TMX Group
100 Adelaide Street West
Toronto, ON, M5H 1S3
Canada

1 888 873-8392
info@tmx.com

August 12, 2026

VIA ONLINE SUBMISSION

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission of New Brunswick
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Nunavut Securities Office

Re: CSA Notice and Request for Comment – Proposed Amendments and Changes to the Issuer Bid, Take-Over Bid and Beneficial Ownership Reporting Regimes

Dear Sirs/Mesdames:

TMX Group Limited ("**TMX**" or "**we**") welcomes the opportunity to comment on the Request for Comment (the "**Request for Comment**") published on May 14, 2026, regarding the Canadian Securities Administrators' ("**CSA**") proposed amendments to enhance the Canadian issuer bid, take-over bid, and beneficial ownership reporting regimes.

All capitalized terms used but not defined in this letter have the meaning as set out in the Request for Comment.

Executive Summary

TMX supports the CSA's objectives of reducing regulatory burden and enhancing the integrity of the issuer bid, take-over bid, and early warning reporting regimes. We welcome the introduction of the Selective Repurchase Exemption, and in particular, commend the CSA for explicitly indicating that this proposed exemption will not reduce the maximum number of securities that an issuer may acquire in reliance on the NCIB Exemption. To further advance the CSA's objectives of enhancing the integrity of the issuer bid regime, we urge the CSA to issue guidance explicitly confirming that securities acquired under the existing employee, officer, director, and consultant exemption in section 4.7 of NI 62-104 (the "**Employee Exemption**") do not reduce the maximum number of securities an issuer can acquire under the NCIB Exemption.

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Given the scope of the Selective Repurchase Exemption is limited to not more than 5 persons in a 12-month period, TMX cautions the CSA that its adoption may introduce risks related to self-dealing where issuers bypass open market purchases in favor of dealing with a small and select group of shareholders, especially amongst issuers with thinner liquidity or highly concentrated ownership, including junior market issuers. We believe it is vital to appropriately mitigate these risks in order to protect investors, including retail and minority investors. To that end, we recommend that the post-bid news release disclosure requirements for the Selective Repurchase Exemption contemplates robust and transparent disclosure of issuer repurchase activity, including a requirement to disclose whether an issuer has an active normal course issuer bid ("**NCIB**") in place, as well as the number of securities repurchased under such NCIB to date.

TMX is also in favor of refreshing the existing requirement to pay tendering securityholders in take-over bids and issuer bids "within 3 business days" after take up to align with the existing T+1 settlement cycle. Rather than replacing this explicit 3-day timeframe with the open-ended standard of paying "promptly", we believe adopting an explicit timeframe of one business day will provide greater predictability to tendering securityholders and will reflect the current execution capabilities of the Canadian clearing and settlement infrastructure.

While the Canadian Depository for Securities ("**CDS**") is operationally equipped to support a tendering process payment period of one business day, facilitating issuer and take-over bids as corporate actions is a multi-party, multi-tiered process. We believe some of the parties involved in this process, in particular issuers with more limited resources, may need to allocate time and/or resources to ensure they are operationally ready to support a shorter tendering payment process period. CDS, in its capacity as the central clearing agency and depository, will only process issuer or take-over bids, or distribute payments to its participants, once it has received the required instructions and funds from the issuer or its transfer agent. To ensure the operational readiness of all involved parties, TMX recommends that the CSA conducts analysis on impacted stakeholders to establish a commercially reasonable lead time between any notice of approval and the date of implementation of a shortened tendering process payment period.

TMX

TMX Group Limited ("**TMX**") is an integrated, multi-asset-class exchange group headquartered and centered in Canada. TMX's key subsidiaries operate cash and derivatives markets for multiple asset classes, including equities and fixed income, and provide clearing facilities, data driven solutions, and other services to the Canadian and global financial and energy markets. Toronto Stock Exchange ("**TSX**"), TSX Venture Exchange ("**TSXV**"), Alpha Exchange, CDS, Montreal Exchange, Canadian Derivatives Clearing Corporation, Shorcan Brokers Limited, TMX Trayport, TMX VettaFi, and other TMX companies provide securities listing markets, trading markets, clearing facilities, depository services, technology solutions, data products and other services to the global financial community and play a central role in the Canadian capital and financial markets.

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The Request for Comment

The CSA is proposing to enhance the Canadian issuer bid, take-over bid, and beneficial ownership reporting regimes by introducing amendments (the "**Proposed Changes**") to, among other national instruments and guidance, NI 62-104 and NP 62-203. The Proposed Changes aim to provide issuers with greater flexibility to repurchase their own securities, enhance transparency of ownership of derivative interests in specified circumstances, and reduce regulatory burden and enhance the integrity of the issuer bid, take-over bid, and early warning reporting regimes through clarifying amendments and supplemental policy guidance.

