Commission's decision in *Phillips*, discussed above in paragraph [23]. The opinion of a non-expert member of Staff would have no probative value before the Commission as to whether BDO complied with GAAS. This would be so even if the Staff member's opinion were squarely on that central issue; *i.e.*, the very issue that the Commission is responsible for deciding. It would be equally if not even more the case if that opinion were with respect to a different issue; *e.g.*, whether the firm was in compliance with its capital requirements.

5. Conclusion about the Compliance Reviews generally

[44] BDO's submissions on this motion imagine a more wide-ranging set of allegations than are contained in the Statement of Allegations. Any determination of relevance must be made with reference to the allegations as they are, not as they are imagined to be. At the hearing on the merits, Staff's case will be limited by the boundaries of the Statement of Allegations as drafted. Accordingly, it would be inappropriate to order disclosure based on some broader but non-existent version.

[45] Within the confines of the Statement of Allegations as drafted, and for the reasons set out above, I agree with Staff's submission that documents, or portions of documents, that are contained in the Compliance Review files and that reflect Staff's commentary, opinion, analysis, guidance to field review teams, and similar content, are not relevant and need not be disclosed.

D. If Staff's disclosure obligation does extend to include the file contents of the OSC Compliance Reviews, what steps if any should Staff be required to take with respect to BCSC Staff's files relating to the BCSC Compliance Reviews?

[46] BDO submits that Staff did not take sufficient steps to obtain from BCSC Staff the files relating to the BCSC Compliance Reviews.

[47] I have no basis to conclude that the nature or scope of the BCSC Compliance Reviews are distinct from the OSC Compliance Reviews in any way that is related to the issues on this motion. Given my decision that the OSC Compliance Reviews are not relevant to the allegations against BDO and therefore are not subject to disclosure, the same conclusion would apply to the BCSC Compliance Reviews. Therefore, I need not consider the issue of whether Staff should be required to take any steps to obtain the BCSC Compliance Review files.

E. Should Staff be required to disclose documents that pre-date January 1, 2012?

[48] BDO objects to Staff's decision not to disclose documents dated on or before December 31, 2011. Staff submits that it has erred on the side of inclusion by disclosing documents for the three years preceding each of the impugned audits. For example, while documents created in 2013 are relevant to the audit as at and for the year ending December 31, 2014, it is not clear that documents created in 2012 would be relevant. Nonetheless, Staff has disclosed such documents.

[49] Staff drew the line, however, at three years. Absent a reason to believe that any documents created more than three years before the audit date would be relevant, I can see no basis to require disclosure. BDO provides no specific reason; rather, it submits that such documents would provide "relevant context". Without more, that assertion is insufficient for me to conclude that Staff's chosen cut-off date is improper.

IV. CONCLUSION

[50] For the reasons set out above, I concluded that the Compliance Reviews are not relevant for the purposes of disclosure, and I dismissed BDO's motion. However, some parting comments are necessary with respect to the disclosure that has been made.

[51] At the hearing of the motion, Staff advised that it has erred on the side of inclusion and has already disclosed all externally gathered evidence, and all documentation of communications with external third parties. Staff has not disclosed notes of internal meetings or discussions, internal guidance to field team reviewers, internal analyses generated following the Compliance Reviews, or drafts of any of the foregoing.

[52] Staff also asserted that it has redacted some information on some documents it has disclosed. These redactions have been made in order to conceal information in a manner consistent with the narrower definition of "Staff work product" referred to in paragraph [23] above.

[53] Staff's actions, as described, are consistent with these reasons. However, after hearing these assertions by Staff, BDO's counsel expressed skepticism as to whether Staff had in fact fully complied with Staff's own view of what should be disclosed. Those reservations were based on inferences drawn from references in documents that were disclosed. In response, Staff counsel repeated his belief that Staff had fully complied, but he was unable to be absolutely unequivocal, given that the Staff members involved with this matter have changed over time.

