

## **Alpha Exchange Inc. – Demande de dispense coordonnée en application de l’Instruction générale 11-203 en vue d’obtenir la dispense pertinente dans les territoires**

L’Autorité des marchés financiers (l’« Autorité ») publie la demande sous examen coordonné en vertu l’*Instruction générale 11-203 relative au traitement des demandes de dispense dans plusieurs territoires* de dispense de reconnaissance à titre de bourse déposée par Alpha Exchange Inc. (la « demande de dispense »). En lien avec la demande, l’Autorité publie également certains projets de documents (présentement disponibles en anglais uniquement) :

- Projet de Guide d’inscription à la cote et de formulaires (Annexe A);
- Tableau comparatif des normes d’inscription (Annexe B);
- Politiques de négociation (Annexe C);
- Convention d’adhésion (Annexe D).

Concurremment à la publication de la demande de dispense, une demande de reconnaissance à titre de bourse (la « demande de reconnaissance ») ainsi qu’un avis de consultation sont publiés par la Commission des valeurs mobilières de l’Ontario. L’avis de consultation comprend des questions pour lesquelles des commentaires sont souhaités. Ces documents sont disponibles à [http://www.osc.gov.on.ca/en/SecuritiesLaw\\_bulletin\\_index.htm](http://www.osc.gov.on.ca/en/SecuritiesLaw_bulletin_index.htm).

(Les textes sont reproduits ci-après).

### **Commentaires**

Les personnes intéressées à soumettre des commentaires sur la demande de dispense ainsi que sur la demande de reconnaissance et les questions soulevées doivent en transmettre une copie, au plus tard le 30 mai 2011, à :

M<sup>e</sup> Anne-Marie Beaudoin  
Secrétaire de l’Autorité  
Autorité des marchés financiers  
800, square Victoria, 22<sup>e</sup> étage  
C.P. 246, tour de la Bourse  
Montréal (Québec) H4Z 1G3  
Télécopieur : 514 864-6381  
Courrier électronique : [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

### **Information complémentaire**

Pour de plus amples renseignements, on peut s’adresser à :

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Le 15 avril 2011

**CONFIDENTIEL**

**ENVOYÉ PAR MESSAGERIE ET PAR COURRIEL**

À : Autorité des marchés financiers du Québec, en qualité d'autorité principale  
800, square Victoria, 22<sup>e</sup> étage  
C.P. 246, tour de la Bourse  
Montréal (Québec) H4Z 1G3

ET À : British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission, Securities Division  
Manitoba Securities Commission  
Commission des valeurs mobilières du Nouveau-Brunswick  
Nova Scotia Securities Commission  
Prince Edward Island Registrar of Securities  
Securities Commission of Newfoundland and Labrador  
Northwest Territories Registrar of Securities, ministère de la Justice,  
gouvernement des Territoires-du-Nord-Ouest  
Registraire des valeurs mobilières du Yukon, Entreprises, associations et co-  
opératives, Services communautaires  
Nunavut Registrar of Securities, ministère de la Justice, gouvernement du  
Nunavut

Mesdames, Messieurs,

**Objet : Alpha Exchange Inc. — Demande de dispense coordonnée en application de l'Instruction générale 11-203 en vue d'obtenir la dispense pertinente dans les territoires**

**FOR THE INDUSTRY. BY THE INDUSTRY.**

## I. INTRODUCTION

Nous soumettons la présente demande de dispense coordonnée (la « **présente demande** ») conformément à l'*Instruction générale 11-203 relative au traitement des demandes de dispense dans plusieurs territoires* (l'« **Instruction générale 11-203** ») à l'Autorité des marchés financiers du Québec (l'« **AMF** » ou le « **décideur** ») et à chacune des provinces et chacun des territoires du Canada (collectivement, les « **territoires** ») conformément aux lois sur les valeurs mobilières des territoires (les « **lois** ») afin qu'Alpha Exchange Inc. (« **Alpha Exchange** ») soit dispensée :

de l'obligation d'être reconnue comme une « bourse de valeurs », une « bourse » ou un « organisme d'autorégulation » en vertu des lois sur les valeurs mobilières mentionnées ci-dessous.

Nous avons préalablement soumis un chèque d'un montant de 500 \$ payable à l'AMF, ainsi que les chèques exigés payables aux autres territoires.

## II. AUTORITÉ PRINCIPALE

Conformément au paragraphe 3.6(8) de l'Instruction générale 11-203, Alpha Exchange a choisi l'AMF, qui avait agi en qualité d'autorité principale relativement à une dispense d'enregistrement et de reconnaissance d'Alpha ATS L.P. en tant que système de négociation parallèle en application du *Règlement 21-101 sur le fonctionnement du marché* (le « Règlement 21-101 »), à titre d'autorité principale à l'égard de la présente demande.

## III. LOIS SUR LES VALEURS MOBILIÈRES PERTINENTES

### A. Examen coordonné concernant les lois exigeant la reconnaissance d'une bourse :

Territoire	Dispositions des lois sur les valeurs mobilières provinciales ou territoriales portant sur : a) la reconnaissance d'une bourse b) la dispense par la Commission
Colombie-Britannique	(a) Partie IV, art. 25 (b) Art. 33.1
Alberta	(a) Partie IV, art. 62 (b) Art. 213
Saskatchewan	(a) Partie V, art. 25

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	(b) Art. 147.41
Manitoba	(a) Partie XIV, paragr. 139(1) (b) Art. 167
Québec	(a) Titre VI, art. 169 (b) Art. 263
Nouveau-Brunswick	(a) Partie 3, art. 36 (b) Art. 195.4
Nouvelle-Écosse	(a) Art. 30 (b) Art. 151A
Île-du-Prince-Édouard	(a) Partie 7, paragr. 70a) (b) Art. 16.1
Terre-Neuve et Labrador	(a) Partie VIII, paragr. 24(1) (b) Art. 138.19 et 142.1
Yukon	(a) Partie 7, division 1, art. 69 (b) Partie 2, division 7, paragr. 16(1)
Territoires du Nord-Ouest	(a) Art. 70 (b) Art. 16
Nunavut	(a) Partie 7, art. 70 (b) Partie 3, paragr. 16(1)

Figure 1

Dispositions des lois sur les valeurs mobilières provinciales ou territoriales relatives à : a) la reconnaissance d'une bourse; b) la dispense par la Commission.

Les dispositions relatives à la reconnaissance des différentes lois provinciales et territoriales sont relativement identiques.

Alpha Exchange demande à chacun des territoires la dispense mentionnée plus haut, sous réserve des conditions proposées dans le projet de décision.

#### IV. DEMANDE

Alpha Exchange a récemment préparé et déposé un dossier complet sur ses activités au soutien de sa demande en vue d'être reconnue comme une bourse de valeurs en Ontario (la

« **demande de reconnaissance** »). Des copies de tous les documents ont été remises aux autorités de dispense.

Dans le cadre de la demande de reconnaissance, des renseignements ont été présentés et des discussions ont eu lieu concernant la reconnaissance d'Alpha Exchange et les conditions applicables, et nous comprenons que la Commission des valeurs mobilières de l'Ontario (CVMO) s'apprête à publier la demande de reconnaissance aux fins de commentaires le 15 avril 2011.

De plus, Alpha Exchange prévoit lancer ses services d'inscription à la cote au troisième trimestre 2011. En conséquence, nous demandons par les présentes que la demande soit traitée dans les meilleurs délais afin que la dispense puisse être accordée en même temps que la reconnaissance en Ontario.

## **V. EXPOSÉ DES FAITS ET SITUATION ACTUELLE**

### **A. Demande de reconnaissance auprès de la CVMO en qualité d'autorité responsable**

Alpha Trading Systems Limited Partnership (« **Alpha LP** ») et son commandité, Alpha Trading Systems Inc., détiennent la totalité des actions d'Alpha Exchange. Alpha LP<sup>1</sup> a déposé auprès de la CVMO une demande de reconnaissance en tant que bourse dans le but précis de se conformer aux conditions suivantes<sup>2</sup> :

- Alpha LP s'engagera à allouer suffisamment de ressources à Alpha Exchange pour qu'elle puisse exercer ses fonctions d'une manière qui soit conforme à l'intérêt public et à aviser la Commission si elle est incapable de ce faire.
- Alpha LP présentera à la Commission des états financiers consolidés trimestriels et annuels.
- Alpha LP, comme l'y autorise le pouvoir que lui confère la loi, fera en sorte qu'Alpha Exchange exerce ses activités en tant que bourse de valeurs reconnue.
- Alpha LP permettra à la Commission d'avoir accès à tous les renseignements dont la Commission peut avoir besoin pour évaluer le respect par Alpha Exchange de ses obligations réglementaires.
- Alpha LP établira et maintiendra des politiques et des procédures permettant de reconnaître et de gérer les conflits d'intérêts, et elle veillera à faire respecter ces politiques et procédures. Elle veillera en outre à préserver la confidentialité de l'information découlant de la participation d'Alpha LP dans Alpha Exchange.

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<sup>1</sup> Alpha Trading Systems Inc., le commandité d'Alpha LP, a convenu d'être partie à l'ordonnance de reconnaissance relativement aux conditions qui la concernent.

<sup>2</sup> Bien que dans les autres territoires, les sociétés mères d'une bourse sont tenues d'assumer des obligations semblables sans faire l'objet d'une reconnaissance, la jurisprudence ontarienne exige que la société mère obtienne la reconnaissance au soutien de ces obligations.

Alpha LP pense que ces exigences devraient être définies par le conseil d'administration d'Alpha LP (le « conseil »), sous réserve de leur examen et approbation par l'autorité, et publiées sur son site Web. Alpha LP pense qu'il n'y a pas lieu d'inclure le contenu de ces politiques dans l'ordonnance de reconnaissance au motif que cela minerait le pouvoir du conseil et serait inefficace, car toute modification proposée par le conseil exigerait une modification de l'ordonnance de reconnaissance.

- Alpha LP veillera à ce que chaque personne physique ou morale qui détient une participation de 10 % ou plus dans Alpha LP et chaque dirigeant et administrateur du commandité d'Alpha LP soit qualifiée de sorte qu'il existera des motifs raisonnables de croire que les activités d'Alpha LP seront dirigées avec intégrité.
- Alpha LP veillera à ce qu'aucune personne physique ou morale ne détienne ou ne contrôle, avec une autre entité liée ou affiliée, 20 % ou plus de toute catégorie ou série d'actions avec droit de vote d'Alpha Exchange sans avoir obtenu l'approbation préalable de la Commission.

Alpha Exchange a soumis une demande en vue d'être reconnue en tant que bourse en activité sous réserve de l'ensemble des critères applicables à une telle entité exploitée conformément à l'article 21 de la *Loi sur les valeurs mobilières* de l'Ontario.

## B. Activités actuelles

Actuellement, Alpha ATS LP exploite un système de négociation parallèle (« Alpha ATS ») créé en vue de faciliter la négociation des titres inscrits à la TSX et à la TSXV sur les marchés financiers canadiens. Alpha ATS offre une plateforme transparente en appariement continu dans laquelle les opérations sont traitées par l'intermédiaire d'un registre central des ordres à cours limité (RCOCL) et d'autres registres d'ordres particuliers, par exemple un registre des ordres sur lots irréguliers.

Alpha ATS a commencé ses activités en novembre 2008. Elle compte aujourd'hui 92 adhérents et un marché où plus de 1 700 titres sont activement négociés. Les tableaux qui suivent<sup>3</sup> montrent les volumes d'opérations des valeurs inscrites à la TSX et à la TSXV de décembre 2010 à février 2011 :

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<sup>3</sup> La part de marché d'Alpha ATS est calculée en comparaison avec le volume global des opérations dans l'ensemble des marchés transparents.

<b>Décembre 2010</b>	<b>Titres inscrits à la TSX*</b>	<b>Titres inscrits à la TSX-V*</b>	<b>Débetures</b>
Volume	3 247 784 651	1 108 400 429	94 571 000
Opérations	5 405 669	265 403	9 693
Valeur	36 552 861 003 \$	617 248 219 \$	97 486 167 \$
Volume quotidien moyen	158 428 520	54 068 314	4 613 220
Opérations quotidiennes moyennes	263 691	12 946	473
Valeur quotidienne moyenne	1 783 066 390 \$	30 109 669 \$	4 755 423 \$
<b>Part de marché Alpha ATS</b>			
Volume	22,1 %	11,7 %	15,1 %
Opérations	20,2 %	17,1 %	34,8 %
Valeur	19,4 %	11,5 %	13,1 %

\* Débetures non comprises

<b>Janvier 2011</b>	<b>Titres inscrits à la TSX*</b>	<b>Titres inscrits à la TSX-V*</b>	<b>Débetures</b>
Volume	3 496 298 220	1 260 995 226	129 099 980
Opérations	5 748 133	294 971	12 314
Valeur	37 431 200 925 \$	737 023 450 \$	137 407 104 \$
Volume quotidien moyen	174 814 911	63 049 761	6 297 560
Opérations quotidiennes moyennes	287 407	14 749	601
Valeur quotidienne moyenne	1 871 560 046 \$	36 851 172 \$	6 702 786 \$
<b>Part de marché Alpha ATS</b>			
Volume	22,4 %	12,9 %	17,6 %
Opérations	20,0 %	17,9 %	36,3 %
Valeur	19,0 %	12,1 %	15,7 %

\* Débetures non comprises

<b>Février 2011</b>	<b>Titres inscrits à la TSX*</b>	<b>Titres inscrits à la TSX-V*</b>	<b>Débetures</b>
Volume	3 210 735 413	1 548 491 441	115 851 845
Opérations	5 207 372	480 316	6 417
Valeur	37 959 279 805 \$	1 078 441 647 \$	121 321 321 \$
Volume quotidien moyen	152 892 163	73 737 688	5 651 310
Opérations quotidiennes moyennes	247 970	22 872	313
Valeur quotidienne moyenne	1 807 584 753 \$	51 354 364 \$	5 918 113 \$
<b>Part de marché Alpha ATS</b>			
Volume	22,2 %	14,3 %	19,6 %
Opérations	18,8 %	22,1 %	41,5 %
Valeur	19,0 %	14,8 %	17,6 %

\* Débetures non comprises

Une fois qu'Alpha Exchange aura été reconnue et que les entités du Groupe Alpha auront été réorganisées suite à cette reconnaissance, Alpha ATS sera dissoute. Les ententes existantes avec les entités du Groupe Alpha actuelles seront attribuées à Alpha Exchange ou à Alpha LP (ou à une nouvelle entité juridique), à moins de changements exigeant que les parties ne

signent une nouvelle entente. Un avis sera donné, conformément aux ententes actuelles. Pour le moment, nous prévoyons que seuls les courtiers devront signer une nouvelle entente, c'est-à-dire une convention d'adhésion à Alpha Exchange pour remplacer la convention d'adhésion à Alpha ATS actuelle, et que toutes les autres ententes seront attribuées car elles ne feront l'objet d'aucune modification importante.

### **C. Participants / adhérents**

Alpha Exchange exploitera un marché électronique automatisé à l'intention des courtiers en valeurs mobilières participants qui sont membres de l'Organisme canadien de réglementation du commerce des valeurs mobilières (« **OCRCVM** ») (les « **membres** » d'Alpha Exchange) pour négocier les titres des émetteurs inscrits qualifiés sur la même base essentiellement que celle sur laquelle fonctionnait Alpha ATS. Nous prévoyons que les adhérents actuels d'Alpha ATS signeront le projet de convention d'adhésion à Alpha Exchange, qui est disponible sur le site Web d'Alpha dans la section relative à la demande de reconnaissance. Dans le cadre du projet de convention d'adhésion à Alpha Exchange, les membres d'Alpha Exchange accepteront d'être liés par les politiques d'Alpha Exchange, comme il est plus amplement décrit dans la présente demande.

Le projet de convention d'adhésion à Alpha Exchange est fondé sur la convention d'adhésion actuellement utilisée par Alpha ATS. Voici les principaux éléments qui distinguent les deux conventions :

- une annexe a été ajoutée pour les parties qui souhaitent devenir des teneurs de marché;
- certaines dispositions ont été déplacées et incorporées dans les politiques de négociation, à la demande des autorités, qui pensent que cela offrirait plus de transparence aux utilisateurs.

Nous publions une copie du projet de convention d'adhésion à Alpha Exchange avec la demande.

Nous invitons les parties à examiner le projet de convention d'adhésion à Alpha Exchange le plus rapidement possible afin qu'elles puissent le signer aussitôt que la reconnaissance aura été accordée à Alpha Exchange.

### **D. Politiques de négociation**

Alpha ATS a toujours été favorable à la diffusion publique d'information sur la manière dont fonctionne son marché en vue d'encourager et de faciliter la prise de décisions éclairées en matière de négociation. Les politiques de négociation d'Alpha ATS ont été publiées et diffusées sur son site Web dès le début de ses activités. Alpha Exchange adoptera les politiques de négociation d'Alpha ATS, qui seront révisées pour tenir compte de toute modification relative à la présente demande, et elle appliquera les mêmes principes de transparence.



Les principales différences entre les politiques de négociation d'Alpha Exchange proposées et les politiques de négociation actuelles d'Alpha ATS peuvent se résumer comme suit :

- certaines dispositions de la convention d'adhésion à Alpha ATS actuelle ont été déplacées et incorporées dans les politiques de négociation d'Alpha Exchange proposées;
- une disposition relative aux teneurs de marché a été ajoutée;
- les politiques relatives à la suspension, à la résiliation de l'abonnement et aux droits de recours en appel des membres ont été précisées.

Nous publions une copie des politiques de négociation d'Alpha Exchange proposées avec la demande, et une version de ces politiques est disponible sur le site Web d'Alpha.

### **E. Inscription à la cote et guide d'inscription à la cote**

Alpha Exchange se lance dans le domaine des services de cotation en vue d'accroître la concurrence en matière de services de cotation dans les marchés financiers canadiens, ce qui permettra de réduire les coûts connexes, de minimiser les pertes d'efficacité, d'augmenter le choix et de favoriser le dynamisme du marché financier canadien dans l'intérêt de toutes les parties prenantes. Ce but est conforme à l'objectif opérationnel général d'Alpha qui consiste à éliminer les inefficiences, à réduire les coûts pour les participants au marché et à promouvoir les marchés financiers canadiens, tout en étant un opérateur de marché rentable et commercialement prospère permettant à l'industrie de profiter d'une véritable concurrence.

Alpha Exchange permettra la négociation des titres qui sont inscrits à Alpha Exchange (« **titres inscrits à la bourse Alpha** ») ainsi que des titres inscrits à d'autres bourses reconnues (« **autres titres négociés** »). Les émetteurs qui satisfont aux critères énoncés dans le guide d'inscription à la cote d'Alpha Exchange peuvent soumettre une demande d'admissibilité à l'inscription à Alpha Exchange (les « **émetteurs inscrits** »).

Voir la section D de la partie III de la présente demande pour obtenir une description détaillée des normes d'inscription à la cote d'Alpha Exchange et des émissions courantes aux fins d'analyse.

Nous publions une copie du guide d'inscription à la cote et des formulaires proposés d'Alpha Exchange qui seront disponibles sur le site Web d'Alpha. Alpha respectera, relativement à ces documents, les pratiques de transparence qui s'appliquent également aux politiques de négociation d'Alpha Exchange.

### **III. Critères de reconnaissance pour Alpha Exchange et réponses d'Alpha**

#### **A. Gouvernance**

##### **Actionnariat d'Alpha Exchange**

Alpha Exchange a été constituée en société conformément à la *Loi canadienne sur les sociétés par actions* (la « **LCSA** ») le 24 mars 2010.