Our feedback pertains to the following specific components of the Proposed Changes:

1. *New Selective Repurchase Exemption:* Proposed amendments to introduce a new issuer bid exemption that would allow issuers to repurchase up to 5% of their own securities in a 12-month period, provided that certain conditions are satisfied.
2. *Settlement Period:* Proposed amendments to replace the existing requirement to pay tendering securityholders in take-over bids and issuer bids "within 3 business days" after take-up, with a general obligation to pay "promptly" (the "**Tendering Process Payment Period Change**").

I. New Selective Repurchase Exemption

a. Feedback on the New Selective Repurchase Exemption

TMX welcomes the introduction of the Selective Repurchase Exemption and believes this additional exemption will provide issuers with greater flexibility to repurchase their securities. In particular, we commend the CSA's clear position that securities acquired by an issuer in reliance of the Selective Repurchase Exemption (up to 5% of outstanding securities) will be structurally distinct from, and will not reduce, the maximum number of securities that an issuer may acquire under the NCIB Exemption (up to 10% of the public float). This clear decoupling provides regulatory clarity and predictability for issuers looking to determine the maximum number of securities they can acquire under each of the NCIB Exemption and the Selective Repurchase Exemption.

b. Comparable Regulatory Clarity for the Employee Exemption

To further advance the CSA's goals of reducing regulatory burden and enhancing the integrity of the issuer bid regime, TMX believes that the Proposed Changes present a timely opportunity to extend comparable regulatory clarity to the existing Employee Exemption. Currently, there is no regulatory requirement or guidance explicitly clarifying whether securities purchased in reliance of the Employee Exemption reduce the maximum number of securities an issuer may acquire in reliance of the NCIB Exemption.

Similar to the approach proposed for the Selective Repurchase Exemption, TMX believes issuers seeking to rely on the Employee Exemption would benefit from clear guidance regarding how the Employee Exemption interacts with

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the NCIB Exemption. The practical need for such guidance is highlighted within the CSA's own consultation materials. Namely, the Request for Comment states that an issuer could potentially repurchase, in the aggregate, "up to 20%" of the securities of a class in a given 12-month period by "relying on a combination of" the Selective Repurchase Exemption (for which there is a proposed 5% limit), the Employee Exemption, and the NCIB Exemption (pursuant to which up to 10% of an issuer's "public float" may be repurchased under the Designated Exchange Exemption). However, under the TSX Company Manual ("**TSX Manual**") and TSX Venture Exchange Corporate Finance Manual ("**TSXV Manual**"), the definition of a "normal course issuer bid" factors in "purchases made through the facilities of a stock exchange or otherwise".[1] Consequently, off-exchange repurchases by a TSX or TSXV-listed issuer made in reliance on the Employee Exemption will be counted as part of the maximum repurchases allowed within an active TSX or TSXV NCIB by the same issuer. In other words, in what appears to be a deviation from what is stated in the Request for Comment, these purchase limits do not "stack up", and a TSX or TSXV-listed issuer cannot currently purchase 5% of its securities in reliance on the Employee Exemption, and then an additional 10% of its public float in a TSX or TSXV NCIB by relying on a combination of the Employee Exemption and the NCIB Exemption.

Conversely, the CSA has explicitly confirmed that as proposed, the Selective Repurchase Exemption will not reduce the maximum number of securities that an issuer may acquire in reliance on the NCIB Exemption. This means a TSX or TSXV-listed issuer could purchase up to 5% of its securities in reliance of the Selective Repurchase Exemption, and then up to an additional 10% of its public float in an NCIB.

To enhance the integrity of the issuer bid regime and ensure guidance on the interaction between various issuer bid exemptions is consistently clear, we urge the CSA to issue explicit guidance confirming that securities acquired in reliance of the Employee Exemption do not reduce the maximum number of securities an issuer can acquire under the NCIB Exemption. In the absence of such guidance, securities purchased by a TSX or TSXV-listed issuer under the Employee Exemption will be counted as part of the maximum repurchases allowed within an active NCIB by the same issuer conducted pursuant to the TSX Manual or TSXV Manual. We are committed to engaging with the CSA with the aim of ensuring securities acquired in reliance on the Employee Exemption do not impact an issuer's use of the NCIB Exemption.

c. Responses to specific questions posed in the Request for Comment

The Request for Comment invited comments on various specific questions about the Selective Purchase Exemption. Some of these questions, as well as TMX's responses, follow.

Question 4: Should the news release that the issuer is required to issue and file following the making of the bid include any additional information, and if so, what?

We recommend that issuers disclose the following additional information in the news release they must file after the making of the bid: (1) whether the issuer has an operative NCIB in place; and (2) if an operative NCIB is in place, the

[1] See section 628(a)(ix) of the TSX Manual and section 3.1 of Policy 5.6 - *Normal Course Issuer Bids* of the TSXV Manual.

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number of securities repurchased to date under such operative NCIB. We believe this disclosure will allow investors to have a transparent and comprehensive view of an issuer's repurchase activity, and will provide them with information that may impact their decisions to acquire, hold, or dispose of securities. Please also see our response to question 8 below.