[54] I was not directed to any basis upon which I could conclude that Staff has not made the necessary disclosure. I did express orally to Staff at the hearing my view that no matter the outcome of the motion, Staff should double-check the accuracy of Staff counsel's statements and the completeness of Staff's disclosure. If Staff has not yet done so, it should do that promptly, and should communicate with BDO's counsel as necessary.

[55] I am grateful for the thorough submissions and able assistance of all counsel on this motion.

Dated at Toronto this 6th day of June, 2019.

"Timothy Moseley"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Blockchain Power Trust	06 May 2019	05 June 2019
Calyx Ventures Inc.	06 May 2019	05 June 2019
Eight Solutions Inc.	05 June 2019	
Empower Clinics Inc.	06 May 2019	05 June 2019
Gravitas Financial Inc.	05 June 2019	
Internet of Things Inc.	06 June 2019	
Montego Resources Inc.	05 June 2019	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Dionymed Brands Inc.	03 May 2019	04 June 2019
Namaste Technologies Inc.	04 April 2019	04 June 2019
TREE OF KNOWLEDGE INTERNATIONAL CORP.	01 May 2019	04 June 2019

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Blocplay Entertainment Inc.	03 May 2019	
Dionymed Brands Inc.	03 May 2019	04 June 2019
Namaste Technologies Inc.	04 April 2019	04 June 2019
Organto Foods Inc.	02 May 2019	31 May 2019
TREE OF KNOWLEDGE INTERNATIONAL CORP.	01 May 2019	04 June 2019

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 9

Legislation

9.1 Amendments

9.1.1 Bill 100, the Protecting What Matters Most Act (Budget Measures), 2019

BILL 100, THE PROTECTING WHAT MATTERS MOST ACT (BUDGET MEASURES), 2019

Schedule 10 of the *Protecting What Matters Most Act (Budget Measures), 2019*, (Bill 100) contained two amendments to the *Commodity Futures Act* (CFA). Schedule 55 of Bill 100 contained several amendments to the *Securities Act* (OSA). Additional CFA/OSA amendments were contained in Schedules 17 and 25 of Bill 100. Bill 100 received Royal Assent on May 29, 2019 and has become Chapter 7 of the Statutes of Ontario, 2019.

Schedules 10, 17, 25 and 55 may be viewed on the Ontario Legislative Assembly's website at www.ola.org/en/legislative-business/bills. The text of these schedules is also reflected in the consolidated versions of the of the CFA and the OSA on the Ontario e-laws website at www.ontario.ca/laws.

An explanation of these amendments is contained below.

SCHEDULE 10

COMMODITY FUTURES ACT

A new principle relating to the facilitation of innovation in Ontario's commodity futures markets was added to subsection 1.1(2) of the CFA.

The requirement to include an analysis of the anticipated costs and benefit of a proposed CFA rule was amended to provide that the analysis be of a qualitative and quantitative nature.

SCHEDULE 55

SECURITIES ACT

A new principle relating to the facilitation of innovation in Ontario's capital markets was added to section 2.1 of the OSA.

The OSA was amended to provide that subsection 2(2) of the *Fines and Forfeitures Act* does not apply to fines recovered for certain contraventions of Ontario securities law or Ontario commodity futures law.

The requirement to include an analysis of anticipated costs and benefit of a proposed OSA rule was amended to provide that the analysis be of a qualitative and quantitative nature.

Two other technical corrections were also made.

SCHEDULE 17

CROWN LIABILITY AND PROCEEDINGS ACT, 2019

This Schedule replaces the *Proceedings Against the Crown Act* with the *Crown Liability and Proceedings Act, 2019*.

Consequential CFA/OSA amendments maintain the override of the limit on Crown liability formerly contained in subsections 5(2) and (4) of the replaced Act by instead referencing subsection 8(3) of the new Act.

SCHEDULE 25

FINANCIAL PROFESSIONALS TITLE ACT

CFA/OSA amendments now expressly provide for the Commission's authority to make rules prescribing conditions of registration for registrants in connection with the use of specified titles.