Alpha Exchange est une entité juridique distincte. C'est une société fermée et une filiale en propriété exclusive d'Alpha LP. Alpha LP est une société en commandite constituée en vertu des lois du Manitoba. Alpha LP a neuf commanditaires et un commandité, Alpha Trading Systems Inc. (le « **commandité d'Alpha** ») qui détiennent la totalité des capitaux propres d'Alpha Exchange. Le commandité d'Alpha est une société par actions constituée en vertu de la LCSA et ses actions ordinaires sont détenues par les commanditaires d'Alpha LP.

En tant que commandité d'Alpha LP, le commandité d'Alpha supervise toutes les entreprises du Groupe Alpha, incluant Alpha Exchange, conformément aux exigences juridiques, financières et réglementaires.

Les commanditaires d'Alpha LP (les « **commanditaires** ») sont BMO Nesbitt Burns Inc., Marchés mondiaux CIBC inc., Financière Banque Nationale inc., RBC Dominion Valeurs mobilières Inc., Valeurs mobilières TD inc., Société de placements privés de l'Office d'investissement du RPC, Scotia Capitaux Inc., Financière Canaccord Inc. et Valeurs mobilières Desjardins inc. Les commanditaires sont des institutions financières sous réglementation fédérale, des courtiers sous réglementation provinciale et un fonds de pension public, et ils représentent des intérêts diversifiés compte tenu de leur taille, mais aussi de la nature et de la répartition géographique de leurs activités.

Chacun des commanditaires est une entité fortement réglementée et a tout intérêt à offrir un marché obéissant aux normes les plus strictes d'intégrité du marché. Contrairement aux bourses comme le Groupe TMX et CNSX, aucune action d'Alpha Exchange ne sera détenue par des particuliers.

##### **Objectifs de la structure de gouvernance proposée pour Alpha Exchange**

La structure de gouvernance proposée pour Alpha Exchange vise à assurer :

- une supervision efficace d'Alpha Exchange;
- que les décisions prises par Alpha Exchange relativement à ses opérations et à la réglementation respectent son mandat d'intérêt public;
- une représentation équitable, réelle et diversifiée au conseil d'administration d'Alpha Exchange (le « **conseil de la Bourse** ») et à tout comité du conseil de la Bourse, incluant une proportion raisonnable d'administrateurs indépendants;

- une prise en compte et une représentation suffisantes des intérêts des différentes personnes physiques ou morales ayant accès aux installations et aux services d'Alpha Exchange;
- qu'Alpha Exchange mette en place des politiques et des procédures permettant de reconnaître et de gérer les conflits d'intérêts;
- que chaque administrateur et dirigeant d'Alpha Exchange et que chaque personne physique ou morale qui détient ou contrôle, directement ou indirectement, plus de 10 % d'Alpha Exchange soit une personne qualifiée;
- que les administrateurs et les dirigeants soient assujettis à des dispositions appropriées en matière de compétence, de rémunération, de limite de responsabilité et d'indemnisation.

Alpha Exchange pense que sa structure de gouvernance d'entreprise doit être conçue de manière à ce qu'elle puisse combler efficacement les besoins de son modèle opérationnel, tout en satisfaisant à ses obligations en matière de réglementation. Le modèle opérationnel d'Alpha Exchange est un modèle hybride qui vise à trouver un juste équilibre entre une approche axée sur la rentabilité et une approche fondée sur l'apport de valeur à ses utilisateurs (qui comprennent notamment ses propriétaires). Autrement dit, Alpha Exchange a pour objectif d'éliminer les inefficiences et de réduire les coûts pour les participants au marché, tout en étant un opérateur de marché rentable et commercialement prospère permettant au secteur de profiter d'une véritable concurrence. C'est la raison pour laquelle Alpha Exchange pense qu'il est essentiel que les utilisateurs et propriétaires soient représentés dans une forte proportion à son nouveau conseil d'administration pour assurer la pérennité de son modèle opérationnel axé sur les utilisateurs et faire en sorte qu'Alpha Exchange continue de soutenir des marchés des valeurs mobilières canadiens plus efficaces, et donc plus prospères.

L'objectif premier d'une structure de gouvernance d'entreprise solide est d'assurer une gouvernance efficace de l'organisation en vue de soutenir la réalisation de sa mission et de ses objectifs. Certains facteurs particuliers doivent être pris en compte en ce qui concerne une bourse de valeurs mobilières, une institution autorisée et réglementée. La structure de gouvernance d'une bourse devrait également être conçue de manière à ce qu'elle respecte de manière continue les objectifs que lui imposent la loi et la réglementation, de même que les conditions de son autorisation. Ces objectifs sont souvent résumés comme étant une obligation de maintenir un marché équitable, efficace et ordonné.

Sur les marchés internationaux, on observe une grande variété de structures d'actionariat et de gouvernance parmi les bourses de valeurs mobilières. Ces structures vont d'une société publique inscrite en bourse dont une part importante du capital-actions est détenue par des investisseurs publics, à une institution appartenant au gouvernement. Entre ces deux extrêmes, on trouve de nombreux opérateurs de bourses mutuelles ou de bourses commerciales privées. Il n'existe aucun modèle de gouvernance d'entreprise normalisé qui se serait avéré plus

fructueux ou efficace que les autres, ou qui représenterait une approche correspondant à une « pratique exemplaire ».<sup>4</sup>

Les autorités de réglementation appliquent les principes de la gouvernance d'entreprise avec souplesse, surtout dans des territoires comme les États-Unis et le Royaume-Uni, où la structure de réglementation doit s'adapter à de nombreux types de bourses, de marchés parallèles (p. ex. les systèmes de négociation parallèle et les réseaux de courtage électronique) et d'autres institutions du marché comme les organismes d'autoréglementation et les chambres de compensation. L'application des principes à la gouvernance des bourses doit également tenir compte de la situation locale, notamment les facteurs politiques, les préoccupations propres à la réglementation, le système juridique et les traditions opérationnelles.

### **Structure de gouvernance proposée pour Alpha Exchange**

***Alpha Exchange propose un conseil composé de huit administrateurs (quatre administrateurs du « secteur » non indépendants, trois administrateurs indépendants et le chef de la direction d'Alpha Exchange), un comité de supervision de la réglementation (le « CSR ») (trois administrateurs indépendants et deux administrateurs non indépendants), un comité des candidatures (deux administrateurs indépendants et deux administrateurs non indépendants) et un comité des finances et de la vérification (deux administrateurs indépendants et deux administrateurs non indépendants). Le conseil de la Bourse sera présidé par un administrateur indépendant.***

Comme mentionné ci-dessus, il n'existe aucun modèle de gouvernance d'entreprise normalisé qui se serait avéré plus fructueux ou efficace que les autres. Dans le rapport des ACVM sur la supervision des OAR<sup>5</sup> (le « **rapport des ACVM** »), les ACVM reconnaissent qu'il n'est pas nécessaire dans toutes les circonstances de respecter la norme de 50 % d'administrateurs indépendants. Alpha Exchange pense que la structure de conseil et de gouvernance proposée respecte les principes énoncés dans le rapport des ACVM, de même que les pratiques exemplaires internationales. La description des principes qui suit est fondée sur l'« approche canadienne » qui a été définie par les ACVM, et elle explique en quoi la structure de gouvernance proposée pour Alpha Exchange respecte ces principes.

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<sup>4</sup> Nos observations sur ce point sont appuyées par l'ouvrage de Ruben Lee, *The Governance of Market Infrastructure*, 2010, disponible à [www.oxfordfinancegroup.com](http://www.oxfordfinancegroup.com). Voir à la page viii. M. Lee affirme également ce qui suit : [TRADUCTION] « Aucun modèle de gouvernance n'est globalement optimal pour toutes les institutions d'infrastructure du marché. » (Proposition 9, page xvi)

<sup>5</sup> Avis 24-303 des ACVM — Projet des ACVM sur la supervision des OAR, Examen de la supervision des organismes d'autoréglementation et des entités d'infrastructure de marché, Rapport du comité du projet des ACVM sur la supervision des OAR, décembre 2006.

## **Principes 1 et 2**

***Adopter une structure de gouvernance efficace qui soutient la réalisation des objectifs de l'entreprise et le respect de ses obligations en matière de réglementation.***

***Assurer un juste équilibre entre les intérêts des différentes parties prenantes.***

Alpha étant convaincue que la conception de la structure de gouvernance d'Alpha Exchange respecte ces deux principes de manière égale, nous les avons analysés ensemble.

L'objectif premier de la structure de gouvernance de tout type d'organisation est de faire en sorte que la structure puisse efficacement soutenir la réalisation des objectifs de l'organisation. Pour un organisme reconnu comme une bourse, ces objectifs englobent les obligations que lui imposent la loi et la réglementation. En conséquence, Alpha s'est efforcée d'élaborer une structure qui puisse efficacement soutenir son modèle et ses objectifs opérationnels, mais aussi satisfaire à ses obligations en matière de réglementation et d'intérêt public.

Le système de gouvernance d'entreprise d'une bourse doit également viser deux autres objectifs importants, à savoir :

- veiller à ce que les différentes parties prenantes sur le marché soient représentées;
- gérer les conflits d'intérêts.

La structure de conseil et de gouvernance proposée pour Alpha Exchange respecte ces principes pour les raisons suivantes :

- Une représentation équitable et suffisante des parties prenantes est assurée par la présence de quatre représentants des utilisateurs, trois administrateurs indépendants et un représentant de la direction au conseil de la Bourse.
- Même si Alpha Exchange est une filiale en propriété exclusive, c'est le conseil de la Bourse qui supervisera les activités et les affaires d'Alpha Exchange, et les membres indépendants seront représentés dans une importante proportion à ce conseil.
- Grâce à la compétence et à l'expérience professionnelles réunies des personnes élues au conseil de la Bourse, Alpha Exchange disposera d'un conseil efficace.
- La prise en compte de l'intérêt public sera une obligation non négligeable, non seulement pour les administrateurs indépendants, mais aussi pour les administrateurs élus par les actionnaires.
- Alpha Exchange disposera d'un mécanisme indépendant de supervision de ses fonctions de réglementation par l'intermédiaire de son CSR, qui sera composé d'une majorité d'administrateurs indépendants et présidé par un administrateur indépendant.
- Alpha Exchange assurera l'exercice indépendant, impartial et professionnel de la plupart de ses fonctions de réglementation dans le cadre d'une convention de services de réglementation avec l'OCRCVM.

Alpha reconnaît que la présence d'administrateurs indépendants dans la structure de gouvernance d'Alpha Exchange est importante, compte tenu plus particulièrement de son

statut d'entreprise réglementée. Nous reconnaissons les antécédents qui existent dans les structures de conseil des bourses canadiennes. La structure que nous proposons, et plus particulièrement la mise sur pied du CSR, confèrera aux administrateurs indépendants une position prépondérante en ce qui concerne le rôle de réglementation d'Alpha Exchange et un rôle influent en ce qui concerne les autres questions, tout en garantissant qu'aucun groupe ne contrôle le conseil de la Bourse. Nous pensons que c'est la structure de gouvernance la plus efficace possible pour Alpha Exchange à l'heure actuelle, et qu'elle permettra un équilibre raisonnable entre les différents objectifs tout en garantissant que des personnes indépendantes représentent au conseil les intérêts des autres parties prenantes.

***La structure de gouvernance proposée pour Alpha Exchange a été conçue en tenant compte de l'actionnariat actuel d'Alpha Exchange, composé d'utilisateurs, et de son modèle opérationnel particulier. Si l'un ou l'autre de ces éléments devait changer, Alpha reconnaît qu'il y aurait lieu d'apporter des ajustements à la structure de gouvernance proposée.***

***Principe 3 : Une représentation suffisante des administrateurs indépendants aux comités du conseil.***

Le principe 3 est le prolongement logique du principe 2, et il vise à garantir la représentation des autres parties prenantes par l'intermédiaire d'administrateurs indépendants. Il s'applique également aux fonctions déléguées par le conseil à ses comités. La CVMO inclut généralement ce principe dans les conditions imposées par l'intermédiaire de ses ordonnances de reconnaissance.

Ce principe est reconnu dans la structure de gouvernance proposée pour Alpha Exchange. Alpha Exchange mettra en place trois comités du conseil : un CSR, un comité des finances et de la vérification et un comité des candidatures.

Le CSR sera chargé de superviser les responsabilités et les activités de réglementation d'Alpha Exchange. Il jouera un rôle important en veillant à ce que les fonctions de réglementation soient exercées efficacement en prenant les décisions finales, sur demande, à l'égard de toute mesure prise par Alpha à l'encontre des membres ou des émetteurs en faisant appliquer le code de déontologie et les politiques en matière de différends. Pour cette raison, et dans le souci de garantir la gestion appropriée des conflits d'intérêts potentiels dans la réglementation des membres et des émetteurs inscrits, le CSR sera composé d'une majorité d'administrateurs indépendants et présidé par un administrateur indépendant.

Les administrateurs indépendants comprendront la moitié des membres indépendants du comité des finances et de la vérification et du comité des candidatures. Le quorum des réunions du comité des candidatures sera formé par la majorité des membres, à condition qu'au moins un membre indépendant soit présent. S'il y a seulement un membre indépendant (et deux membres non indépendants) présent à une réunion, le membre indépendant présent pourra demander que la réunion soit ajournée jusqu'à ce que l'autre membre indépendant soit disponible et si une telle demande est faite, la réunion devra être ajournée. De plus, pour toute question concernant la nomination d'administrateurs au conseil de la Bourse ou l'application des normes d'Alpha Exchange en matière d'indépendance, les deux membres indépendants du

comité des candidatures devront être présents pour que le quorum soit formé. Le quorum des réunions du comité des finances et de la vérification sera formé par la majorité des membres, à condition qu'au moins un membre indépendant soit présent. S'il y a seulement un membre indépendant (et deux membres non indépendants) présent à une réunion, le membre indépendant présent pourra demander que la réunion soit ajournée jusqu'à ce que l'autre membre indépendant soit disponible et si une telle demande est faite, la réunion devra être ajournée.

#### **Principe 4 : Une représentation équitable des utilisateurs dans le système de gouvernance.**

Même si l'Organisation internationale des commissions de valeurs (OICV) a adopté un nombre restreint de normes en matière de gouvernance des bourses, ses critères pour l'évaluation de la mise en œuvre des principes de l'OICV précisent, parmi les conditions de l'autorisation, que [TRADUCTION] « dans la mesure du possible, un OAR doit veiller à une représentation équitable des membres dans le choix de ses administrateurs et l'administration de ses affaires ». <sup>6</sup> L'OICV ne fait aucun commentaire concernant la représentation des autres parties prenantes. L'importance de la représentation des utilisateurs au conseil d'une bourse est reconnue depuis longtemps, et elle est incluse dans les principes énoncés dans la loi américaine. Le rôle des utilisateurs dans la gouvernance de certaines bourses a été diminué par la démutualisation, surtout dans le cas des bourses qui sont des sociétés ouvertes. À ce titre, la Commission des valeurs mobilières des États-Unis (la SEC) et les autres autorités de réglementation appliquent de manière souple le principe d'une représentation équitable des utilisateurs.

Puisque les administrateurs utilisateurs composeront la moitié du conseil de la Bourse, ce principe est parfaitement respecté par la structure de gouvernance proposée. Comme mentionné plus haut, nous pensons que la représentation des utilisateurs revêt une importance accrue, compte tenu du modèle opérationnel particulier d'Alpha. En outre, Alpha LP sollicite actuellement l'avis des utilisateurs et des autres participants au marché par le biais de quatre comités consultatifs composés de représentants de participants au marché qui sont des adhérents d'Alpha ATS. Ces comités seront maintenus en tant que comités consultatifs d'Alpha Exchange, et ils ne seront plus seulement composés de membres, mais aussi d'émetteurs inscrits. Ces comités, et leur mandat respectif, sont décrits ci-dessous.

- Le comité consultatif des politiques : fournit à la direction d'Alpha les idées et l'expertise des représentants chevronnés des cabinets de courtiers utilisateurs en ce qui concerne les politiques et les autres exigences relatives au fonctionnement des activités de négociation d'Alpha.
- Le comité des utilisateurs : fournit des idées et de l'expertise sur les activités d'Alpha et ses futures initiatives opérationnelles. Le comité est composé de représentants de 15 cabinets de courtiers utilisateurs. Il aide également la direction d'Alpha à comprendre les enjeux auxquels sont confrontés les participants, incluant l'incidence des initiatives de réglementation et les grandes tendances sur les marchés financiers.

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<sup>6</sup> OICV, *Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation*, février 2008, page 34.



- Le comité consultatif de la technologie : fournit à la direction d'Alpha les conseils des gestionnaires de la TI des cabinets de courtiers utilisateurs sur les questions relatives à la mise en œuvre des produits ou des autres services qui pourraient avoir une incidence sur les solutions technologiques internes ou de tiers qu'ils utilisent.
- Le comité consultatif des fournisseurs : fournit à la direction d'Alpha des conseils des fournisseurs de technologie sur les questions relatives à la mise en œuvre des produits ou des autres services qui pourraient avoir une incidence sur les solutions technologiques qu'ils fournissent aux cabinets de courtiers utilisateurs.

***Principe 5 : La structure de gouvernance soutient la gestion efficace des conflits d'intérêts.***

Nous avons mentionné plus haut que l'un des objectifs importants de la structure de gouvernance d'entreprise d'une bourse est de gérer les conflits d'intérêts potentiels. Aux fins de cette analyse, nous examinerons cette question séparément pour les deux secteurs où des conflits d'intérêts potentiels sont susceptibles de survenir :

- les conflits d'intérêts potentiels liés à la fonction de réglementation;
- les conflits d'intérêts potentiels liés aux utilisateurs.

Conflits d'intérêts potentiels liés à la fonction de réglementation

Deux formes de conflits d'intérêts potentiels liés à la fonction de réglementation peuvent survenir : le conflit entre les mandats commercial et de réglementation de la bourse, et le conflit inhérent à la réglementation d'un participant à la bourse, qui peut être un client ou un actionnaire important, ou les deux;

La gestion des conflits entre le mandat commercial et le mandat de réglementation est le principal enjeu de gouvernance soulevé par l'avènement des bourses à but lucratif. Il est désormais devenu une pratique exemplaire pour les bourses de grande envergure dotées d'importantes fonctions d'OAR de séparer les activités opérationnelles des activités d'OAR. Les arrangements structurels varient d'une bourse à l'autre. De nombreuses bourses qui maintiennent un service de réglementation interne ont établi des arrangements de gouvernance spéciaux pour les activités d'OAR. Par exemple, les bourses peuvent mettre sur pied un comité du conseil spécialisé qui est généralement appelé CSR et chargé de superviser les activités d'OAR. Cela permet à la direction et au conseil de concentrer toute leur attention sur questions relatives aux opérations et au marché. En raison des conflits d'intérêts potentiels inhérents au rôle de réglementation, les arrangements spéciaux en matière de gouvernance pour les fonctions d'OAR prévoient généralement une majorité d'administrateurs indépendants.