Question 6: Do you agree that purchases made in reliance on the Selective Repurchase Exemption should not reduce the maximum number of securities that an issuer may acquire in reliance on the NCIB Exemption?

Yes. Please also see the section titled "Comparable Regulatory Clarity for the Employee Exemption" above.

Question 8: Should the availability of the Selective Repurchase Exemption be limited to issuers with operative NCIBs? If so, should such issuers have repurchased a minimum number of securities under such NCIBs as at the date of the bid? If so, what minimum amount of repurchases would be appropriate and why?

We are of the view that the availability of the Selective Repurchase Exemption does not need to be structurally restricted to issuers with an operative NCIB, provided that appropriate disclosure of issuer repurchase activity will be in place. We note the scope of the Selective Repurchase Exemption, which is limited to not more than 5 persons, may introduce risks related to self-dealing where issuers bypass open market purchases in favor of dealing with a small and select group of shareholders. These risks may be amplified for issuers with highly concentrated ownership, active founders or insiders, or thinner liquidity, such as junior market issuers. We believe requiring appropriate disclosure of issuer repurchase activity, including as discussed under question 4, is vital to mitigate these risks and protect investors, including minority and retail investors, while allowing issuers without an operative NCIB to utilize the Selective Repurchase Exemption.

II. Tendering Process Payment Period Change

a. Proposed Refinement to the Tendering Process Payment Change

TMX supports refreshing the existing tendering process payment period for take-over bids and issuer bids to align with the current T+1 settlement cycle. As proposed by the CSA, the Tendering Process Payment Change (from "within 3 business days" to "promptly") will be accompanied by guidance clarifying that "prompt" payment is informed by the practices of the financial community, including settlement practices, then in effect. Replacing the existing objective 3-day requirement with a more subjective requirement to pay "promptly", accompanied by open-ended guidance which does not explicitly define "practice of the financial community", introduces unnecessary ambiguity about timeline expectations for tendering securityholders. As such, TMX recommends that the tendering process payment period be changed to a maximum of one business day. This approach will provide greater predictability and transparency about payment timeline expectations for tendering securityholders and further the goal of ensuring they receive payment for their taken-up securities in a timely manner, in alignment with the current settlement capacities of our national clearing infrastructure.

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b. Responses to specific questions posed in the Request for Comment

The Request for Comment invited comments on various specific questions about the Tendering Process Payment Period Change. These questions, as well as TMX's responses, follow.

Question 21: Should the tendering process payment period be changed from a maximum of 3 business days to a maximum of one business day to align with the settlement cycle for securities trades?

Yes. For more details, please see the section titled "Feedback on the Tendering Process Payment Change" above.

Question 23: Are there any practical impediments or challenges to shortening the tendering process payment period from the current 3 business day maximum? If so, please explain.

We do not anticipate any practical impediments or challenges from the perspective of CDS with supporting a tendering process payment period of one business day. However, we note that CDS, in its capacity as the central clearing agency and depository, cannot process issuer bids or take-over bids or distribute any payments to CDS participants unless and until CDS receives the required instructions, details, and confirmations from the issuer or the issuer's transfer agent.

Facilitating issuer bids and take-over bids as corporate actions is a multi-party, multi-tiered process involving offerors, depositary agents, tabulation agents, and financial institutions in addition to CDS, the books and records for each of which must be validated (in the case of tender offers) and reconciled within all affected parties. We believe some of these parties, in particular issuers with more limited resources, may need to devote time and resources to ensure they have the required processes and operational capacities in place to support a shortened tendering process payment timeline. While CDS is in a position to release and allocate proceeds immediately, it can only execute this step after receiving notification that the issuer or offeror (as applicable) has taken up the securities, and after receiving the necessary funds, typically from the issuer's transfer agent. For a safe and orderly implementation, TMX encourages the CSA to conduct further analysis on stakeholders impacted by the Tendering Process Payment Period Change, including issuers operating with more limited resources, to establish a commercially reasonable lead time between the date of approval and the date of implementation of such change.

Conclusion

TMX appreciates the opportunity to respond to the Request for Comment. The Proposed Changes present a timely opportunity to introduce clarifying guidance with respect to the Employee Exemption, which we believe will further the CSA's objectives of maintaining and enhancing the integrity of the regulatory framework for issuer bids and take-over bids and reduce regulatory burden. We are of the view that a one-business day tendering process payment period will provide greater predictability to tendering securityholders while ensuring they receive timely payment for their taken up securities, provided that the implementation date of this change is preceded by commercially reasonable notice to ensure operational readiness from all affected parties. We remain committed to engaging

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collaboratively with the CSA to further these objectives and would be pleased to discuss in more detail at your convenience.

Sincerely,

"Loui Anastasopoulos"

Loui Anastasopoulos
Chief Executive Officer, Toronto Stock Exchange and Global Head, Capital Formation