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Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Evolve Active Core Fixed Income Fund
Evolve Innovation Index Fund
Evolve Marijuana Fund
Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Principal Regulator - Ontario
Type and Date:
Amended and Restated to Final Long Form Prospectus dated June 4, 2019
Received on June 5, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2882265

Issuer Name:
Federated Strategic Value U.S. Equity Dividend Fund
Principal Regulator - British Columbia
Type and Date:
Amended and Restated to Final Simplified Prospectus dated May 30, 2019
Received on June 5, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2841986

Issuer Name:
Middlefield Healthcare & Life Sciences ETF
Middlefield REIT INDEXPLUS ETF
Principal Regulator - Alberta (ASC)
Type and Date:
Amended and Restated to Final Long Form Prospectus dated June 4, 2019
Received on June 4, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Middlefield Capital Corporation
Promoter(s):
Middlefield Limited.
Project #2847445

Issuer Name:
RGP Global Sector Class (formerly R.E.G.A.R. Investment Management Global Equity Class)
RGP Global Sector Fund (formerly R.E.G.A.R. Investment Management Global Equity Fund)
Sectorwise Balanced Portfolio
Sectorwise Conservative Portfolio
Sectorwise Growth Portfolio
Principal Regulator - Quebec
Type and Date:
Amended and Restated to Final Simplified Prospectus dated June 10, 2019
Received on June 10, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
R.E.G.A.R. Gestion Privée Inc.
Project #2881130

Issuer Name:
Advanced Education Savings Plan
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 31, 2019
NP 11-202 Receipt dated June 5, 2019
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Global RESP Corporation
Promoter(s):
Global Educational Trust Foundation
Project #2861322

Issuer Name:
Evolve Active Core Fixed Income Fund
Evolve Innovation Index Fund
Evolve Marijuana Fund
Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Principal Regulator - Ontario
Type and Date:
Amended and Restated to Final Long Form Prospectus dated June 4, 2019
NP 11-202 Receipt dated June 6, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2882265

Issuer Name:
Global Iman Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 30, 2019
NP 11-202 Receipt dated June 5, 2019
Offering Price and Description:
Series A and F Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
Global Growth Assets Inc.
Project #2884400

Issuer Name:
Legacy Education Savings Plan (formerly, Global Educational Trust Plan)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 31, 2019
NP 11-202 Receipt dated June 5, 2019
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Global RESP Corporation
Promoter(s):
Global Educational Trust Foundation
Project #2861308

Issuer Name:
Middlefield Healthcare & Life Sciences ETF
Middlefield REIT INDEXPLUS ETF
Principal Regulator - Alberta (ASC)
Type and Date:
Amended and Restated to Final Long Form Prospectus dated June 4, 2019
NP 11-202 Receipt dated June 5, 2019
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Middlefield Capital Corporation
Promoter(s):
Middlefield Limited.
Project #2847445

Issuer Name:
Mackenzie Anti-Benchmark Global Investment Grade Fund
Mackenzie International Quantitative Large Cap Fund
Mackenzie International Quantitative Small Cap Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Jun 7, 2019
NP 11-202 Preliminary Receipt dated Jun 10, 2019
Offering Price and Description:
Series R
Series IG
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2929105

Issuer Name:
Middlefield American Core Dividend ETF
Middlefield Healthcare & Wellness ETF
Principal Regulator – Alberta (ASC)
Type and Date:
Preliminary Long Form Prospectus dated Jun 4, 2019
NP 11-202 Final Receipt dated Jun 4, 2019
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2903687

Issuer Name:
Evolve Electronic Gaming ETF
Evolve Materials & Mining Index ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Jun 4, 2019
NP 11-202 Final Receipt dated Jun 6, 2019
Offering Price and Description:
Hedged ETF Units
Unhedged ETF Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2917841