Les bourses utilisent plusieurs mécanismes en plus de leur structure de gouvernance pour gérer les conflits d'intérêts potentiels. L'externalisation des fonctions de réglementation est l'un des mécanismes les plus utiles et efficaces. Elle minimise les risques de conflits d'intérêts en transférant l'exercice des activités de réglementation à une autre organisation comme un OAR



indépendant (par exemple, l'OCRCVM ou la Financial Industry Regulatory Authority (FINRA) aux États-Unis). Dans plusieurs marchés, certaines fonctions de réglementation des bourses ont été définitivement transférées aux autorités de réglementation publiques, notamment en vue de résoudre le problème des conflits d'intérêts potentiels. C'est la solution choisie dans la plupart des pays européens (incluant le Royaume-Uni), dans certains marchés asiatiques (dont Hong Kong) et en Australie.

***Alpha Exchange aura recours à l'externalisation et à l'établissement d'un CSR en vue de gérer la question des conflits d'intérêts potentiels en matière de réglementation, en plus d'avoir une représentation d'administrateurs indépendants au conseil de la Bourse. Le modèle de réglementation d'Alpha Exchange minimise les problèmes de conflits d'intérêts potentiels entre ses obligations d'OAR et les intérêts des investisseurs grâce à l'externalisation de l'essentiel des fonctions d'OAR à l'OCRCVM. La plupart des fonctions de réglementation seront assumées par l'OCRCVM en vertu d'une convention de services de réglementation, ce qui signifie qu'elles seront exercées de manière indépendante et impartiale et selon les mêmes normes que celles qui s'appliquent à la réglementation des autres marchés. Des discussions sont en cours entre Alpha et l'OCRCVM concernant la convention de services de réglementation. Alpha souhaite externaliser le plus grand nombre de fonctions possible à l'OCRCVM, incluant l'intégralité des services de réglementation du marché.***

***La structure de gouvernance d'Alpha Exchange est conçue de manière à minimiser tout risque de conflit d'intérêts potentiel résiduel en créant un CSR chargé de superviser les fonctions d'OAR au nom du conseil de la Bourse. Le mandat du CSR englobera la relation avec l'OCRCVM. Le CSR sera composé d'une majorité d'administrateurs indépendants et d'un président indépendant chargés de gérer tout problème de conflit d'intérêts potentiel relativement à la réglementation des membres et des émetteurs inscrits, et de faire appliquer le code de déontologie et les politiques en matière de différends.***

#### Conflits d'intérêts potentiels liés aux utilisateurs

***Une autre source importante de conflits d'intérêts potentiels pour une bourse concerne l'interaction entre les intérêts commerciaux de la bourse et les intérêts de ses utilisateurs. Les frais appliqués en matière de services offrent un exemple classique. Ce problème de conflit d'intérêts potentiel peut être résolu en partie en garantissant la représentation des utilisateurs au conseil de la Bourse. Voir le principe 4 ci-dessus. La concurrence joue également un rôle non négligeable dans l'élimination de ce type de conflits d'intérêts potentiels. La concurrence entre les bourses atténue les risques de conflits d'intérêts potentiels entre une bourse et ses utilisateurs en conférant aux utilisateurs — incluant les courtiers et les émetteurs — d'autres solutions en ce qui a trait aux services de négociation et d'inscription à la cote.***

Dans le cas d'Alpha Exchange, les deux facteurs mentionnés ci-dessus atténueront nettement les risques de conflits d'intérêts potentiels en ce qui concerne les utilisateurs. Premièrement, les utilisateurs sont bien représentés au conseil grâce à la structure de gouvernance proposée

pour Alpha Exchange. Les intérêts des autres utilisateurs sont représentés par l'intermédiaire des administrateurs indépendants.

Deuxièmement, une saine concurrence s'est développée entre les marchés canadiens; les courtiers et les émetteurs disposent ainsi de plusieurs solutions pour obtenir des services de négociation et d'inscription à la cote. La concurrence empêchera également les commanditaires d'Alpha LP d'obliger Alpha Exchange à agir en fonction de leurs intérêts au détriment des intérêts des autres utilisateurs. En outre, les commanditaires d'Alpha LP considèrent que leurs intérêts concordent avec les intérêts des autres utilisateurs des marchés. Alpha ATS en a fait la preuve par l'intermédiaire de ses activités et de sa structure de gouvernance actuelles.

Mais surtout, le modèle opérationnel d'Alpha Exchange est le principal moyen d'éliminer les conflits d'intérêts potentiels avec les utilisateurs. Le modèle opérationnel axé sur les utilisateurs d'Alpha Exchange vise à faire en sorte que les intérêts d'Alpha Exchange et ceux de ses utilisateurs concordent, ce qui, structurellement parlant, minimise les conflits entre la bourse et ses utilisateurs, mais aussi entre les intérêts des commanditaires d'Alpha LP et ceux des autres utilisateurs. La structure de gouvernance d'entreprise que propose Alpha pour Alpha Exchange est fondée sur la conviction qu'une forte représentation des utilisateurs/commanditaires au conseil de la Bourse est un ingrédient essentiel au maintien d'un marché fructueux dans un modèle opérationnel axé sur les utilisateurs.

***Principe 6 : Les administrateurs possèdent les compétences nécessaires pour superviser les opérations d'une bourse reconnue.***

Les autorités de réglementation exigent que les dirigeants et les administrateurs des entités autorisées respectent la norme de « personne qualifiée », un peu comme celle qui s'applique aux courtiers agréés d'un cabinet inscrit. L'approche choisie par les autorités de réglementation pour établir ces normes particulières, et les procédures utilisées pour s'assurer qu'elles soient respectées, ne sont pas nécessairement les mêmes dans tous les territoires.

La CVMO impose généralement dans ses ordonnances de reconnaissance des organismes reconnus une condition formulée essentiellement comme suit : [TRADUCTION] « Chacun des dirigeants et administrateurs doit être une personne qualifiée et le comportement antérieur de chacun des dirigeants ou administrateurs doit permettre raisonnablement de croire que cette personne s'acquittera avec intégrité des fonctions qui lui incombent. »

***Alpha Exchange propose d'appliquer ce principe de la même manière que les autres bourses reconnues. Compte tenu du statut d'institution réglementée des commanditaires d'Alpha LP et de l'intérêt que ces organisations ont à préserver l'excellente réputation dont elles jouissent, Alpha Exchange a l'intention d'imposer pour les nominations au conseil de la Bourse des normes d'intégrité et de compétence aussi strictes que celles imposées par Alpha LP aujourd'hui.***

### **Principe 7 : Les autorités exercent le contrôle et la supervision réglementaires des opérations d'une bourse.**

Selon le principe 26 de l'OICV, [TRADUCTION] « les places boursières et les systèmes de négociation doivent exercer une surveillance réglementaire constante afin de s'assurer que l'intégrité des opérations soit préservée grâce à des règles justes et équitables qui assurent un juste équilibre entre les besoins des différents participants au marché ». <sup>7</sup> Les autorités doivent superviser les opérations d'une bourse et demeurer convaincues que ces opérations continuent de respecter les conditions de la reconnaissance ou de l'autorisation, incluant les obligations juridiques et réglementaires. La CVMO a mis en place un programme de supervision continue en vue de surveiller les opérations des organismes reconnus, ce qui inclut le fonctionnement de la structure de gouvernance de l'entreprise, la gestion des responsabilités découlant de la réglementation, la gestion des conflits d'intérêts potentiels et un certain nombre d'autres critères.

Alpha reconnaît la nécessité d'une supervision réglementaire continue des opérations d'Alpha Exchange et elle a conçu sa structure d'entreprise de manière à s'assurer que toutes les activités réglementées de la bourse soient exercées par Alpha Exchange. L'OICV a fait remarquer que lorsqu'une bourse est la filiale d'une société de portefeuille (le modèle qu'Alpha propose d'adopter), il est habituellement important de respecter le principe selon lequel [TRADUCTION] « une bourse doit exister et fonctionner de son propre chef ». <sup>8</sup> Ce principe est pris en compte dans le système de gouvernance proposé pour Alpha Exchange : les activités de bourse seront gouvernées au niveau de la bourse par le conseil de la Bourse. Les mandats proposés pour les conseils du commandité d'Alpha et d'Alpha Exchange permettront de faire en sorte que le conseil de la Bourse gouverne ses plans d'activité, ses budgets, ses règles, ses fonctions d'OAR et ses opérations. Cela inclut la gestion de l'ensemble des employés d'Alpha Exchange. Le commandité d'Alpha a pour principal rôle d'élaborer la stratégie d'entreprise et les plans financiers du Groupe Alpha, incluant les objectifs de haut niveau des filiales en exploitation.

Alpha Exchange fera l'objet d'une supervision et d'un contrôle continus par la CVMO conformément la *Loi* et conformément aux conditions de l'ordonnance de reconnaissance d'Alpha Exchange. La *Loi* confère à la CVMO plusieurs pouvoirs sur une bourse reconnue. La supervision inclut la production de rapports périodiques destinés aux autorités de réglementation, l'approbation des règlements de la bourse et des examens de supervision périodiques de la bourse.

### **Conseil d'administration proposé pour Alpha Exchange**

Les actes constitutifs d'Alpha Exchange précisent que le conseil de la Bourse sera composé d'au moins huit et d'au plus quinze administrateurs. Alpha Exchange recherche pour le conseil de la

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<sup>7</sup> OICV, *Objectives and Principles of Securities Regulation*, février 2008.

<sup>8</sup> Comité technique de l'OICV, *Regulatory Issues Arising from Exchange Evolution — Final Report*, novembre 2006, page 13.

Bourse un groupe de personnes diversifié et complet possédant une combinaison d'expérience, de compétences en matière de gestion et de finance, de bon jugement et de bonne moralité.

La structure du conseil de toute bourse devrait avoir pour objectif d'assurer un juste équilibre entre son mandat d'intérêt public en tant que bourse et son modèle opérationnel. Autoriser différents modèles opérationnels de bourse favorise la concurrence et les intérêts de tous les participants au marché (émetteurs, courtiers et investisseurs).

Comme mentionné plus haut, Alpha Exchange propose un conseil composé de huit administrateurs (quatre administrateurs du « secteur » non indépendants, trois administrateurs indépendants et le chef de la direction), un CSR (trois administrateurs indépendants et deux administrateurs non indépendants), un comité des candidatures (deux administrateurs indépendants et deux administrateurs non indépendants) et un comité des finances et de la vérification (deux administrateurs indépendants et deux administrateurs non indépendants). Le conseil de la Bourse sera présidé par un administrateur indépendant. Voir l'analyse ci-dessus, sous la rubrique « Structure de gouvernance proposée pour Alpha Exchange », pour un exposé détaillé expliquant pourquoi Alpha est convaincue que la structure proposée respecte les « pratiques exemplaires » en matière de principes de gouvernance.

***En résumé, le modèle de réglementation d'Alpha Exchange minimise les problèmes de conflits d'intérêts potentiels entre ses obligations d'OAR et les intérêts des investisseurs grâce à l'externalisation de l'essentiel des fonctions d'OAR à l'OCRCVM. La plupart des fonctions de réglementation seront assumées par l'OCRCVM en vertu d'une convention de services de réglementation, ce qui signifie qu'elles seront exercées de manière indépendante et impartiale et selon les mêmes normes que celles qui s'appliquent à la réglementation des autres marchés. Le système de gouvernance est conçu de manière à minimiser tout risque de conflit d'intérêts potentiel résiduel. Alpha Exchange mettra sur pied un CSR chargé de superviser les fonctions d'OAR au nom du conseil de la Bourse. Son mandat englobera la relation avec l'OCRCVM. Le CSR sera composé d'une majorité d'administrateurs indépendants et d'un président indépendant chargés de gérer tout problème de conflit d'intérêts potentiel relativement à la réglementation des membres et des émetteurs inscrits. Le conseil de la Bourse et sa structure de gouvernance d'entreprise globale ont été conçus de manière à respecter les principes de la saine gouvernance d'entreprise pour une bourse énoncés par les ACVM et appliqués dans la pratique sur les marchés internationaux.***

Voir la rubrique relative aux comités du conseil pour un examen plus détaillé de la question.

### **Normes d'indépendance proposées pour Alpha Exchange**

Un administrateur indépendant est une personne qui n'entretient aucune relation importante avec Alpha Exchange. Nous avons incorporé les mêmes normes (les « **normes d'indépendance** ») que celles appliquées par la plupart des autres sociétés publiques, incluant les autres bourses au Canada.

***Dans notre proposition, les personnes suivantes sont réputées entretenir une relation importante avec Alpha Exchange :***

- ***Un associé, administrateur, membre de la direction ou employé d'un membre, ou un associé d'un associé, administrateur, membre de la direction ou employé d'un membre.***
- ***Un associé, administrateur, membre de la direction ou employé d'une entité affiliée d'un membre qui est responsable des opérations ou des activités quotidiennes du membre ou participant activement à ces opérations ou activités.***
- ***Un membre de la direction ou un employé d'Alpha Exchange ou de toute entité affiliée, ou un associé ou administrateur de toute entité affiliée, à l'heure actuelle ou au cours des trois dernières années.***
- ***Une personne étant actuellement, ou ayant été au cours des trois dernières années, un associé d'un associé, administrateur, membre de la direction ou employé d'Alpha Exchange ou de toute entité affiliée.***
- ***Un associé, administrateur, membre de la direction ou employé d'une personne physique ou morale détenant ou contrôlant, directement ou indirectement, une participation ou des actions avec droit de vote représentant plus de 10 % respectivement d'un commanditaire d'Alpha LP ou d'Alpha Trading Systems Inc.***
- ***Une personne ayant reçu, ou un associé, administrateur, membre de la direction d'une société ayant reçu plus de 75 000 \$ de rémunération directe de la part d'Alpha Exchange ou de l'une ou l'autre de ses entités affiliées sur toute période de douze mois au cours des trois dernières années (à l'exclusion des allocations de présence versées aux administrateurs et membres des comités du conseil, des versements au titre du régime de pension et des autres rémunérations différées pour des services antérieurs, à condition que la rémunération ne soit pas d'une quelconque manière conditionnelle à la continuité du service).***

Alpha propose d'établir un critère d'importance (plus de 10 % de participation ou de contrôle) pour tout associé, administrateur, membre de la direction ou employé d'une personne physique ou morale détenant ou contrôlant, directement ou indirectement, une participation ou des actions avec droit de vote dans un commanditaire d'Alpha LP ou d'Alpha Trading Systems Inc, respectivement. Cette règle est conforme aux normes d'indépendance actuelles de l'une des bourses au Canada et est plus stricte que les normes des deux autres bourses canadiennes. Alpha pense qu'une personne ne doit pas être écartée parce qu'elle détient un nombre d'actions ou une participation négligeable, et que cette norme devrait être appliquée à toutes les bourses.

Dans certaines circonstances particulières, le comité des candidatures d'Alpha Exchange peut juger qu'une personne physique réputée avoir une relation importante avec Alpha Exchange selon les normes d'indépendance est néanmoins indépendante si le comité est raisonnablement convaincu que la relation importante n'aura pas, à son avis, d'incidence sur

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l'indépendance de son jugement. Dans ce cas, un avis préalable de cette décision sera communiqué à la CVMQ. Tout projet de modification des normes d'indépendance devra être assujéti à l'examen et à l'approbation de la CVMQ.

À ce titre, les normes d'indépendance seront essentiellement comparables aux normes d'indépendance appliquées par les autres bourses au Canada. L'objectif de ces normes est d'empêcher toute personne ayant une relation importante d'être déclarée admissible à la fonction d'administrateur indépendant.

***Alpha Exchange pense que ces normes d'indépendance doivent être définies par le conseil de la Bourse, sous réserve de leur examen et de leur approbation par l'autorité de réglementation, et publiées sur son site Web. Alpha Exchange pense qu'il n'y a pas lieu d'inclure le contenu de ces politiques dans l'ordonnance de reconnaissance car cela minerait le pouvoir du conseil de la Bourse et créerait des inefficiences en exigeant que des modifications soient apportées à l'ordonnance de reconnaissance en cas de changement.***

### **Comités du conseil proposés pour Alpha Exchange**

Le conseil d'Alpha Exchange disposera de trois comités : le CSR, le comité des candidatures et le comité des finances et de la vérification. Cette structure élimine toute inquiétude que pourrait soulever un conflit d'intérêts potentiel entre l'exercice des fonctions de réglementation d'Alpha Exchange et ses intérêts commerciaux.<sup>9</sup>

### ***Comité de supervision de la réglementation***

***Le conseil de la Bourse dispose d'un CSR composé de trois administrateurs indépendants et de deux administrateurs non indépendants. Le rôle du CSR consiste à assurer la supervision des questions de réglementation qui concernent Alpha Exchange et à résoudre toute question relative aux conflits d'intérêts potentiels.***

Le CSR a pour mandat de superviser l'exercice des responsabilités et des activités de réglementation d'Alpha Exchange, incluant ce qui suit :

- Recevoir et examiner, au mois une fois par année, un rapport du responsable de la conformité sur le programme de réglementation d'Alpha Exchange comportant à tout le moins les éléments suivants :
  - l'exécution des conventions de services de réglementation pour les services de surveillance et les autres services de réglementation;
  - les problèmes graves en matière de réglementation ou de conformité;

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<sup>9</sup> Précisons qu'Alpha Exchange a externalisé la plupart de ses fonctions de réglementation.

- les mesures importantes prises à l'encontre des membres et des émetteurs inscrits en matière de réglementation;
  - la dotation et les ressources des fonctions de réglementation et de conformité;
  - les résultats de toute inspection menée par la CVMO ou de toute autre inspection.
- Examiner et évaluer la mise en œuvre et le fonctionnement des programmes de réglementation et de conformité, au moins une fois par année, incluant l'exécution des obligations en vertu de toutes les conventions de services de réglementation.
  - Recommander au conseil de la Bourse toute modification qu'il y a lieu d'apporter, de l'avis du CSR, aux programmes de réglementation et de conformité.
  - Recommander, une fois par année, un budget de la réglementation au conseil de la Bourse incluant les principales priorités et initiatives pour les fonctions de réglementation et de conformité.
  - Examiner et recommander au conseil de la Bourse toute déclaration annuelle devant être soumise aux autorités de réglementation.
  - Examiner et approuver la réponse d'Alpha Exchange à toute constatation importante faite dans le cadre des inspections réglementaires menées par la CVMO ou tout autre organisme.
  - Examiner les projets de « règles » (règles définissant les exigences ou les normes réglementaires et nécessitant l'approbation de la CVMO) et formuler des recommandations au conseil de la Bourse à ce sujet.
  - Examiner tout problème de conflit d'intérêts potentiel entre l'exercice des responsabilités de réglementation d'Alpha Exchange et ses activités (incluant les questions relatives à l'inscription), et trancher s'il y a lieu.
  - Examiner tout litige soulevé par un membre ou un émetteur à l'égard d'une décision du personnel d'Alpha Exchange concernant ce membre ou cet émetteur, si cet examen est demandé par un membre ou un émetteur, et trancher s'il y a lieu.
  - Le CSR est habilité à demander au conseil de la Bourse de l'autoriser à obtenir l'avis et à solliciter l'aide de conseillers juridiques ou comptables internes ou externes ou de tout autre conseiller. Sur réception de l'approbation du conseil de la Bourse, le CSR sera habilité à faire appel et à mettre fin aux services de tout cabinet de consultants externe.
  - Examiner tout litige relatif à une décision prise par le personnel d'Alpha Exchange concernant un manquement aux politiques de négociation ou au guide d'inscription à la cote d'Alpha Exchange, et trancher s'il y a lieu.

Ainsi, le CSR jouera un rôle déterminant dans l'établissement des politiques, des budgets et des mécanismes de supervision des fonctions de réglementation d'Alpha Exchange et de son code

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de déontologie et ses politiques en matière de différends. De plus, il aura un pouvoir décisionnaire en ce qui concerne l'application du code de déontologie et des politiques de conformité, et relativement aux appels portant sur toute question relevant des politiques de négociation et des normes d'inscription à la cote.

Le quorum du CSR sera formé par la majorité des membres, dont au moins deux administrateurs indépendants. En outre, dans les cas où le CSR examine un appel soumis par un membre ou un émetteur inscrit relativement à une décision d'Alpha Exchange, la majorité des administrateurs indépendants du CSR devront être présents.

***Alpha a proposé un CSR composé d'une majorité d'administrateurs indépendants qui conserve le pouvoir de décision finale sur toute question de nature réglementaire parce que selon elle, cette structure est le meilleur moyen de résoudre tout problème de conflit d'intérêts potentiel et de faire en sorte que les normes les plus strictes soient maintenues à l'égard de ces questions. Nous pensons que cette solution est plus appropriée que l'exigence d'une composition de 50 % d'administrateurs indépendants pour les conseils des bourses pour les raisons suivantes :***

- ***au sein du CSR, c'est une majorité d'administrateurs indépendants qui traite les questions d'intérêt public;***
- ***le conseil de la Bourse dispose d'un plus grand nombre d'administrateurs non indépendants pour l'examen des questions de nature commerciale ou stratégique.***

### **Comité des candidatures**

Alpha Exchange mettra sur pied un comité des candidatures qui sera composé de deux membres indépendants et de deux membres non indépendants du conseil de la Bourse. Puisque c'est souvent le rôle du président du conseil de déterminer quelles compétences et quelle expérience doivent avoir les administrateurs selon les besoins du conseil, le président du conseil de la Bourse sera l'un des deux membres non indépendants. Le comité des candidatures aura pour rôle de repérer des administrateurs qualifiés et de proposer leur candidature à la fonction de membre du conseil de la Bourse. Le quorum des réunions du comité des candidatures sera formé d'au moins deux membres, à condition qu'au moins un membre indépendant soit présent. S'il y a seulement un membre indépendant (et deux membres non indépendants) présent à une réunion, le membre indépendant présent pourra demander que la réunion soit ajournée jusqu'à ce que l'autre membre indépendant soit disponible et si une telle demande est faite, la réunion devra être ajournée. De plus, pour toute question concernant la nomination d'administrateurs au conseil de la Bourse ou l'application des normes d'indépendance, les deux membres indépendants du comité des candidatures devront être présents pour que le quorum soit formé.

### **Comité des finances et de la vérification**

Le conseil de la Bourse mettra sur pied un comité des finances et de la vérification (le « **CFV** ») qui sera composé de deux administrateurs indépendants et de deux administrateurs non

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indépendants. Le CFV assumera tous les rôles qui incombent habituellement au comité de vérification, notamment examiner les états financiers d'Alpha Exchange et recommander leur approbation, superviser et confirmer l'intégrité des mécanismes de contrôle et des processus de vérification internes et recommander la nomination des vérificateurs externes. Le quorum du CFV sera formé par la majorité des membres, à condition qu'au moins un membre indépendant soit présent. S'il y a seulement un membre indépendant (et deux membres non indépendants) présent à une réunion, le membre indépendant présent pourra demander que la réunion soit ajournée jusqu'à ce que l'autre membre indépendant soit disponible et si une telle demande est faite, la réunion devra être ajournée.

### **Exigences relatives à la qualité des personnes d'Alpha Exchange**

Alpha Exchange veillera à ce que chacun des actionnaires importants (tout actionnaire détenant une participation de plus de 10 % dans Alpha Exchange) soit une personne qualifiée qui permette raisonnablement de croire que les activités d'Alpha Exchange seront menées avec intégrité et dans l'intérêt public. En outre, tout nouvel actionnaire qui souhaite faire l'acquisition d'une participation supérieure à 20 % dans Alpha Exchange devra obtenir le consentement de la CVMQ.

***Alpha Exchange juge que son actionnaire actuel (Alpha LP) satisfait au critère de personne qualifiée parce que chacun des commanditaires d'Alpha LP est une société ouverte assujettie à une obligation de divulgation et de réglementation par une commission des valeurs mobilières ou une entité réglementée par un gouvernement ou un organisme quasi-gouvernemental doté d'une responsabilité de supervision (institution financière, courtier ou fonds de pension).***

Huit des neuf actionnaires du commandité d'Alpha sont des courtiers en valeurs mobilières ou des institutions financières possédant un cabinet de courtiers et sont assujettis aux exigences et à la surveillance réglementaires. Ces normes réglementaires incluent la gestion des conflits d'intérêts potentiels ainsi que des responsabilités renforcées à l'égard de leur clientèle.

Le neuvième actionnaire est le plus grand fonds de pension au Canada et il est assujetti à la surveillance réglementaire, aux normes strictes liées à l'obligation fiduciaire et à l'examen du public.

### **Gestion des conflits d'intérêts potentiels**

Alpha Exchange mettra en place les procédures nécessaires pour s'assurer que ses administrateurs, dirigeants et employés respectent ses politiques en matière de conflits d'intérêts potentiels et de confidentialité.

Alpha a pour pratique de mettre en œuvre des procédures qui, dans la mesure du possible, s'appuient sur des critères objectifs en vue de déterminer quelle mesure il y a lieu de prendre. Ces politiques et cette approche permettent de manière générale d'éviter les conflits, et plus particulièrement quand il est question de participants appartenant au groupe d'actionnaires

d'Alpha LP<sup>10</sup>. Alpha ATS a mis en place des politiques qui traitent des conflits d'intérêts potentiels et exigent que tous les employés évitent de prendre toute mesure ou décision, ou de participer à la prise de toute décision lorsqu'ils savent ou devraient raisonnablement savoir que cette mesure ou décision risque de soulever un conflit d'intérêts. Si un employé a des doutes quant à l'existence d'un conflit d'intérêts, il est tenu de soumettre la question à son superviseur direct ou à un membre de la haute direction.

***Alpha Exchange adoptera une politique relative aux conflits d'intérêts définissant les obligations et les attentes auxquelles devront satisfaire les administrateurs, les dirigeants et les employés dans le traitement des conflits d'intérêts et des questions de confidentialité. Cette politique exigera notamment que chacun des administrateurs d'Alpha Exchange, lorsqu'il agit en cette qualité, se comporte avec honnêteté et bonne foi dans le meilleur intérêt d'Alpha Exchange, et fasse preuve du même niveau de soin, de diligence et de compétence dont ferait preuve une personne raisonnablement prudente dans des circonstances comparables. En outre, la politique obligera les administrateurs à s'assurer que leurs intérêts personnels n'entrent pas en conflit avec la fonction qu'ils exercent à Alpha Exchange, et leur interdira de recevoir ou d'obtenir, directement ou indirectement, tout profit, gain ou bénéfice personnel (hormis les indemnités payées pour l'exercice de leur fonction d'administrateur) en raison de leur relation avec Alpha Exchange. La politique relative aux conflits d'intérêts contiendra également des dispositions obligeant un administrateur à divulguer la nature et l'étendue de tout intérêt qu'il possède dans un contrat important ou une transaction importante avec Alpha Exchange.***

Enfin, comme mentionné plus haut, le CSR assurera la supervision de toutes les questions de réglementation qui concernent Alpha Exchange et plus particulièrement, il traitera toutes les questions relatives aux conflits d'intérêts. La structure du CSR, qui sera composé d'une majorité d'administrateurs indépendants et dont le président sera indépendant, est conforme aux propositions formulées dans un récent rapport publié par la Fondation canadienne pour l'avancement des droits des investisseurs (FAIR Canada), « La gestion des conflits d'intérêts dans la réglementation des sociétés inscrites à la Bourse de Toronto »<sup>11</sup> (le « rapport FAIR »). L'une des méthodes proposées par FAIR pour la gestion des conflits d'intérêts potentiels à la bourse de Toronto consiste à créer un service de réglementation des inscriptions à la cote distinct, qui constituerait un mécanisme de protection évident contre les conflits découlant du [TRADUCTION] « lien manifeste entre les activités opérationnelles et de réglementation et le personnel ».<sup>12</sup> Alpha pense que la création d'un CSR indépendant chargé de superviser toutes les fonctions d'inscription à la cote et autres fonctions de réglementation d'Alpha Exchange offrira ce type de protection.

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<sup>10</sup> Le statut d'un participant en tant qu'actionnaire ou employé d'un actionnaire n'est jamais utilisé comme critère pour la prise de décisions.

<sup>11</sup> *Managing Conflicts of Interest in TSX Listed Company Regulation*, John Carson, Compliax Consulting Inc., 23 juillet 2010.

<sup>12</sup> *Ibidem*, Carson, page 55.

## **B. Frais**

Tous les frais imposés par Alpha Exchange seront répartis équitablement et n'auront pas pour effet de créer un obstacle déraisonnable à l'accès. Le processus d'établissement des frais d'Alpha Exchange sera équitable, pertinent et pleinement transparent. De plus, en ce qui concerne l'exécution des ordres, Alpha Exchange n'imposera pas de conditions ayant pour effet de créer une discrimination entre les ordres acheminés à Alpha Exchange et les ordres saisis dans le système d'Alpha Exchange.

Les politiques et les procédures d'Alpha Exchange précisent qu'elle prend en compte les facteurs suivants, à tout le moins, lorsqu'elle établit les frais d'opération : la valeur du titre, le montant des frais relativement à la valeur et le montant des frais facturés sur les autres marchés.

### **Frais d'opération**

Les frais d'opération sont décrits à l'annexe 2 de la convention d'adhésion à Alpha ATS, disponible sur le site Web d'Alpha. À l'heure actuelle, Alpha ATS facture des frais de 3 000 \$ pour la demande d'adhésion initiale, ainsi que des frais d'accès mensuels de 1 250 \$. De plus, Alpha ATS facture des frais d'opération établis selon la nature et le montant de l'opération. Alpha Exchange adoptera la grille tarifaire d'Alpha ATS en vigueur au moment de la reconnaissance, et le barème des frais constituera l'annexe 2 de la convention d'adhésion à Alpha Exchange.

Alpha a toujours affirmé que les frais d'opération sont trop élevés au Canada et elle tente toujours de trouver un moyen de réduire les coûts dans le secteur. Cette conviction trouve sa source dans les principes fondamentaux d'Alpha, et notamment dans le fait que le modèle opérationnel d'Alpha vise l'optimisation de la valeur plutôt que sa maximisation (comme nous l'avons vu plus haut). Alpha reconnaît que des progrès ont effectivement été réalisés, avec par exemple la réduction des frais appliquée par Alpha pour les titres d'une valeur inférieure à 1 \$ qui a été rapidement reprise par ses concurrents, mais elle demeure convaincue que les coûts d'opération au Canada sont encore trop élevés. En établissant un barème de frais réduits particulier pour les titres d'une valeur de 1 \$ à 5 \$, Alpha propose une solution innovatrice pour les frais d'opération qui reconnaît que les frais doivent être mieux adaptés à la valeur des titres négociés. Cela permet d'éviter un surcoût démesuré qui rend les titres de plus faible valeur moins attrayants pour la négociation et affecte leur liquidité, nuisant par conséquent aux intérêts des investisseurs et des émetteurs. En outre, Alpha a lancé un nouveau barème tarifaire le 1<sup>er</sup> janvier 2011 pour les fonds négociés en bourse (FNB). Pour les FNB ayant une valeur égale ou supérieure à 5 \$, les frais actifs ont été réduits de 0,0035 \$ par action à 0,0025 \$ par action et les frais passifs de 0,0031 \$ par action à 0,0021 \$ par action. Cette réduction de frais positionne Alpha comme le marché offrant les frais d'opération les plus faibles pour la négociation des FNB, un segment qui représente un volet non négligeable du volume global des opérations dans l'ensemble des marchés canadiens. C'est également un segment où Alpha est devenue le marché prédominant en affichant une part de marché fréquemment supérieure à 50 %. Pour un courtier traitant en majorité des ordres d'achat, ce nouveau barème tarifaire

représente une économie de près de 30 % sur les opérations de ce type. Enfin, le 1<sup>er</sup> mars, Alpha a de nouveau réduit ses frais actifs à 0,0003 \$ par action pour les titres d'une valeur inférieure à 1 \$, égalisant ces frais aux tarifs de la bourse de Toronto tout en maintenant ses tarifs réduits pour les valeurs supérieures à 0,0002 \$ par action. Le revenu net tiré par Alpha de ses activités de négociation sur ces titres est de loin le plus faible au Canada aujourd'hui et il est comparable à celui des bourses américaines. Ce résultat a été rendu possible grâce à son modèle opérationnel dont l'efficacité est sans pareil.

Toutes ces initiatives tarifaires s'ajoutent à un ensemble de services économiques et avantageux pour le marché offerts par Alpha : opérations initiales gratuites, rabais complets sur les ordres à quantité cachée, mécanisme de gestion de la négociation à haute fréquence, valeur moyenne des opérations la plus élevée et ratio frais actifs/passifs le plus bas pour les courtiers enregistrant leurs ordres en dehors des conditions du marché. Cela confirme qu'Alpha est la solution de négociation par excellence pour favoriser la liquidité au plus faible coût. Alpha Exchange continuera de mettre en œuvre ce type d'initiatives dans un effort constant en vue de réduire les coûts, d'accroître les gains en efficacité, de renforcer la liquidité et d'améliorer la qualité d'exécution sur les marchés canadiens.

### **Frais d'acquisition de données**

À l'heure actuelle, les adhérents d'Alpha ATS mais aussi d'autres tiers peuvent acheter les différents produits de données à des fins internes ou de distribution en souscrivant à une convention de distribution de données ou à une convention d'utilisation de données. Ces conventions sont établies avec Alpha LP. Alpha ATS est partie à une convention de vente de données avec Alpha LP en vertu de laquelle Alpha ATS cède toutes les données sur le marché d'Alpha à Alpha LP aux fins de distribution à des tiers (la « **convention de vente de données** »). Alpha ATS cèdera la convention de vente de données à Alpha Exchange, et Alpha LP ou une entité juridique nouvellement créée continuera de fournir des services de vente de données à Alpha Exchange. Les conventions de distribution de données et d'utilisation de données actuellement en vigueur signées avec différents utilisateurs de données resteront valides après la reconnaissance d'Alpha Exchange, mais elles pourront être cédées par Alpha LP à une nouvelle entité juridique. Les frais facturés pour les données varient en fonction du type de source de données visé et de l'utilisation prévue de cette source de données. Tous ces frais sont décrits à l'annexe 1 de la convention d'utilisation de données ou de la convention de diffusion de données, disponibles sur le site Web d'Alpha.

Alpha pense que les frais d'acquisition de données sur le marché canadien sont excessifs, et elle poursuivra ses efforts en vue de trouver des moyens de réduire ces frais en offrant par exemple des solutions de rechange concurrentielles dans la mesure du possible et en recommandant la réglementation des frais dans les cas d'agissements anticoncurrentiels avérés.

## **Droits d'inscription**

Alpha Exchange facturera les frais d'inscription initiaux et les frais d'inscription continus décrits à l'annexe de la convention d'inscription à la cote d'Alpha Exchange. Ces frais n'ont pas encore été établis. Alpha Exchange a l'intention d'adopter une méthode d'établissement des frais conforme à sa stratégie d'établissement des frais en matière de négociation et de données, c'est-à-dire des frais concurrentiels qui permettent aux émetteurs d'avoir le choix.

## **C. Accès / membres**

***Alpha Exchange a établi des normes écrites suffisantes pour l'accès à ses services de négociation et autres services connexes, qui exigent notamment que les membres soient inscrits comme il convient conformément aux lois sur les valeurs mobilières et qu'ils soient des courtiers membres de l'OCRCVM. Ces normes d'accès et le processus relatif à l'obtention, à la restriction et au refus du droit d'accès sont équitables, transparents et appliqués de manière raisonnable.***

Plus particulièrement, un courtier est admissible au statut de membre d'Alpha Exchange s'il est un courtier et membre en règle de l'OCRCVM et un participant aux Services de dépôt et de compensation CDS Inc. (« CDS »), ou s'il a conclu une entente pour la compensation et le règlement des opérations avec un participant à CDS. Alpha Exchange peut refuser une demande d'adhésion en raison de l'inconduite passée ou présente du demandeur ou de toute personne liée, si le demandeur refuse de respecter les exigences d'Alpha Exchange, s'il n'est pas qualifié sur le plan de l'intégrité, de la solvabilité, de la formation ou de l'expérience ou si, pour toute autre raison, il n'est pas dans l'intérêt public d'accepter ce courtier. Tout courtier dont la demande d'adhésion a été refusée dispose d'un droit d'appel devant le CSR d'Alpha Exchange.

Une fois sa demande d'adhésion approuvée, l'adhérent doit respecter toutes les exigences d'Alpha Exchange énoncées dans la convention d'adhésion à Alpha Exchange et les politiques de négociation.

Alpha ATS compte aujourd'hui 92 adhérents. Chacun de ces adhérents deviendra un membre d'Alpha Exchange après la signature de la convention d'adhésion à Alpha Exchange. Les courtiers membres de l'OCRCVM peuvent devenir membres d'Alpha Exchange en soumettant une demande d'adhésion et en signant la convention d'adhésion à Alpha Exchange.

## **D. Réglementation des membres et des émetteurs inscrits à Alpha Exchange**

Alpha Exchange possède le pouvoir, la capacité, les systèmes et les processus nécessaires pour exercer ses fonctions de réglementation, directement ou indirectement par l'intermédiaire d'un fournisseur de services de réglementation, comme suit :

- définir les exigences régissant la conduite de ses membres et des émetteurs inscrits;
- contrôler leur conduite;

- prendre les mesures disciplinaires appropriées à leur encontre en cas de manquement aux exigences d'Alpha Exchange.

### **Négociation**

Les adhérents d'Alpha ATS ont été obligés de se conformer aux politiques de négociation d'Alpha ATS mais aussi aux RUIIM. Alpha ATS était un courtier et un marché membre de l'OCRCVM. **Alpha Exchange conclura une nouvelle convention de services de réglementation avec l'OCRCVM, qui agira en tant que fournisseur de services de réglementation, afin d'externaliser à l'OCRCVM l'établissement des exigences du marché qui s'ajouteront aux politiques de négociation d'Alpha Exchange. Les RUIIM seront incorporées dans les politiques de négociation.**

L'article 5.8 des politiques de négociation d'Alpha Exchange proposées confère à Alpha Exchange le pouvoir discrétionnaire de modifier ou d'annuler un ordre ou une opération qui n'a pas encore été soumis pour règlement à Alpha Exchange et ce, dans le souci de réduire les erreurs dans le traitement des ordres et de maintenir la qualité du marché.

Le personnel de la CVMO a exprimé des inquiétudes concernant la nature étendue de ce pouvoir discrétionnaire et a déploré le manque de clarté quant à ce qui constituerait une « erreur dans le traitement des ordres », ou quant aux circonstances qui justifieraient la modification ou l'annulation en vue de « maintenir la qualité du marché ». Le personnel de la CVMO s'est également inquiété du risque qu'Alpha Exchange exerce ce pouvoir discrétionnaire sans l'intervention préalable de l'OCRCVM ou des parties concernées.

Les raisons qui peuvent justifier la modification ou l'annulation d'un ordre ou d'une opération sont notamment un manquement à la réglementation (dans le cas qui nous occupe, les RUIIM ou les lois et la réglementation sur les valeurs mobilières comme l'Instruction générale 51-201), les erreurs, le dysfonctionnement du système d'acheminement ou d'autres systèmes ou la diffusion de données sur le marché erronées.