Issuer Name:
RP Alternative Global Bond Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 30, 2019
NP 11-202 Final Receipt dated Jun 5, 2019
Offering Price and Description:
Class F Units
Class A Units
Class M Units
Class A-USD Units
Class M-USD Units
Class F-USD Units
Class O Units
Class O-USD Units
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #2905151

NON-INVESTMENT FUNDS

Issuer Name:
Aleafia Health Inc. (formerly Canabo Medical Inc.)
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 5, 2019
NP 11-202 Preliminary Receipt dated June 5, 2019
Offering Price and Description:
$*.** - 8.5% Unsecured Convertible Debenture Units
Price: C$1,000.00 per Convertible Debenture Unit
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORPORATION
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
Promoter(s):
-
Project #2928243

Issuer Name:
Aleafia Health Inc. (formerly Canabo Medical Inc.)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated June 6, 2019
NP 11-202 Preliminary Receipt dated June 6, 2019
Offering Price and Description:
$35,000,000.00 - 8.5% Unsecured Convertible Debenture Units
Price: C$1,000.00 per Convertible Debenture Unit
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORPORATION
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
Promoter(s):
-
Project #2928243

Issuer Name:
BTB Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 31, 2019
Received on May 31, 2019
Offering Price and Description:
5,354,000 Units
Price: C$4.67 per Unit
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
LAURENTIAN BANK SECURITIES INC.
RAYMOND JAMES LTD
INDUSTRIAL ALLIANCE SECURITIES INC.
Promoter(s):
-
Project #2922454

Issuer Name:
BTB Real Estate Investment Trust
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated June 7, 2019
NP 11-202 Receipt dated June 7, 2019
Offering Price and Description:
Total: $25,003,180 - 5,354,000 Units - $4.67 per Unit
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
LAURENTIAN BANK SECURITIES INC.
RAYMOND JAMES LTD
INDUSTRIAL ALLIANCE SECURITIES INC.
Promoter(s):
-
Project #2922454

Issuer Name:
Kanadario Gold Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated May 31, 2019
NP 11-202 Preliminary Receipt dated June 4, 2019
Offering Price and Description:
$750,000.00 - 5,000,000 Common Shares
Price: C$0.15 per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
P. Joseph Meagher
Project #2927768

Issuer Name:
MediPharm Labs Corp. (formerly POCML 4 Inc.)
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 10, 2019
NP 11-202 Receipt dated June 10, 2019
Offering Price and Description:
$75,002,700.00 - 13,514,000 Common Shares
Price: $5.55 per Common Share
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
GMP SECURITIES L.P.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
MACKIE RESEARCH CAPITAL CORP.
PI FINANCIAL CORP.
ALTACORP CAPITAL INC.
Promoter(s):
-
Project #2927593

Issuer Name:
Mullen Group Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 10, 2019
Received on June 10, 2019
Offering Price and Description:
$110,000,000.00 Principal Amount
110,000 - 5.75% Convertible Unsecured Subordinated Debentures
Due November 30, 2026
Price: C$1,000.00 per Offered Debenture
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
INDUSTRIAL ALLIANCE SECURITIES INC.
PETERS & CO. LIMITED
Promoter(s):
-
Project #2928093

Issuer Name:
Northway Resources Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated June 7, 2019
NP 11-202 Preliminary Receipt dated June 10, 2019
Offering Price and Description:
13,333,333 Common Shares - Price: C$0.15 per Common Share
$2,000,000.00
Underwriter(s) or Distributor(s):
HAYWOOD SECURITIES INC.
ECHELON WEALTH PARTNERS INC.
Promoter(s):
Zachary Flood
Kenorland Minerals Ltd.
Project #2929159

Issuer Name:
Spin Master Corp.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated June 5, 2019
NP 11-202 Receipt dated June 6, 2019
Offering Price and Description:
C$750,000,000.00
Subordinate Voting Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
MARATHON INVESTMENT HOLDINGS LTD.
TRUMBANICK INVESTMENTS LTD.
LENTILBERRY INC.
Project #2923018