Alpha pense que l'OCRCVM devrait intervenir en cas de manquement à une règle ou de problème d'intégrité du marché, mais qu'un marché (en particulier une bourse dotée d'un pouvoir de réglementation) a le droit en vertu de la loi d'intervenir; de plus, le marché est responsable et il devrait avoir l'obligation de rendre compte de la qualité de son propre marché<sup>13</sup>. Tout problème lié à la qualité du marché comme les erreurs ou les dysfonctionnements devrait être traité soit par le marché dans un premier temps, soit seulement par le marché. La mise en œuvre par les marchés de politiques relatives aux erreurs de négociation est un exemple de la façon dont les bourses ont défini les situations dans lesquelles elles entendent exercer le pouvoir d'agir que leur confère la loi sans l'intervention

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<sup>13</sup> Cette position est conforme aux dispositions des conventions et des politiques de nombreux marchés dans la majorité des territoires, qui leur confèrent le pouvoir de prendre toute mesure concernant un ordre ou une opération dans leur marché.

préalable d'une autorité de supervision. Cet exemple de marchés exerçant leur pouvoir discrétionnaire a été accepté, si ce n'est encouragé, dans la plupart des autres territoires<sup>14</sup>.

Un autre exemple de situation où un marché doit intervenir est la défaillance technologique qui, en empêchant le système du marché de fonctionner comme prévu, provoque une erreur dans l'exécution d'un ordre.

Les circonstances dans lesquelles Alpha Exchange pourra intervenir sont très limitées, et une telle intervention devrait être autorisée sans qu'elle soit tenue d'obtenir le consentement préalable de l'OCRCVM; il suffirait que l'intervention fasse l'objet d'un examen postérieur par l'OCRCVM. De plus, toute décision prise par le personnel d'Alpha de modifier ou d'annuler un ordre ou une opération est assujettie à un examen par le CSR et aux politiques en matière d'appel.

Alpha ATS a toujours été dotée de ce pouvoir discrétionnaire, et elle n'a exercé ce pouvoir sans communiquer au préalable avec l'OCRCVM ou ses adhérents que dans de rares occasions.

***Alpha Exchange devrait être habilitée à intervenir, c'est-à-dire à modifier ou annuler un ordre ou une opération aux fins d'atténuer les erreurs commises dans le traitement des ordres et de maintenir la qualité du marché, sans être tenue d'obtenir le consentement préalable de l'OCRCVM, quand les conditions suivantes sont réunies :***

- ***les circonstances dans lesquelles une mesure peut être prise sont claires et transparentes pour les membres et les autorités de réglementation (définies dans les politiques de négociation ou les règlements du marché);***
- ***les mesures prises sont documentées et mises à la disposition des membres, du CSR et des autorités de réglementation;***
- ***l'OCRCVM est immédiatement informé une fois la mesure prise***<sup>15</sup>.

### **Inscription à la cote**

Les émetteurs qui satisfont aux critères énoncés dans le guide d'inscription à la cote d'Alpha Exchange peuvent soumettre une demande d'admissibilité à l'inscription à Alpha Exchange et donc devenir des émetteurs inscrits d'Alpha Exchange.

***La politique d'Alpha Exchange en ce qui concerne l'inscription à la cote repose sur les principes suivants :***

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<sup>14</sup> Le comité permanent SC2 de l'OICV a publié un rapport dans lequel il affirme que les bourses devraient mettre en place des politiques de gestion des erreurs.

<sup>15</sup> Dans la mesure du possible, Alpha Exchange s'efforcera toujours de communiquer avec l'OCRCVM avant d'intervenir.



- *des normes claires et objectives permettant une prise de décisions cohérente et efficace;*
- *des normes d'inscription à la cote aussi strictes, ou plus strictes, que les normes d'inscription à la cote en vigueur dans les différentes bourses canadiennes;*
- *l'élimination des multiples catégories d'inscription à la cote au profit de deux catégories principales : les entités ad-hoc et les autres sociétés émettrices.*
- *l'interdiction pour la bourse d'exercer son pouvoir discrétionnaire dans l'examen des opérations. Cette politique a été adoptée parce que l'expérience a démontré que la probabilité que ce pouvoir discrétionnaire soit exercé de manière abusive est égale à celle qu'il soit exercé de manière judicieuse, et que l'examen des opérations par la bourse ne faisait qu'allonger les délais, sans nécessairement offrir une valeur ajoutée<sup>16</sup>. Alpha Exchange a plutôt choisi d'établir des exigences prévoyant des obligations accrues en matière de gouvernance en général et l'approbation des actionnaires lorsqu'une activité est susceptible d'avoir une incidence importante sur la dilution de la valeur d'un titre.*

Les normes d'inscription à la cote d'Alpha Exchange visent aussi bien les sociétés aux dernières étapes du processus de recherche et développement que les sociétés en exploitation depuis plusieurs années. Autrement dit, la fourchette visée va des jeunes entreprises haut de gamme aux grandes entreprises établies depuis longtemps. Un tableau établissant une comparaison entre les normes d'inscription à la cote d'Alpha et les normes des autres bourses nord-américaines est joint à la présente demande.

Alpha reconnaît que la réglementation des émetteurs par catégorie a été adoptée au Canada pour tenir compte du fait qu'une réglementation universelle n'est pas adaptée à toutes les catégories d'émetteurs, et dans le souci d'éliminer certains obstacles auxquels étaient confrontées les sociétés de plus petite envergure souhaitant obtenir des capitaux sur les marchés publics. Bien qu'Alpha reconnaisse la pertinence de cette perspective, elle fait remarquer qu'il n'est sans doute plus approprié de définir les exigences en fonction de références à certaines bourses précises dans un marché où il existe des bourses concurrentes. En réalité, avec une telle approche, il devient plus difficile pour les bourses de différencier leurs services.<sup>17</sup>

***La réglementation des valeurs mobilières classe les émetteurs dans la catégorie des « émetteurs émergents » et des « émetteurs non émergents » (selon la bourse à laquelle l'émetteur est inscrit ou non). Le modèle initial proposé par Alpha contenait des éléments des deux systèmes car notre stratégie d'inscription à la cote vise à englober les sociétés de***

<sup>16</sup> Précisons que dans d'autres pays que le Canada, et plus particulièrement aux États-Unis, les bourses n'intègrent pas, en règle générale, le pouvoir discrétionnaire dans l'examen des opérations.

<sup>17</sup> Nous espérons qu'éventuellement, les autorités de réglementation des valeurs mobilières adopteront une politique comme celle décrite dans le Règlement 51-102, dans laquelle sont définis des critères objectifs permettant de déterminer à quelle catégorie appartiennent les différents émetteurs. Toutefois, nous sommes conscients que ces modifications ne sont pas nécessairement faisables dans le court terme.



***premier ordre appartenant à la catégorie des émetteurs émergents aussi bien que les sociétés en exploitation depuis de nombreuses années. Suite aux discussions avec les autorités de réglementation, Alpha propose aujourd'hui une politique fondée sur deux catégories.***

***Nous proposons que les émetteurs de catégorie 1 soient réglementés comme des « émetteurs non émergents » et que les émetteurs de catégorie 2 soient réglementés comme des « émetteurs émergents » conformément aux lois sur les valeurs mobilières. Les deux catégories seraient assujetties à des normes d'inscription à la cote différentes, un peu comme de nombreuses autres bourses qui ont établi différents groupes d'émetteurs<sup>18</sup>. Les exigences d'inscription à la cote et de maintien de l'inscription à la cote seront nettement différenciées, et un ou plusieurs caractères spéciaux seront ajoutés aux symboles boursiers afin que chacun puisse facilement savoir à quelle catégorie appartient l'émetteur. Un émetteur devra préciser pour quelle catégorie il soumet sa demande d'inscription.***

Les exigences minimales qui s'appliquent aux émetteurs de catégorie 1 autres que les entités ad-hoc sont des fonds propres de 4 000 000 \$, des flux de trésorerie avant impôts d'au moins 700 000 \$ au dernier exercice, un flottant public d'au moins 1 000 000 d'actions ainsi qu'un minimum de 400 détenteurs publics de lots réguliers, et un fonds de roulement suffisant<sup>19</sup>.

Les exigences minimales pour une entité ad-hoc de catégorie 1 qui est un fonds de placement sont les suivantes : des actifs corporels nets d'au moins 10 000 000 \$, à moins qu'il ne s'agisse d'un fonds de placement ayant des actifs corporels nets d'au moins 1 000 000 \$ faisant partie d'un groupe de sociétés relevant du même gestionnaire et que toutes ces sociétés sont ou seront inscrites à la bourse Alpha ou à une autre bourse et que les actifs corporels nets du groupe s'élèvent à au moins 20 000 000 \$; il doit y avoir au moins 100 000 parts en circulation avant le début des négociations sur une série de parts à la bourse Alpha; les parts doivent être échangeables directement ou indirectement auprès de la société de placement par des titres ou des liquidités, ou les deux; une entité ad-hoc inscrite doit remettre à Alpha une attestation confirmant que la VAN ou la valeur de l'indice sera calculée tous les jours ouvrables et immédiatement mise à la disposition des membres.

Les exigences minimales qui s'appliquent aux émetteurs de catégorie 2 sont des fonds propres de 2 000 000 \$, des flux de trésorerie avant impôts d'au moins 200 000 \$ au dernier exercice, un flottant public d'au moins 1 000 000 d'actions ainsi qu'un minimum de 250 détenteurs publics de lots réguliers, et un fonds de roulement suffisant. Les sociétés de technologie ou de recherche et développement doivent satisfaire à un autre ensemble de critères, à savoir une trésorerie d'au moins 5 000 000 \$, des dépenses justifiées d'au moins 250 000 \$ à chacun des deux derniers exercices, la preuve que les produits sont à un stade de développement avancé, la preuve de l'expertise de la direction et un flottant public d'au moins 1 000 000 d'actions ainsi que 200 détenteurs publics de lots réguliers.

Alpha pense qu'autoriser les parties à différencier leurs services permet d'accroître la concurrence, à condition que les lois sur les valeurs mobilières soient respectées. Nous sommes

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<sup>18</sup> C'est le cas par exemple de la catégorie 1 sur la TSXV et de la catégorie NEX. Le symbole des titres qui appartiennent au groupe NEX contient un suffixe « .H ».

<sup>19</sup> Voir le guide d'inscription pour obtenir la liste complète des exigences applicables aux entités ad hoc de catégorie 1 (autres).

d'avis que la classification actuelle des sociétés en émetteurs émergents ou non émergents repose sur les modèles opérationnels des bourses titulaires et qu'elle restreint la capacité des nouveaux arrivants à offrir des services concurrentiels.

Les normes d'inscription à la cote d'Alpha Exchange permettent l'inscription des produits de placement et des autres titres qui sont également inscrits à une bourse à l'extérieur du Canada. Ces émetteurs devront se conformer à la réglementation des valeurs mobilières canadienne et par conséquent, il n'y aura aucun arbitrage réglementaire.

## E. Externalisation des fonctions de réglementation

*Comme mentionné plus haut, Alpha Exchange conclura un contrat avec l'OCRCVM en vertu duquel ce dernier sera chargé, en qualité de mandataire d'Alpha Exchange, de fournir les services de réglementation du marché ainsi que certains services d'inscription des émetteurs approuvés par la Commission. Comme il est indiqué sur le site Web de l'OCRCVM, ce dernier « établit des normes élevées en matière de réglementation du commerce des valeurs mobilières, assure la protection des investisseurs et renforce l'intégrité des marchés tout en assurant l'efficacité et la compétitivité des marchés financiers. L'OCRCVM s'acquitte de ses responsabilités de réglementation en établissant des règles régissant la compétence, les activités et la conduite financière des sociétés membres et de leurs employés inscrits et en assurant leur mise en application. Il établit des règles d'intégrité du marché régissant les opérations effectuées sur les marchés boursiers canadiens et en assure la mise en application. »<sup>20</sup>*

*Alpha Exchange exercera toutes les fonctions d'inscription à la cote, à l'exception de celles qui découlent de la divulgation de faits importants qui seront assumées par l'OCRCVM. Alpha Exchange disposera d'un pouvoir suffisant sur les émetteurs inscrits d'Alpha Exchange et mettra en place les procédures d'examen nécessaires pour pouvoir surveiller la conformité des émetteurs inscrits d'Alpha Exchange et veiller à la mise en application.*

Le CSR effectuera un examen annuel du rendement de l'OCRCVM et d'Alpha Exchange relativement à leurs fonctions de réglementation et soumettra son rapport au conseil, de même que des recommandations d'amélioration, le cas échéant.

## F. Établissement des règles

Alpha Exchange établira des règlements, des politiques et d'autres instruments de même nature (les « **exigences d'Alpha Exchange** ») visant à régir les opérations et les activités des membres et des émetteurs inscrits d'Alpha Exchange et à :

- assurer la conformité aux lois sur les valeurs mobilières;
- empêcher les pratiques et les agissements frauduleux et manipulateurs;
- promouvoir des principes de négociation justes et équitables;

<sup>20</sup> Site Web de l'OCRCVM, <http://www.iiroc.ca/French/About/OurRole/Pages/default.aspx>.

- prévoir les sanctions appropriées en cas de manquement aux exigences d'Alpha Exchange;
- établir un cadre pour les mesures disciplinaires et de mise en application;
- garantir un marché équitable et ordonné.

Alpha ATS a volontairement établi une pratique de transparence et de consultation lorsqu'elle apporte des modifications au fonctionnement de ses systèmes de négociation et à la distribution de ses données. Toutes les modifications sont annoncées et publiées sur son site Web et peuvent être consultées et commentées par tout intéressé. En outre, Alpha ATS possède différents comités composés de participants à son marché et qui sont chargés de donner leur avis sur les besoins en matière de fonctionnalité, de technologie et de fournisseurs. Alpha Exchange maintiendra cette tradition de transparence et de consultation dans la limite des exigences réglementaires imposées à une bourse.

La CVMO sera l'autorité responsable d'Alpha Exchange et elle établira le processus permettant d'apporter des modifications, incluant la publication et l'examen des modifications. Certaines autorités de réglementation des valeurs mobilières des ACVM ont établi un protocole d'entente (le « **protocole d'entente** ») concernant la reconnaissance et la supervision des bourses<sup>21</sup>. Dans le cadre de la présente demande de dispense, Alpha Exchange demande que l'application du protocole d'entente soit élargie à Alpha Exchange.

## G. Traitement équitable

Les exigences d'Alpha Exchange en matière d'accès, d'inscription à la cote, de dérogation et de mesures disciplinaires seront justes et raisonnables. Pour toutes les décisions prises par Alpha Exchange qui affectent un membre ou un émetteur inscrit d'Alpha Exchange, incluant celles qui concernent les exigences d'Alpha Exchange, les parties auront l'occasion d'être entendues par les membres du CSR ou de présenter des arguments, et Alpha Exchange conservera un compte rendu des motifs de ses décisions tout en permettant que ses décisions fassent l'objet d'un appel ou d'une révision. De plus, si la partie concernée souhaite interjeter appel de la décision du CSR, elle aura le droit de soumettre le litige à l'arbitrage (le cas échéant) ou de se prévaloir des autres droits que lui confèrent les lois sur les valeurs mobilières, incluant demander un examen de la décision par la CVMO.

## H. Procédures de gestion des risques liés aux systèmes, à la technologie et à la technologie de l'information

Chacun des systèmes essentiels d'Alpha Exchange (c'est-à-dire ceux qui permettent la saisie des ordres, l'acheminement des ordres, l'exécution, la déclaration des opérations, la comparaison des opérations, la liste de données, la surveillance du marché et la compensation des opérations) est assorti de mécanismes de contrôle internes pour assurer le caractère complet, l'exactitude, l'intégrité et la sécurité de l'information. De plus, chacun de ces systèmes dispose

<sup>21</sup> OSCB (Bulletin de la CVMO), vol. 32, p. 10452 (2009)

d'une capacité suffisante et des plans de continuité des opérations nécessaires pour permettre à Alpha Exchange de maintenir la bonne marche de ses activités.

Alpha Exchange se conformera aux exigences énoncées à la partie 12 du Règlement 21-101 relativement à chacun de ses systèmes essentiels. Un examen annuel indépendant sera réalisé conformément aux procédures et aux normes de vérification établies.

Alpha Exchange informera la CVMO sans délai de toute défaillance ou modification importante de système.

Les systèmes d'Alpha Exchange ont été développés de manière à offrir une disponibilité, une sécurité et une efficacité maximales. Alpha Exchange a mis en place des procédures de gestion des risques suffisantes, incluant des procédures de gestion du changement, de planification des capacités et de tests avec charge élevée.

### **Aperçu de la plateforme technologique**

Alpha contrôle la capacité et la latence de ses systèmes de manière continue, ce qui a effectivement donné lieu à certaines initiatives, incluant une mise à niveau de l'infrastructure technologique réalisée par Alpha en 2010, la mise à profit des plus récentes technologies disponibles et le positionnement d'Alpha comme le chef de file en matière de technologie de négociation au Canada. Alpha procède actuellement à la mise à niveau de son logiciel de négociation, ce qui devrait selon elle la rehausser au niveau des plateformes de négociation les plus performantes au monde.

### **Continuité des opérations**

Alpha a établi un plan de continuité des opérations (PCO) faisant partie intégrante de sa stratégie globale de gestion des risques. Son PCO vise à faire en sorte que les fonctions essentielles et la technologie de pointe sur laquelle repose l'exercice de ces fonctions continuent de fournir des services aux clients et au secteur, même dans les situations imprévues ou défavorables. Alpha a réalisé une analyse des répercussions sur les opérations (ARO) et elle a cerné les répercussions éventuelles que pourrait avoir une interruption sur son institution et sur les services essentiels que fournit Alpha au secteur. L'ARO contient une description des services essentiels. Le PCO et les arrangements qu'il contient sont conçus de manière à assurer le maintien des services essentiels. Le PCO est un complément du plan de reprise des activités (PRA), un document qui traite tous les aspects de la récupération des applications opérationnelles, de l'infrastructure sous-jacente, des données, des installations de centre de données ainsi que des fonctions opérationnelles essentielles dans un délai donné. Sont également inclus dans la portée du PCO et du PRA les tiers qui participent à la prestation des services d'Alpha.

Le PCO fait l'objet d'essais périodiques et Alpha ATS s'en est prévalu lors du sommet du G8 et du G20; ainsi, elle a pu poursuivre ses opérations sans interruption durant cette période.

### **Exigences et tests de capacité**

Chaque version du système d'Alpha est mise à l'essai pour s'assurer que les exigences fonctionnelles et non fonctionnelles soient respectées. La capacité des systèmes est planifiée en fonction des projections établies; elle est mise à l'essai, contrôlée et revue à intervalles périodiques, et à tout le moins une fois par année, afin de cerner les modifications qu'il y a lieu d'apporter pour continuer à respecter les exigences d'Alpha Exchange.

### **Développement et mise à l'essai**

Alpha examine et maintient à jour les environnements de développement et d'essai du système périodiquement, et à tout le moins une fois par année. Dans le cadre des mises à l'essai continues, des jeux d'essai sont créés ou mis à jour pour s'assurer que la fonctionnalité et le rendement du système respectent les exigences. Tous les artefacts d'essai sont examinés et conservés avec chaque version.

### **Viabilité financière et rapports**

Alpha Exchange est une société à but lucratif. Bien qu'Alpha Exchange soit une nouvelle entité au sens juridique du terme, elle ne fera dans les faits que reprendre les activités et les opérations actuelles d'Alpha ATS, une entité réglementée qui a toujours respecté et qui continuera de respecter jusqu'à ce qu'elle devienne une bourse toutes les exigences réglementaires en matière de fonds propres énoncées dans les règlements de l'OCRCVM.

Alpha Exchange maintiendra des ressources financières suffisantes pour assurer la bonne exécution de ses fonctions et s'acquitter de ses responsabilités. Chaque trimestre, Alpha Exchange remettra à la CVMO des rapports financiers et un calcul de certaines mesures de liquidité, de couverture des charges financières et de leviers financiers conformément aux conditions de l'ordonnance de reconnaissance. Alpha Exchange évaluera également le caractère approprié des calculs et déterminera s'il y a lieu de prendre en compte d'autres formules de calcul, et elle rendra compte des résultats de cette évaluation à la CVMO.

Alpha Exchange déposera auprès de la CVMO des états financiers vérifiés dans les 90 jours suivant la fin de chaque exercice.

## **I. Compensation et règlement**

Alpha Exchange dispose d'arrangements appropriés pour permettre la compensation et le règlement des opérations, et toutes les opérations sont compensées et réglées par l'intermédiaire d'une agence de compensation et de dépôt reconnue.

## **J. Transparence**

Alpha Exchange sera un pourvoyeur de données de l'agence de traitement de l'information TMX Datalinx. En outre, elle a établi de nombreux arrangements pour satisfaire à ses

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obligations de transparence de l'information avant et après les opérations conformément à la partie 7 du Règlement 21-101, et cette information sera communiquée à tous les membres d'Alpha Exchange de manière équitable.<sup>22</sup>

## **K. Externalisation**

Lorsqu'Alpha Exchange externalisera l'une ou l'autre de ses fonctions clés, elle mettra en place les arrangements et les processus officiels qui lui permettront de s'acquitter de ses obligations et qui seront conformes aux pratiques exemplaires de l'industrie en matière d'externalisation. Le modèle opérationnel d'Alpha repose sur le principe de l'« approvisionnement intelligent » :

- elle tire parti de tiers fournisseurs de services et de produits dans les domaines où le développement de capacités internes ne peut offrir un rendement supérieur à celui de ces tiers fournisseurs;
- elle maintient et développe une expertise interne dans les domaines qui sont propres à ses activités, par exemple la structure de marché ou les opérations commerciales et technologiques, et l'expertise nécessaire pour gérer les tiers fournisseurs.

## **L. Communication de renseignements et coopération réglementaire**

Alpha Exchange a mis en place des mécanismes qui lui permettront de coopérer, en communiquant de l'information ou par d'autres moyens, avec la CVMO et son personnel, les organismes d'autoréglementation, les autres bourses, les fonds de protection des épargnants et les autres organismes de réglementation concernés.

## **M. Conclusion**

Alpha Exchange soutient respectueusement que sa dispense de l'obligation d'être reconnue comme une « bourse de valeurs » ou une « bourse », ou comme un « organisme d'autoréglementation » en vertu des lois sur les valeurs mobilières de chacun des territoires ne serait pas préjudiciable aux investisseurs.

## **IV. DÉCISIONS ANTÉRIEURES**

Nous vous renvoyons aux décisions de l'AMF relativement à la TSX/TMX et à la CNSX (anciennement CNQ) qui se trouvent dans le Supplément de la section Valeurs mobilières du Bulletin de l'Autorité des marchés financiers du 12 mars 2004, vol. 1, n° 06, et dans le Bulletin de l'Autorité des marchés financiers du 7 novembre 2008, vol. 5, n° 44, respectivement.

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<sup>22</sup> Des renseignements davantage détaillés ont été présentés dans l'analyse relative à la diffusion des données.

## V. PROJET DE DÉCISION

Veillez trouver en pièce jointe à l'**annexe 1** un projet de décision coordonnée que nous soumettons à votre examen.

## X. DÉCLARATION

Au soutien de la présente demande, vous trouverez en pièce jointe à l'**annexe 2** une déclaration d'Alpha Exchange confirmant la véracité des faits exposés aux présentes.

## XI. ANNEXES

1. Projet de décision coordonnée
2. Déclaration

Nous vous remercions de l'attention que vous portez à cette affaire. Si vous avez des questions, n'hésitez pas à communiquer avec Mme Randee Pavalow, chef des opérations et des affaires juridiques, au 647 259-0420.

Veillez agréer, Madame, Monsieur, mes salutations distinguées

[Insérer la signature de Jos Schmitt]

Jos Schmitt  
Chef de la direction  
Alpha Exchange Inc.

Cc: Éline Lanouette  
Autorité des marchés financiers du Québec

Jacinthe Bouffard  
Autorité des marchés financiers du Québec

Serge Boisvert  
Autorité des marchés financiers du Québec

**FOR THE INDUSTRY. BY THE INDUSTRY.**

Natalie Brown  
Autorité des marchés financiers du Québec

Sandy Jakab  
British Columbia Securities Commission

Lorenz Bernier  
Alberta Securities Commission

Dean Murrison, directeur adjoint  
Saskatchewan Financial Services Commission

Doug Brown, directeur, Exécution et conformité  
Manitoba Securities Commission

Andrew Nicholson, directeur, Réglementation du marché  
Commission des valeurs mobilières du Nouveau-Brunswick

Mark Gallant, registraire des valeurs mobilières  
Prince Edward Island Securities Office

Brian W. Murphy, directeur adjoint, Marchés financiers  
Nova Scotia Securities Commission

Winston Morris, administrateur, Consumer and Commercial Affairs  
Securities Commission of Newfoundland and Labrador

Registrar of Securities, ministère de la Justice  
Gouvernement des Territoires-du-Nord-Ouest

Registraire des valeurs mobilières, Entreprises, associations et co-opératives, Services  
communautaires  
Yukon

Registrar of Securities, ministère de la Justice, gouvernement du  
Nunavut

Susan Greenglass, CVMO

Jonathan Sylvestre, CVMO

Leslie Byberg, CVMO



Michael Brown, CVMO

Ian Kearsley, CVMO

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**FOR THE INDUSTRY. BY THE INDUSTRY.**

## **Annexe 1**

### **Projet de décision coordonnée**

Voir en pièce jointe.

## Annexe 2

### Déclaration

Je soussigné, Jos Schmitt, chef de la direction d'Alpha Exchange Inc., autorise par les présentes le dépôt de la présente demande de dispense coordonnée et confirme, au nom d'Alpha Exchange Inc. et non en ma qualité personnelle, la véracité des faits énoncés dans cette demande.

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Jos Schmitt  
Chef de la direction

## ANNEXE A



**ALPHA EXCHANGE INC.  
LISTING HANDBOOK  
(The “HANDBOOK”)**

1

March 28, 2011

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## Part I. Definitions and Interpretation

### 1.01 Definitions

(1) Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in Alpha Requirements that is defined or interpreted in

- (a) Ontario securities law,
- (b) UMIR,
- (c) IIROC Rules, or
- (d) Alpha Trading Policies

has the same meaning in this Handbook.

(2) The following terms have the meanings set out when used in this Handbook:

**Average Daily Trading Volume** The trading volume for a listed security on all marketplaces for the six months preceding the date of posting of a Form 16A, excluding any purchases made under a normal course issuer bid, divided by the number of trading days during that period. If the securities have traded for less than six months, the trading volume on all marketplaces since the first day on which the security traded, which must be at least four weeks prior to the date of posting Form 16A.

**Beneficial Holders** Those security holders of an issuer that are included in either:

- a Demographic Summary Report available from the International Investors Communications Corporation; or
- a non-objecting beneficial owner list for the issuer under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

**Common Shares** Equity Shares with voting rights that are exercisable in all circumstances irrespective of the number or percentage of securities owned that are not, on a per share basis,



less than the voting rights attached to any other class of shares of the issuer.

<b>Decision</b>	Any decision, direction, order, ruling, guideline or other determination of Alpha, including any committee of Alpha, or of the market regulator made in the administration of this Handbook.
<b>Delist</b>	The termination of a security's listing on Alpha, which renders it ineligible for trading on Alpha.
<b>Equity Shares</b>	Shares of an issuer that carry a residual right to participate in the earnings of the issuer and in the issuer's assets upon dissolution or liquidation.
<b>Listed Issuer</b>	A Tier 1 or Tier 2 issuer with one or more classes of securities listed on Alpha.
<b>Non-Voting Shares</b>	Restricted Shares that do not carry a right to vote except in certain limited circumstances such as to elect a limited number of directors or to vote where mandated by applicable corporate or securities law
<b>Normal Course Issuer Bid</b>	<p>An issuer bid for a class of listed securities where the purchases over a 12-month period by the issuer or persons acting jointly or in concert with the issuer and commencing on the date of posting of the documents required by Alpha Requirements, do not exceed the greater of</p> <ul style="list-style-type: none"><li>• 10% of the Public Float, or</li><li>• 5% of the securities</li></ul> <p>of the class outstanding as of the date of posting of the documents required by Alpha Requirements, excluding purchases under a formal issuer bid.</p>
<b>Other Issuers</b>	Issuer which is at the time of applying for the listing of a security is listed on an exchange other than Alpha.



<b>Outside Director</b>	A director who is not an officer or employee of a Listed Issuer or any of its affiliates.
<b>Preference Shares</b>	Shares which have a genuine and non-specious preference or right over all classes of Equity Shares.
<b>Post</b>	Submitting a document in prescribed electronic format to the specified website and, in the case of a requirement to post a security certificate, means filing a definitive specimen with Alpha.
<b>Public Float</b>	<p>The number of securities outstanding, less shares known by the Listed Issuer after reasonable enquiry to be beneficially owned or under the control or direction of</p> <ul style="list-style-type: none"><li>• the Listed Issuer, and</li><li>• every Related Person of the Listed Issuer,</li></ul> <p>and less any securities that are pooled, escrowed or subject to restrictions on transfer.</p>
<b>Record Date</b>	The date fixed for the purpose of determining security holders of a Listed Issuer eligible for a distribution or other entitlement.
<b>Registered Holders of an Issuer</b>	The registered security holders of an issuer that are beneficial owners of the equity securities of that issuer. For the purposes of this definition, where the beneficial owner controls or is an affiliate of the registered security holder, the registered security holder shall be deemed to be the beneficial owner.
<b>Related Entity of an Issuer</b>	<ul style="list-style-type: none"><li>• a person<ul style="list-style-type: none"><li>○ that is an affiliated entity of the listed issuer;</li><li>○ of which the Listed Issuer is a control block holder;</li></ul></li><li>• a management company or distribution company of a mutual fund that is a Listed Issuer; or</li><li>• a management company or other company that operates a trust or partnership that is a Listed</li></ul>



Issuer.

**Related Person of an Issuer**

- a Related Entity of the Listed Issuer;
- partners, directors and officers of the Listed Issuer or Related Entity;
- any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Listed Issuer or Related Entity of an Issuer;
- an investment manager of a Special Purpose Issuer that is an investment fund;
- partners, directors and officers of an investment manager of a Special Purpose Issuer that is an investment fund;
- a promoter of the company; and
- such other person as may be designated from time to time by Alpha.

**Restricted Shares**

Equity Shares that are neither Common Shares nor Preference Shares.

**Restricted Voting Shares**

Restricted Shares that carry a right to vote subject to a restriction on the number or percentage of securities that may be voted by a shareholder or combination of shareholders, other than a restriction that is permitted or required by statute that is only applicable to non-residents or non-citizens of Canada.

**Special Purpose Issuer**

An issuer of a structured product such as an exchange traded fund, investment fund or split share corporation.

**Stock Option**

An option to purchase shares from treasury granted to an employee, director, officer, consultant or service provider of a Listed Issuer.

**Subordinate Voting Shares**

Restricted Shares that carry a right to vote where there is another class of shares outstanding that carry a greater right to vote on a per-security basis.



<b>Tier 1 Issuer</b>	A Listed Issuer which will be classified as a “non-venture” issuer for purposes of complying with any rules of any applicable securities regulatory authority.
<b>Tier 2 Issuer</b>	A Listed Issuer which will be classified as a “venture” issuer for purposes of complying with any rules of any applicable securities regulatory authority.
<b>Unrelated Director</b>	An outside director who has no relationship with the Issuer, in any capacity (e.g. as lawyer, accountant, banker, supplier or customer), save as a shareholder of the Issuer who is not a Control Block Holder.

## **1.02 Interpretation**

- (1) A company is an affiliate of another company if one of them is a subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same Person.
- (2) The division of Alpha Requirements into separate rules, policies, divisions, sections, subsections and clauses and the provision of a table of contents, headings and notes is for convenience of reference only and shall not affect the construction or interpretation of Alpha Requirements.
- (3) The words “hereof,” “herein,” “hereby,” “hereunder” and similar expressions mean the whole of this Handbook and not simply the particular provision in which the term is mentioned, unless the context clearly indicates otherwise.
- (4) The word “or” is not exclusive.
- (5) The word “including,” when following any general statement or term, does not limit the meaning of the general statement or term to the specific matter immediately following the statement or term.
- (6) Unless otherwise specified, any reference to a statute includes that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that supersedes that statute or regulation.



- (7) Unless otherwise specified, any reference to a rule, policy, blanket order or instrument includes all amendments made and in force from time to time, and to any rule, policy, blanket order or instrument that supersedes that rule, policy, blanket order or instrument.
- (8) Grammatical variations of any defined term have the same meaning.
- (9) Any word imputing gender includes the masculine, feminine and neuter genders.
- (10) Any word in the singular includes the plural and vice versa.
- (11) All references to time in Alpha Requirements are to Toronto time unless otherwise stated.
- (12) All references to currency in Alpha Requirements are to Canadian dollars unless otherwise stated.



## Part II. Original Listing Requirements

### 2.01 General

- (1) This part of the Handbook concerns issuers that do not have any securities listed on Alpha or are undergoing a “backdoor listing”. Listed Issuers that wish to list additional securities of an already listed class must comply with the additional listing requirements of Part VI. Listed Issuers or Other Issuers that wish to list a new class of securities must comply with the supplemental listing requirements of Part VI. Listed Issuers that wish to substitute a class of listed securities with a different class must comply with the substitution listing requirements of Part VI.
- (2) Alpha considers a number of factors in exercising its discretion to list securities, and may refuse to list an issuer that otherwise meets the minimum standards set out below. These factors include:
  - (a) *Track record*: The issuer has a history of profitable operations or, if not, significant revenues.
  - (b) *Quality of management*: The issuer’s directors, officers and controlling shareholders do not have a regulatory history or reputation that give rise to concerns that the business of the issuer will not be conducted with integrity or due regard to the interests of shareholders.
  - (c) *Distribution*: The issuer has a sufficient number of freely-tradeable securities outstanding to foster a liquid market in the listed securities.
  - (d) *Acceptable capital structure*: In determining whether a capital structure is acceptable, Alpha will consider such factors as (i) the price of shares, units or notional amount issued prior to an initial public offering, or the value of the goods or services provided in consideration for the shares, units or notional amounts compared to the price in the initial public offering, (ii) whether shares, units or notional amounts issued prior to the initial public offering were issued primarily to non-arm’s length parties, and (iii) the number of shares, units or the notional amount issued prior to the initial public offering compared to the number to be issued in the initial public offering.



(3) Alpha may request any other documentation or information as part of the original and ongoing listing requirements so that it may confirm that the Issuer is meeting Alpha Requirements.

## **2.02 Minimum Listing Standards for Tier 1 Issuers other than Special Purpose Issuers**

- (1) *Equity*—Shareholder equity of at least \$4,000,000 for issuers.
- (2) *Income*—Pre-tax cash flow from continuing operations of at least \$700,000 in its last fiscal year.

### **Commentary:**

If an issuer has experienced material net income losses in any of the last three fiscal years, Alpha will review the pre-tax cash flow for an additional two years to consider if compliance with the income requirement is sufficient or listing should be denied.

- (3) *Distribution*—Minimum Public Float of 500,000 shares, together with a minimum of 800 public Board Lot holders or minimum Public Float of 1,000,000 shares together with a minimum of 400 public Board Lot holders.
- (4) *Minimum Public Float Value*—\$3,000,000.
- (5) *Working Capital*—Adequate working capital to carry on business and an appropriate capital structure.

### **Commentary:**

The requirements of subsections (1), (4) and (5) apply to companies that qualify under this subsection.

## **Minimum Listing Standards for Special Purpose Tier 1 Issuers: Investment Funds**

- (1) A Special Purpose Issuer that is an investment fund must have net tangible assets of at least \$10,000,000 unless it is a Special Purpose Issuer that is an investment fund with net tangible assets of at least \$1,000,000 and is part of a group of companies that are under the same manager, all of which are listed or





are to be listed on Alpha or another exchange, and the group has net tangible assets of at least \$20,000,000.

- (2) *Distribution* - For each series of units of an investment fund there must be at least 100,000 units outstanding prior to the commencement of trading of a series of units on Alpha.
- (3) *Redeemable Units* – Units must be redeemable, directly or indirectly from the investment company for securities and/or cash.
- (4) *Calculation of Net Asset Value or Index Value* – A listed Special Purpose Issuer must provide Alpha with a representation that the NAV or Index value will be calculated each business day and will be made available to all Members at the same time.

## **2.0 Minimum Listing Standards for Special Purpose Tier 1 Issuers: Other**

- (1) This section contains the minimum listing standards for securities other than equity and preference shares, warrants of a Listed Issuer to purchase listed securities of its own issue and units of investment funds.
- (2) A Special Purpose Issuer other than an investment fund must be a Listed Issuer or Other Issuer with a market capitalization of at least \$150 million.
- (3) Liquidity of Underlying Asset - There must be evidence of the liquidity of the underlying asset.
- (4) The securities to be listed must have been issued pursuant to a prospectus qualified by a securities regulatory authority.
- (5) An application for listing under this section must be accompanied by a market maker application acceptable to Alpha.

## **2.05 Minimum Listing Standards for Tier 2 Issuers**

- (1) *Equity*- Shareholder equity of at least \$2,000,000 for issuers;



- (2) *Income*- Pre-tax cash flow from continuing operations of at least \$200,000 in its last fiscal year.

**Commentary:**

If an issuer has experienced material net income losses in any of the last three fiscal years, Alpha will review the pre-tax cash flow for an additional two years to consider if compliance with the income requirement is sufficient or listing should be denied.

- (3) *Distribution*—Minimum Public Float of 1,000,000 shares, together with a minimum of 250 public Board Lot holders.
- (4) *Minimum Public Float Value*—\$1,000,000.
- (5) *Working Capital* — Adequate working capital to carry on business and an appropriate capital structure.
- (6) *Alternative Test for Technology and Research and Development Companies* — A technology or research and development issuer that does not meet the criteria in subsection (2) qualifies if it has
- (a) at least \$5,000,000 in the treasury;
  - (b) *bona fide* research and development expenses of at least \$250,000 in each of the previous two fiscal years;
  - (c) evidence that the company's products or services are at an advanced stage of development and that there is market demand for the product or service;
  - (d) evidence that the company's management has the expertise required to develop the business to a point of profitability; and
  - (e) minimum Public Float of 1,000,000 shares, together with a minimum of 200 public Board Lot holders.

**Commentary:**

The requirements of subsections (4) and (5) apply to companies that qualify under this subsection.