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	OceanRock Investments Inc.	Portfolio Manager and Investment Fund Manager	May 29, 2019
New Registration	Mine Equities Ltd.	Exempt Market Dealer	June 7, 2019

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Nasdaq CXC Limited — Notice of Proposed Changes and Request for Comment

NASDAQ CXC LIMITED

NOTICE OF PROPOSED CHANGES AND REQUEST FOR COMMENT

Nasdaq CXC Limited (Nasdaq Canada) is publishing this Notice of Proposed Changes in accordance with the requirements set out in the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto (Exchange Protocol). Pursuant to the Exchange Protocol, market participants are invited to provide the Commission with comment on the proposed changes.

Comment on the proposed changes should be in writing and submitted by July 8, 2019 to:

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8
Fax 416 595 8940
Email: marketregulation@osc.gov.on.ca

And to

Matt Thompson
Chief Compliance Officer
Nasdaq CXC Limited
25 York St., Suite 900
Toronto, ON M5J 2V5
Email: matthew.thompson@nasdaq.com

Comments received will be made public on the OSC website. Upon completion of the Review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff's review and to outline the intended implementation date of the changes.

NASDAQ CXC LIMITED

NOTICE OF PROPOSED CHANGES

Nasdaq Canada provides Canadian-based institutional clients access to the Nasdaq Fixed Income trading system (NFI) operated by Nasdaq Canada's affiliate, Execution Access, LLC for the purposes of trading non-Canadian fixed income securities. NFI has announced plans to introduce the following change in the second half of 2019 subject to regulatory approval. Nasdaq Canada is publishing this Notice of Proposed Changes in accordance with the requirements set out in the Exchange Protocol.

Summary of Proposed Changes

POINT-IN-TIME CROSS

NFI is proposing to introduce a call market facility called a Point-In-Time Closing Cross (Closing Cross) where buy orders and sell orders intended to trade in the Closing Cross (Closing Bids, Closing Offers and each a Closing Order) will be aggregated and matched at a specific time(s) in the trading day. Closing Orders can be entered at any time before the time the Closing Cross executes (Closing Time). Closing Orders can be modified or cancelled up to a predetermined time (Firm-Up Time) prior to the Closing Time after which they will be treated as firm. The Firm-Up Time will be up to 15 minutes before the Closing Time and may differ by U.S Treasury Security (UST).

At the Firm-Up Time, Closing Bids and Closing Offers are aggregated and compared to identify if an order imbalance exists. Where there is an order imbalance, information about the size and direction of the imbalance will be disseminated to NFI Subscribers via the NFI market data feed. Subscribers may enter Imbalance Only Orders that are eligible to only trade against an order imbalance, where applicable. Imbalance Only Orders must be entered with a limit price. In the case where the limit price of an Imbalance Only Order exceeds the Reference Price it will be repriced to the Reference Price. The Reference price is the best bid in the NFI continuous limit order book (CLOB) at the Closing Time or the best offer in the CLOB at the Closing Time.

At the Closing Time, NFI will integrate orders from the CLOB for a UST to determine the price level where the largest volume of Closing Orders will trade (Closing Price). Orders in the Closing Cross are handled based on price-time priority. Currently there is one Closing Cross contemplated at 3PM Eastern Time each trading day. However, additional Closing Crosses may be offered.

To prevent undue volatility in the market at the Closing Time, the Closing Cross includes a risk management feature where there is a limited price range, or collar, for each UST outside which a Closing Cross is not permitted to trade. The collar will be within 5 basis points of the Reference Price for the UST. In the event where the calculated Closing Price falls outside the collar, Closing Orders will be executed up to the collar level (depending on their limit price) with all remaining unexecuted Closing Orders cancelled back. After the Closing Cross is executed, CLOB trading on NFI ATS in the UST will continue.

Example: (For illustrative Purposes, the Closing Time is 3:00PM)

1. Closing Orders Firm-Up Time (2:55PM)

The following Closing Orders were entered before the Firm-Up Time at 2:55PM resulting in a 3MM sell imbalance.