## 2.06 Management

- (1) Alpha considers the quality of management of its Listed Issuers to be an important component of a fair and orderly market for investors. Therefore, Alpha may review the conduct of any Related Person of the Issuer. Alpha must be satisfied that the business of the Listed Issuer will be conducted with integrity and in the best interests of shareholders, unit holder and debt holders, and that the Listed Issuer will comply with Alpha Requirements and applicable securities law.

### **Commentary:**

In particular, an issuer will not be approved for listing if any related person has been convicted of fraud, breach of fiduciary duty, violations of securities legislation (other than minor violations that do not give rise to investor protection or market integrity concerns) unless the issuer severs relations with such person to the satisfaction of the Exchange.

An issuer may not be approved for listing if any related person has entered into a settlement agreement with a securities regulatory authority or is associated with any person who would disqualify an issuer for listing.

- (2) Management must have knowledge and expertise relevant to the business of the issuer.

## 2.07 Inter-listed Issuers

- (1) A foreign-incorporated issuer that is listed and in good standing on a recognized foreign exchange may be listed by filing the documents in section 2.06. Upon acceptance, the issuer is not subject to the provisions of this Handbook, but must contemporaneously post all documents filed with the foreign exchange on Alpha [or on its home web site], translated into either English or French if necessary.
- (2) The Listed Issuer will be automatically suspended from trading if it is suspended or delisted from the foreign exchange.
- (3) Alpha will consider granting an exemption from some or all of the provisions of this Handbook for an issuer that is listed on a recognized foreign stock exchange.



**Commentary:**

An exemption may be granted where Alpha is satisfied that the issuer is subject to substantially similar regulatory and exchange listing regime as in Canada as well as similar requirements as those contained in this Handbook. Alpha considers exchanges located in countries represented on the IOSCO Technical Committee to have substantially similar requirements, and will make determinations for exchanges located in other countries on a case-by-case basis.

Foreign Listed Issuers are subject to all applicable Canadian securities laws unless exemptions are obtained from the relevant securities commission(s).

**2.08 Designation of Restricted Securities**

- (1) This section is to be read in conjunction with OSC Rule 56-501 *Restricted Shares*.
- (2) Non-voting Shares, Restricted Voting Shares and Subordinate Voting Shares must be identified as such in the Listed Issuer's constating documents and will be identified by Alpha as such in market data displays prepared for the financial press.
- (3) A class of shares may not be designated as `common` unless the shares are Common Shares.
- (4) A class of shares may not be designated as `preference` or `preferred` securities unless the shares are Preference Shares.
- (5) An issuer's constating documents must give Restricted Shareholders the same right to receive notice of, attend and speak at all shareholder meetings as Common Shareholders and to receive all disclosure documents and other information sent to Common Shareholders.
- (6) A Listed Issuer with outstanding listed Restricted Shares or intending to list Restricted Shares must include in its Listing Statement the disclosure required by Part 2 of OSC Rule 56-501.

**Commentary:**

Issuances of Restricted Shares and superior voting shares post-listing are subject to section 6.17 of this Handbook.



## **2.09 Coattail Provisions**

- (1) Alpha will not list Restricted Shares unless the issuer's constating documents provide that if a take-over bid is made to Common Shareholders, whether or not the Common Shares are listed, the Restricted Shares will automatically convert to Common Shares unless an identical offer (in terms of price per share, percentage of shares to be taken up exclusive of shares already owned by the offeror and its associates and all other material conditions) is concurrently made to Restricted Shareholders.

## **2.10 Escrow**

- (1) An issuer applying for listing in conjunction with an initial public offering must have an escrow agreement with its principals that complies fully with the requirements of National Policy 46-201 *Escrow for Initial Public Offerings* respecting established issuers.

## **2.11 Listing Application — Procedure**

- (1) The application for listing must include the following:
  - (a) a completed Listing Application (Form 1) together with the supporting documentation set out in Appendix A to the Listing Application;
  - (b) a draft Listing Statement (Form 2 or 2A) (including financial statements approved by the Issuer's Board of Directors and its Audit Committee);
  - (c) a duly executed Personal Information Form (Form 3) from each Related Person of the Issuer; if any of these persons is not an individual, a PIF from each director, senior officer and each person who beneficially, directly or indirectly owns, controls or exercises direction over 20% or more of the voting rights of such non-individual;
  - (d) current insider reports from each person required to file a PIF, as filed with the Commission;
  - (e) for technology applicants, projected sources and uses of funds statement, including related assumptions, for a period of 12 months, presented on a



quarterly basis, prepared by management and signed by the Chief Financial Officer;'

- (f) for research and development applicants, projected sources and uses of funds statement, including related assumptions, for a period of 24 months, presented on a quarterly basis, prepared by management and signed by the Chief Financial Officer;
- (g) such other documentation as Alpha may require to assess the issuer's qualification for listing or to support the disclosures made in the Listing Statement and other documentation filed in connection with the listing application; and

**Commentary:**

Alpha will not normally require an issuer to file technical reports required to be filed with securities commissions under National Instruments 43-101 and 51-101, but may require the issuer to provide a summary.

- (h) the application fee plus applicable taxes.;
- (2) Alpha will use its best efforts to review the application in a timely manner with due regard to any schedule for filing a prospectus.
- (3) Following its review, Alpha may conditionally approve the issuer, or defer or decline the application.
- (4) If an issuer is conditionally approved, it has 90 days in which to file the final documentation set out in section 2.07. If an application is deferred, the issuer has 90 days in which to address the specific issues that caused deferral. If the issues are not addressed during that period to the satisfaction of Alpha, the application will be declined.
- (5) Subject to a right of appeal, a declined issuer may not submit a new application until six months have elapsed from the date on which it was given notice of that the application was declined.
- (6) Ontario securities law prohibits a person with the intention of effecting a trade in a security from making any representation that a security will be listed on a stock exchange unless the exchange has granted conditional approval to the listing or



otherwise approves. An issuer that has been conditionally approved for listing may use the following language in its final prospectus or offering document, but only in its entirety:

“Alpha Exchange has conditionally approved the listing of these securities. Listing is subject to the Issuer fulfilling all of Alpha Exchange’s requirements on or before (date stipulated by Alpha Exchange), including distribution of these securities to a minimum number of shareholders.”

**Commentary:**

Alpha will also advise the relevant securities commission(s) of the conditional approval.

**2.12 Final Documentation**

- (1) The issuer must submit the following documentation for final listing approval and posting of its securities for trading on Alpha and must post the documents on the Alpha website forthwith following final approval:
  - (a) One originally executed copy of the Listing Statement (Form 2 or 2A) dated within three business days of the date they are submitted, together with any additions or amendments to the supporting documentation previously provided as required by Appendix A to the Listing Application ;
  - (b) two duly executed Listing Agreements (Form 4);
  - (c) an opinion of counsel that the Issuer:
    - (i) is in good standing under and not in default of applicable corporate law;
    - (ii) is not in default of any requirement of any jurisdiction in which it is a reporting issuer or equivalent;
    - (iii) has the corporate power and capacity to own its properties and assets, to carry on its business as it is currently being conducted, and to enter into the Listing Agreement and to perform its obligations thereunder;



- (iv) has taken all necessary corporate action to authorize the execution, delivery and performance of the Listing Agreement and that the Listing Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms;
- (d) an opinion of counsel that all shares previously issued of the class of securities to be listed or that may be issued upon conversion, exercise or exchange of other previously-issued securities are or will be duly issued and are or will be outstanding as fully paid and non-assessable shares;
- (e) a certificate of the applicable government authority that the Issuer is in good standing under and not in default of applicable corporate law;
- (f) a copy of the written notice from the Clearing corporation confirming the CUSIP number assigned to the listed securities;
- (g) if the issuer is to be listed upon conclusion of a public offering, a copy of the receipt(s) for the (final) prospectus;
- (h) a letter from the transfer agent stating the total number of shares issued and confirmation of the number of shareholders holding at least one Board Lot of the issuer's securities; and
- (i) such other documentation as Alpha may require; and
- (j) the balance of the listing fee plus applicable taxes.





## Ongoing Requirements

### 3.01 Directors and Officers

- (1) Every new Related Person of a Listed Issuer must complete a Personal Information Form (Form 3) upon their becoming a Related Person of an Issuer.
- (2) Alpha may collect such personal information about the Related Person of an Issuer as it sees fit.
- (3) A Listed Issuer must immediately remove, or cause the resignation of, any director or officer who Alpha determines is not suitable to act as a director or officer of a Listed Issuer. For other unsuitable Related Persons of the Listed Issuer, the Listed Issuer must immediately sever relations with such Person to the satisfaction of Alpha, or, in the case of a control person, satisfy Alpha that the control person does not and will not have any role in the governance of the Listed Issuer.

### 3.02. Transfer and Registration of Securities

- (1) Every Listed Issuer must maintain in good standing transfer and registration facilities in the City of Toronto, where its Listed Securities must be directly transferable.
- (2) The transfer and registration facilities must be operated by a transfer agent recognized by the clearing corporation.

### 3.03 Dematerialized Securities

Issuers must make arrangements acceptable to the Clearing Corporation so that all trades in listed securities are cleared and settled on a book-entry only basis.

### 3.04 Posting Officer

- (1) A Listed Issuer must designate at least one individual to act as its posting officer and at least one backup. The posting officers are responsible for making all of the postings required under Alpha Requirements.
- (2) A Listed Issuer may post documents through the facilities of a third party service provider approved by Alpha.



### **3.05 Postings**

- (1) A Listed Issuer must post electronic copies of all documents required to be posted with Alpha on the Alpha website.
- (2) In lieu of posting, a Listed Issuer may file the following documents with Alpha no later than the deadline for posting
  - (i) documents listed in section 2.07(c); and
  - (ii) any opinion of counsel.
- (3) A filing made under subsection (2) must indicate that it is made in lieu of posting the document.



## Part IV. Timely Disclosure

### A. Obligation to Disclose Material Information

#### 4.01 Introduction

- (1) This Handbook is not an exhaustive statement of the timely and continuous disclosure requirements applicable to Listed Issuers. Listed Issuers must comply with all applicable requirements of securities legislation. In particular, mining issuers must comply with the additional disclosure requirements of National Policy 43-101- *Standards of Disclosure for Mineral Projects*. Oil and gas issuers must comply with the additional disclosure requirements of (Proposed) National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. All Listed Issuers must comply with National Policy 51-201 – *Disclosure Standards* and, if applicable section 11.2 of NI 81-106 *Investment Fund Continuous Disclosure*.
- (2) Each Listed Issuer must determine what information is material in the context of its own affairs. The materiality of information varies from one issuer to another, and will be influenced by factors such as the issuer’s profitability, assets, capitalization, and the nature of its operations.

#### **Commentary:**

“Material information” is any information relating to the business and affairs of an issuer that results in or would reasonably be expected to result in a significant change to the market price or value of any of the issuer’s listed securities. It is broader than the concept of “material change” in Ontario securities law. An event that is “significant” or “major” in the context of a smaller company’s business and affairs may not be material to a larger one. Given the element of judgment involved, listed companies are encouraged to consult with the Market Regulator on a confidential basis at an early stage to determine whether a particular event gives rise to material information.



#### **4.02 Disclosable Events**

- (1) Listed Issuers are required to make immediate public disclosure of all material information. They are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development will have or has had a direct effect on their business and affairs that is both material and uncharacteristic of the effect generally experienced as a result of such development by other companies engaged in the same business or industry, Listed Issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most companies in a particular industry does not require an announcement, but if it affects only one or a few companies in a material way, an announcement should be made.
- (2) A reasonable investor's investment decision may be affected by factors relating directly to the securities themselves as well as by information concerning the Listed Issuer's business and affairs. For example, changes in a Listed Issuer's issued capital, stock splits, redemptions and dividend decisions may all have an impact upon the reasonable investor's investment decision.
- (3) Actual or proposed developments that require immediate disclosure include, but are not limited to, the following:
  - (a) changes in share ownership that may affect control of the issuer;
  - (b) changes in corporate structure, such as reorganizations, amalgamations, etc.;
  - (c) take-over bids or issuer bids;
  - (d) major corporate acquisitions or dispositions;
  - (e) changes in capital structure;
  - (f) borrowing of a significant amount of funds;
  - (g) public or private sale of additional securities;
  - (h) development of new products and developments affecting the issuer's resources, technology, products or market;



- (i) significant discoveries or exploration results, both positive and negative, by resource companies;
- (j) entering into or loss of significant contracts;
- (k) firm evidence of significant increases or decreases in near-term earnings prospects;
- (l) changes in capital investment plans or corporate objectives;
- (m) significant changes in management;
- (n) significant litigation;
- (o) major labour disputes or disputes with major contractors or suppliers;
- (p) events of default under financing or other agreements; or
- (q) any other developments relating to the business and affairs of the issuer that might reasonably be expected to influence or change an investment decision of a reasonable investor.

**Commentary:**

Disclosure is only required where a development is material. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been made to proceed with it by the company's board of directors or by senior management with the expectation of concurrence from the board of directors. However, a corporate development in respect of which no firm decision has yet been made but that is reflected in the market price may require prompt disclosure.

Forecasts of earnings and other financial forecasts need not be disclosed, but where a significant increase or decrease in earnings is indicated in the near future, such as in the next fiscal quarter, this fact must be disclosed. Forecasts should not be provided on a selective basis to investors or others not involved in the management of the affairs of the issuer. If disclosed, they should be generally disclosed.

- (4) If a pending transaction has been announced but has not closed, updates should be provided at least every 30 days, unless the original announcement specifies a



specific date on which an update will be given. Any material change to the pending transaction as announced must be disclosed promptly.

#### **4.03 Rumours and Unusual Trading Activity**

- (1) Rumours and unusual trading activity may influence or change the investment decision of a reasonable investor and/or the trading price of an issuer's securities. It is impractical to expect management to be aware of, and comment on, all rumours or unusual trading activity. However, when either rumours or unusual trading activity occur, the Market Regulator may request that the Issuer make a clarifying statement. A trading halt may be imposed pending release of a "no corporate developments" statement.
- (2) If a rumour is correct in whole or in part, or if it appears that the unusual trading activity reflects illicit trading on non-disclosed material information, the Market Regulator will require the Listed Issuer to make immediate disclosure of the relevant material information, and a trading halt may be imposed pending release and dissemination of that information.

#### **4.04 Timing of Disclosure and Pre-Notification of the Market Regulator**

- (1) A Listed Issuer must disclose material information forthwith upon the information becoming known to management, or in the case of information previously known, forthwith upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk that persons with access to that information will act upon undisclosed information.
- (2) The policy of immediate disclosure frequently requires that press releases be issued during trading hours, especially when an important corporate development has occurred. When this occurs, the Listed Issuer must notify the Market Regulator *prior* to the issuance of a press release and must not disseminate the press release until instructed by the Market Regulator. The Market Regulator will determine whether trading in the issuer's securities should be temporarily halted. The Market Regulator will also review the proposed wording of the press release to ensure it is complete and balanced.
- (3) Where a release is issued after the close of trading, the Market Regulator should be advised prior to the opening of trading the following day.



#### **4.05 Dissemination of Material Information**

- (1) After notifying the Market Regulator, the news release must be transmitted to the media by the quickest possible method, and by a method that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, a wire service (or combination of services) must be used which provides national and simultaneous coverage.
- (2) Dissemination of news is essential to ensure that all investors have equal and timely information. Listed Issuers must ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this policy and shall be grounds for suspension or delisting of the listed company's securities. In particular, the Exchange will not consider relieving a listed company from its obligation to disseminate news properly because of cost factors.
- (3) Listed Issuers are encouraged to use services such as Dow Jones and Reuters that provide wide dissemination at no cost to the issuer. However, because they may not carry the release or may heavily edit it, they are not acceptable as a sole means of dissemination.

##### **Commentary:**

Alpha accepts the use of any news services that meet the following criteria:

1. Dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;
  2. Dissemination to all members; and
  3. Dissemination to all relevant regulatory bodies.
- (4) Similarly, while the Listed Issuer must post all news releases on Alpha's website and may also post them on its own website, this is not an acceptable means of dissemination. Listed Issuers must be careful they do not "front run" their press release by posting it on a website before it has been disseminated by a full-text service.

##### **Commentary:**



If a Listed Issuer chooses to post news releases or other documents required to be filed by Alpha or by securities regulatory authorities on its website, it must post all of them. It cannot post only favorable information. Similarly, news releases and other filings must be clearly distinguished from marketing material that may also be on the website so that a viewer will not confuse the two.

#### **4.06 Content of News Releases**

- (1) Announcements of material information should be factual and balanced. Unfavorable news must be disclosed just as promptly and completely as favorable news.
- (2) News releases must contain sufficient detail to enable investors to assess the importance of the information to allow them to make informed investment decisions.
- (3) Listed Issuers should communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary.
- (4) News releases must not be misleading.

##### **Commentary:**

For example, a Listed Issuer must not announce an intent to enter into a transaction if it lacks the ability to complete the transaction or if no corporate decision has been made to proceed with the transaction.

- (5) Investors and the media may wish to obtain further information concerning the announcement. All news releases must include the name of an officer or director of the listed Issuer who is responsible for the announcement, together with the Listed Issuer's telephone number. The Listed Issuer is encouraged to also include the name and telephone number of an additional contact person.

#### **4.07 Trading Halts**

- (1) Trading may be halted by the Market Regulator during trading hours to allow material information to be disseminated and market participants to decide if they want to change their buy or sell orders. The decision to halt trading is the Market Regulator's, and it will not routinely halt trading for all press releases, even at the





request of the listed company. It is not appropriate for a listed company to request a trading halt if it is not prepared to make an announcement forthwith.

- (2) The Market Regulator may also halt trading to obtain a statement from a Listed Issuer clarifying a rumour or unusual trading that is having an effect on the market for the issuer's securities.
- (3) A trading halt does not reflect on the reputation of the issuer or its management. Trading is halted for positive developments as well as negative ones.
- (4) The Market Regulator, upon consultation with the Listed Issuer, if appropriate, will determine the time required to disseminate the news release and consequently the length of any quotation and trading halt. A trading halt will not normally last more than two hours.
- (5) A trading halt will not continue for more than 24 hours unless the Market Regulator determines that re-opening trading will have a significant negative impact on market integrity.
- (6) A Listed Issuer is expected to issue the news release promptly following the initiation of a trading halt. If an announcement is not forthcoming, the Market Regulator will establish an opening time no later than 24 hours from the time of the halt (excluding non-business days). If a news release has not been issued by the time set for resuming trading, the Market Regulator will issue a notice stating that trading was halted for dissemination of news or clarification of abnormal trading and no announcement is forthcoming. In this situation, the Listed Issuer should be prepared to issue a statement prior to the reopening explaining why it requested a halt (if this is the case) and why it is not able to make an announcement.

## **B. When Confidentiality May Be Maintained**

### **4.08 When Information May be Kept Confidential**

- (1) Section 75(3) of the *Securities Act* (Ontario), as supplemented by National Policy 51-201 and National Instrument 81-106, provides that where, in the opinion of the reporting issuer, the public disclosure of a material change would be unduly detrimental to the interests of the reporting issuer, or where the material change consists of a decision to implement a change made by senior management of the



Listed Issuer who believe that confirmation of the decision by the board of directors is probable, the Listed Issuer may file a report disclosing a material change on a confidential basis. Non-disclosure of information is also provided for in section 140 (2) of the *Securities Act* (Ontario).