Closing Buy Order:	1MM at 100
Closing Buy Order:	1MM at 99-99
Closing Sell Order:	5MM at 99-98
Closing Cross Order Imbalance:	Sell Imbalance 3MM

At 2:55PM information about the 3MM sell imbalance is communicated in the NFI market data feed.

AT 2:57PM an Imbalance Only Order is entered to buy 1MM UST at 99-98 resulting in a new sell imbalance of 2MM.

2. Closing Time (3:00PM)

At 3:00PM NFI integrates orders from the CLOB to determine the price level where the largest volume of Closing Orders will trade. The following table represents the CLOB at 3:00PM.

Bid Size (MM)	Bid Price	Ask Price	Ask Size (MM)
1	99-99	100-00	1
1	99-98	100-01	1
1	99-95	100-02	1

Result: Closing Cross executes 5MM at a Closing Price of 99-98. The 2MM sell imbalance trades with 2MM in the CLOB (the 1MM order entered with a limit price of 99-99 and the 1MM order entered with a limit price of 99-98).

Expected Date of Implementation

Subject to regulatory approval, NFI is expecting to introduce the Closing Cross in the second half of 2019.

Rationale and Relevant Supporting Analysis

The Closing Cross is designed to provide participants with size improvement opportunities while mitigating the risk of undue volatility threatening a fair and orderly market. By providing a specific time(s) in the day when Closing Orders will match, participants are incentivized to enter larger sized orders because they are more likely to be filled. This in turn will contribute to more robust price discovery for USTs at the Closing Time. A fair and orderly market is protected from undue volatility potentially created by Closing Cross order imbalances by applying a collar limiting the range of prices where the Closing Cross can trade.

Expected Impact on Market Structure Impact of the Changes

The Closing Cross will provide Subscribers with an additional trading tool to meet their trading objectives.

Expected Impact on the Exchange's Compliance with Ontario Securities Law

The proposed changes will not impact Nasdaq Canada's compliance with Ontario securities law.

Consultation and Review

This change is being made in response to feedback solicited by Subscribers.

Estimated Time Required by Subscribers and Vendors (or why a reasonable estimate is not provided)

Some optional development work will be required by Subscribers that choose to incorporate the Closing Orders into their trading systems. Based on the intended implementation date we anticipate that there will be at least 90 days between regulatory approval of the proposed changes and its implementation that should provide participants sufficient time for any necessary development.

Will Proposed Fee Change or Significant Change introduce a Fee Model or Feature that Currently Exists in other Markets or Jurisdictions

Yes, equity exchanges today use call markets to calculate the open and closing prices of securities in the regular trading session. For example, the TSX supports a Market On Close facility for eligible securities where the calculated closing price by the facility is used to determine the closing price of the security.

Any questions regarding these changes should be addressed to Matt Thompson, Nasdaq CXC Limited: matthew.thompson@nasdaq.com, T: 647-243-6242

13.2.2 Refinitiv Multilateral Trading Facility — Application for Exemptive Relief — Notice of Variation of Commission Interim Order

REFINITIV MULTILATERAL TRADING FACILITY

APPLICATION FOR EXEMPTIVE RELIEF

NOTICE OF VARIATION OF COMMISSION INTERIM ORDER

On June 7, 2019, the Ontario Securities Commission issued a variation order pursuant to section 144 of the *Securities Act* (Ontario) extending the interim order previously issued to Thomson Reuters Multilateral Trading Facility (the **MTF**, now known as Refinitiv Multilateral Trading Facility) from the requirement to be recognized as an exchange under section 21(1) of the Act (the **Interim Order**).

The Interim Order will now expire on the earlier of (i) March 1, 2020, and (ii) 90 days after the effective date of a subsequent order permanently exempting the MTF from the requirement to be recognized as an exchange.

The Order is published in Chapter 2 of this Bulletin.

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