- (2) When a Listed Issuer requests that information be kept confidential, then pursuant to section 75(4) of the *Securities Act*, it must advise the Ontario Securities Commission in writing within 10 days if it wishes that the information continue to be held on a confidential basis, and every 10 days thereafter until the material information is generally disclosed. The Ontario Securities Commission takes the view that it can require the Listed Issuer to disclose confidential information when, in its view, the benefit from public disclosure would outweigh the harm to the issuer resulting from disclosure.
- (3) Listed Issuers should be guided by applicable securities legislation in determining whether material information can be filed on a confidential basis with a Securities Regulatory Authority. Where a decision is made to file a confidential report with the securities regulatory authority, the Market Regulator must be immediately notified of the Listed Issuer's decision to do so. The Market Regulator must be provided with a copy of all submissions to the Securities Regulatory Authority relating to a request to make or to continue confidential disclosure, or to make general disclosure of previously held confidential information. The Market Regulator must be kept fully apprised of the nature of any discussions between the Listed Issuer and the securities regulatory authority relevant thereto, and any decision of the securities regulatory authority with respect to the ability of the Listed Issuer to make or continue confidential disclosure, or requiring the Listed Issuer to make general disclosure.
- (4) Listed Issuers that are reporting issuers in other jurisdictions must ensure that they comply with all applicable rules in addition to this Policy.

#### **4.09 Maintaining Confidentiality**

- (1) Where disclosure of material information is delayed, the Listed Issuer must maintain complete confidentiality. In the event that such confidential information, or rumours respecting the confidential information, is divulged in any manner



(other than in the necessary course of business), the Listed Issuer is required to make an immediate announcement on the matter. The Market Regulator must be notified of the announcement, in advance, in the usual manner. During the period before material information is disclosed, market activity in the Listed Issuer's securities should be closely monitored by the issuer. Any unusual market activity probably means that news of the matter is being disclosed and that certain persons are taking advantage of it. In such case, the Market Regulator should be advised immediately and a halt in trading will be imposed until the Listed Issuer has made disclosure of the material information.

- (2) At any time when material information is being withheld from the public, the Listed Issuer is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any of the Listed Issuer's officers, employees or advisers, except in the necessary course of business. The directors, officers and employees of a Listed Issuer should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed.

#### **4.10 Insider Trading**

- (1) Listed Issuers should make insiders and others who have access to material information about the Listed Issuer before it is generally disclosed aware that trading in securities of the issuer (or securities whose market price or value varies materially with the securities of the reporting issuer) while in possession of undisclosed material information or tipping such information is prohibited under applicable securities legislation, and may give rise to administrative, civil and/or criminal liability.
- (2) In any situation where material information is being kept confidential, management is under a duty to take every possible precaution to ensure that no trading whatsoever takes place by any insiders or persons in a "special relationship" with the Listed Issuer in which use is made of such information before it is generally disclosed to the public.
- (3) In the event that the Market Regulator is of the opinion that insider or improper trading may have occurred before material information has been disclosed and disseminated, the Market Regulator may require that an immediate announcement be made disclosing such material information. The Market



Regulator will refer the matter to the appropriate securities commission(s) for enforcement action.

#### **4.11 No Selective Disclosure**

- (1) Disclosure of material information must not be made on a selective basis. The disclosure of material information should not occur except by means that ensure that all investors have access to the information on an equal footing. Alpha recognizes that good corporate governance involves actively communicating with investors, brokers, analysts, and other interested parties with respect to the corporation's business and affairs, through private meetings, formal or informal conferences, or by other means. However, when communications of any nature occur other than widely disseminated press releases in accordance with this rule, Listed Issuers may not, under any circumstances, communicate material information to anyone, other than in the necessary course of business, in which case the party receiving the information must be instructed to keep it confidential and not to trade the listed company's securities.
- (2) The board of directors of a Listed Issuer should put in place policies and procedures that will ensure that those responsible for dealing with shareholders, brokers, analysts, and other external parties are aware of their and the Listed Issuer's obligations with respect to the disclosure of material information.
- (3) Should material information be disclosed, whether deliberately or inadvertently, other than through a widely disseminated press release in accordance with the rule, the Listed Issuer must immediately contact the Market Regulator and request a trading halt pending the widespread dissemination of the information.



## Part V. Periodic Disclosure

### 5.01 Documents required to be posted

- (1) Every Listed Issuer must promptly post the following documents to the [Listed Issuer's website and] Alpha website:
  - (a) every document required by parts 6, 7 and 8 of the Alpha Listing Handbook,
  - (b) every document required to be filed with any securities regulatory authority for a jurisdiction in which it is a reporting issuer or equivalent, to be delivered to security holders of a Listed Issuer or to be filed on SEDAR to be posted concurrently or as soon as practicable following the filing with the securities regulatory authority or SEDAR or the delivery to security holders,
  - (c) an annual financial statement and Management's Discussion and Analysis.
  - (d) an interim financial statement and Management's Discussion and Analysis.
  - (e) a quarterly update (Form 5) current as of the last day of the relevant quarter, to be posted concurrently with a Listed Issuer's interim financial statement;
  - (f) if applicable, an Annual Information Form (AIF) , to be posted concurrently with the Listed Issuer's audited annual financial statements.

#### **Commentary:**

Documents that are also required to be filed with securities regulators must be posted on SEDAR before or concurrently with the posting on the Alpha website.

### 5.02 Dividends

- (1) In addition to any other requirements of this handbook, Listed Issuers must notify Alpha of any dividend or other distribution (whether regular or special) to holders



of listed securities at least seven trading days prior to the record date for the distribution. This allows Alpha to establish “ex” trading dates with respect to the distribution.

### **5.03 Other Notifications**

- (1) In addition to any other requirements of this handbook, Listed Issuers notify Alpha of any corporate action that may affect holders of listed securities at least seven trading days prior to the record date for the corporate action to allow the setting of an “ex” trading date, if applicable. These actions include, but are not limited to, changes of transfer agent and registrar and full or partial redemptions or retractions of a listed security.

### **5.04 Enhanced Disclosure**

- (1) A Listed Issuer’s must disclose its corporate governance practices as required by National Instrument 58-101 *Disclosure of Corporate Governance Practices*.



## Part VI. Corporate Finance and Capital Structure Changes

### 6.01 Compliance with Disclosure Obligations

- (1) Every transaction, except as noted below, governed by this part is deemed to be “material information” that must be disclosed immediately under Alpha’s Timely Disclosure Policy, even if the Market Regulator determines not to halt trading for dissemination. Listed Issuers must ensure they issue a press release prior to posting any documents required by this part.

#### Commentary:

A grant of an incentive stock option in the normal course is not necessarily material information. Listed companies must make a determination on a case-by-case basis.

- (2) A Listed Issuer must give Alpha prior notice of any issuance or potential issuance of securities of a class of listed securities as provided in this Part.

### 6.02 Compliance with Shareholder Approval Requirements

- (1) Transactions subject to this Part of the Handbook may also be subject to the prior shareholder approval required in Part X of this Handbook.

#### A. Distributions of a Class of Listed Securities

### 6.03 Prospectuses

- (1) A Listed Issuer that proposes to issue securities pursuant to a prospectus must promptly post:
  - (a) a preliminary notice of the proposed offering (Form 6),
  - (b) a copy of the preliminary prospectus, and



- (c) any other documents relating to the proposed offering that may be of interest to investors, provided posting those documents does not contravene applicable securities law.
- (2) The pricing rules for private placements in section 6.04 of this Handbook and the shareholder approval requirements for private placements in section 10.08 of this Handbook apply to issuances of Listed Securities by prospectus.
- (3) Upon closing of the offering, the Listed Issuer must post:
  - (a) a final notice of the offering (Form 6), blacklined to the preliminary notice,
  - (b) a copy of the final prospectus,
  - (c) a copy of the receipt(s) for the final prospectus, and
  - (d) an opinion of counsel that the securities to be issued pursuant to the offering (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable.
- (3) The securities will normally be posted for trading upon closing of the offering. At the request of the Listed Issuer, Alpha may establish an “if, as and when issued” market prior to the closing of the offering. No such market will be established prior to the issuance of a receipt for the final prospectus.

**6.04 Private Placements**

- (1) Alpha considers a “private placement” to be an issuance of securities from treasury for cash or to settle a *bona fide* debt in reliance on an exemption from the prospectus requirements in applicable securities legislation.
- (2) Subject to Section 10.8 of this Handbook, the private placement must not be priced lower than the market price on the day preceding the date on which the Listed Issuer issued a press release announcing the placement, less the applicable discount (the “maximum discount”):

<i>Market Price</i>	<i>Maximum Discount</i>
\$0.50 or less	25%





\$0.51 - \$2.00	20%
Above \$2.00	15%

- (3) The closing market price must be adjusted for any stock splits or consolidations and must not be influenced by the Listed Issuer, any director or officer of the Listed Issuer or any party with knowledge of the private placement.
- (4) If debt is to be exchanged for securities, the issue price is the face value of the debt divided by the number of securities to be issued. If the private placement is of special warrants, the issue price is the total proceeds to the Listed Issuer (before payment of any agent's or other fees) divided by the maximum number of securities that may be issued, assuming any penalty provisions are triggered. If warrants or other convertible securities are to be issued, the Listed Issuer must also comply with section 6.05.
- (5) A Listed Issuer wishing to do a private placement at the current market price may request price protection by giving Alpha confidential notice in writing. The price protection expires if the transaction has not closed 45 days after the date on which it is given.
- (6) A Listed Issuer that proposes to issue securities pursuant to a prospectus must promptly post a preliminary notice of the proposed placement (Form 7),
- (7) Upon closing of the placement, which must occur at least five business days following the posting of the preliminary notice, the Listed Issuer must post:
  - (a) a final notice of the offering (Form 7), blacklined to the preliminary notice,
  - (b) a letter from the listed company confirming receipt of proceeds,
  - (c) if applicable, a certified copy of the minutes of the shareholder meeting approving the placement containing the exact wording of the resolution and confirming that it was adopted by a majority of shareholders other than those excluded from voting by Alpha Requirements or corporate or securities law, and



- (d) an opinion of counsel that the securities to be issued pursuant to the offering (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable.

#### **6.05 Securities Issuable on Conversion of an Option, Warrant and Convertible Securities Other Than Incentive Options**

- (1) Securities issuable on conversion of an option (other than an incentive option), warrant or other convertible securities must not be issued at less than the market price on the trading day prior to the day on which a press release announcing the placement was issued. The price may be adjusted for any payment for the convertible security.

**Commentary:**

If the market price was \$0.50 and a warrant sold for \$0.05, the conversion price could be \$0.45. If a convertible share were issued for \$1.00, it could not be convertible into more than 2 common shares.

- (2) Convertible securities may not be issued for no consideration except as “sweeteners” in conjunction with a private placement of listed securities, in which case the number of securities issuable upon conversion cannot exceed the number of listed securities initially placed.
- (3) Except in exceptional circumstances and with the prior consent of Alpha, the conversion price and the characteristics of the security may not change except pursuant to standard anti-dilution provisions. For greater certainty, the fact that a convertible security will expire out of the money is not an exceptional circumstance. The documentation to be filed is the same as that to be filed for a private placement pursuant to section 6.04.

**Commentary:**

This section applies to securities of a Listed Issuer convertible into its own securities. Requirements for listed warrants of Other Issuers are contained in section 6.16 of this Handbook.

#### **6.06 Acquisitions**

- (1) Securities may be issued as full or partial consideration at not less than the maximum discount permitted by section 6.04. Management of the Listed Issuer is responsible for ensuring that the consideration received is reasonable and must



retain copies of evidence of value including confirmation of out-of-pocket costs or replacement costs, fairness opinions, geological reports, financial statements or valuations. This documentation must be made available to Alpha upon request.

- (2) A Listed Issuer that proposes to issue securities in consideration for an acquisition must promptly post a preliminary notice of the proposed acquisition (Form 8),
- (3) Upon closing of the acquisition, which must occur at least five business days following the posting of the preliminary notice, the Listed Issuer must post:
  - (a) a final notice of the offering (Form 8), blacklined to the preliminary notice,
  - (b) a letter from the listed company confirming closing of the transaction and receipt of the assets, transfer of title of the assets or other evidence of receipt of consideration for the issuance of the securities,
  - (c) if applicable, a certified copy of the minutes of the shareholder meeting approving the acquisition containing the exact wording of the resolution and confirming that it was adopted by a majority of shareholders other than those excluded from voting by Alpha requirements or corporate or securities law; and
  - (d) an opinion of counsel that the securities to be issued pursuant to the offering (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable.

#### **6.07 Incentive and Compensation Options**

- (1) This section governs issuance of stock options, other than overallotment options to an underwriter in a prospectus offering or options to increase the size of the distribution prior to closing, that are used as incentives or compensation mechanisms for employees, directors, officers, consultants and other persons who provide services for Listed Issuers.
- (2) Stock options may not have an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to



the date of grant of the stock options; and (b) the date of grant of the stock options.

- (3) Listed Issuers should not price an option where the market price does not reflect undisclosed material information, unless the issuance of the option is granted to an arm's length party in connection with a material transaction that is not required to be disclosed at that time (e.g. an option to an employee of a company to be acquired issued as an incentive for them to remain).
- (4) A Listed Issuer that has instituted an stock option plan must file with Alpha the following prior to or concurrent with the first grant under the plan:
  - (a) a copy of the stock option plan, and
  - (b) if applicable, a certified copy of the minutes of the shareholder meeting approving the plan containing the exact wording of the resolution and confirming that it was adopted by a majority of shareholders other than those excluded from voting by NI 45-106.
- (5) Immediately following each option grant, the Listed Issuer must file with Alpha:
  - (a) a notice of stock option grant (Form 9); and
  - (b) if the option is granted outside of the plan, an opinion of counsel that the securities to be issued pursuant to the plan will be duly issued and will be fully paid and non-assessable.
- (6) A Listed Issuer that has amended an option or compensation plan must file with Alpha the following forthwith after the amendment:
  - (a) a copy of the compensation plan,
  - (b) if applicable, a certified copy of the minutes of the board of directors' meeting or shareholder meeting approving the amendment containing the exact wording of the resolution and confirming that it was adopted by a majority of directors or shareholders other than those excluded from voting by Alpha Requirements, and



- (c) an opinion of counsel that any additional securities to be issued pursuant to the compensation plan will be duly issued and will be fully paid and non-assessable.

**Commentary:**

Amendments to stock option and other compensation plans may be subject to board and shareholder approval as provided in section 10.10 of this Handbook.

**6.08 Rights Offerings**

- (1) A Listed Issuer intending to do a rights offering must inform Alpha immediately. Notice may be on a confidential basis if the terms have not been finalized.
- (2) The rights offering must be unconditional; rights must be transferable and will be posted for trading on Alpha. Rights may not be issued to purchase shares of an unlisted issuer unless the unlisted issuer is listed on another Canadian or foreign exchange. Shareholders must receive at least one right for each share held.
- (3) A Listed Issuer must finalize the terms of the rights offering and obtain clearance from all applicable securities commissions *at least five settlement days* prior to the record date for a rights offering. "Ex" trading will begin 2 settlement days prior to the record date, meaning purchasers on and after that date will not be entitled to obtain rights certificates. Trading in the rights will begin on the first day of "ex" trading in the listed securities. If insufficient notice is given, Alpha will require the Listed Issuer to delay the record date.
- (4) At least five settlement days prior to the record date the Listed Issuer must post the following:
  - (a) a copy of the final rights circular or prospectus as approved by the applicable securities regulatory authority,
  - (b) a written statement as the date on which the offering circular and rights certificates will be mailed to shareholders (which must be as soon as practicable following the record date),
  - (c) an opinion of counsel that the securities to be issued on exercise of the rights will be duly issued and will be fully paid and non-assessable.



- (5) The Listed Issuer must also provide Alpha with a specimen copy of the rights certificate at least five settlement days prior to the record date.
- (6) The rights offering must be open for a minimum of 21 days following the record date. Once the rights offering has commenced, there may be no amendments to its terms except as permitted by Alpha in extremely exceptional circumstances, such as an unanticipated postal strike that makes timely delivery of the circular and certificates impossible.
- (7) If the offering provides a rounding mechanism whereby rights holders holding less rights than are needed to buy one share can have their entitlement adjusted, arrangements must be made to ensure beneficial holders registered in the name of the Clearing Corporation or an intermediary will be treated as if they were registered holders.

#### **6.09 Issuer Bids**

- (1) A Listed Issuer undertaking a formal issuer bid for a class of listed securities must post the following documentation as soon as practicable following announcement of the bid:
  - (a) a notice of the issuer bid (Form 10), and
  - (b) a copy of the issuer bid circular required by applicable securities legislation.
- (2) Normal course issuer bids are governed by sections 6.18 – 6.20 of this Handbook.

#### **6.10 Take-Over Bids**

- (1) A Listed Issuer undertaking a take-over bid must post the following documentation at least as soon as practicable following announcement of the bid:
  - (a) a notice of the take-over bid (Form 11),
  - (b) a copy of the take-over bid circular, and



- (c) an opinion of counsel that any securities to be issued (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable.
- (2) If the Listed Issuer is offering a new class of securities as payment under the bid and wishes to list those securities, the provisions of section 6.16 (supplemental listings) and 6.17 (restricted securities) apply.

### **6.11 Additional Listings**

- (1) A Listed Issuer that wishes to issue shares of a class of listed securities for any other purpose (for example, a stock dividend) must post the following documentation at least 24 hours prior to issuing the stock:
- (a) a notice of the offering (Form 12),
  - (b) copies of all relevant agreements, and
  - (c) an opinion of counsel that the securities to be issued (and any underlying securities, if applicable) are or will be duly issued and are or will be fully paid and non-assessable.

## **B. Substitutional Listings**

### **6.12 Name Change**

- (1) A Listed Issuer that changes its name must post the following in order to be listed under the new name:
- (a) a notarial or certified copy of the Certificate of Amendment or equivalent giving effect to the name change,
  - (b) confirmation from the registrar and transfer agent that it can effect transfer in the new issue on a book-only basis;
  - (c) confirmation of the new CUSIP number or that the number is unchanged;
  - (d) confirmation that the issuer has notified commissions in all jurisdictions in which it is a reporting issuer of the name change.
- (2) Alpha may assign a new stock symbol. The Listed Issuer should submit any requests in this regard in advance of the name change becoming effective.



### **6.13 Stock Subdivisions (Stock Splits)**

- (1) The Listed Issuer must post the following documentation at least five settlement days prior to the record date:
  - (a) a notice of the security split (Form 13),
  - (b) written confirmation of the record date,
  - (c) an opinion of counsel that all necessary steps have been taken to effect the subdivision and that the securities to be issued will be duly issued and will be fully paid and non-assessable, and
  - (d) if the security split is part of a reclassification, confirmation of the new CUSIP number.
- (2) The securities will begin trading on a split basis two settlement days prior to the record date.

### **6.14 Security Consolidations**

- (1) A new CUSIP number must be obtained for the consolidated securities.
- (2) A Listed Issuer may not consolidate its securities if the total securities outstanding and number of Board Lot holders following the consolidation would be less than the minimums for continued listing set out in Section 9.03.
- (3) To give effect to a security consolidation, the Listed Issuer must post the following:
  - (a) a notice of the security consolidation (Form 14),
  - (b) a certified copy of the minutes of the security holder meeting approving the consolidation,
  - (c) a certified copy of the Certificate of Amendment giving effect to the consolidation, or equivalent document;
  - (d) an opinion of counsel that all necessary steps have been taken to effect the consolidation; and
  - (e) confirmation of the new CUSIP number.





- (4) The securities will normally begin trading on a consolidated basis two or three trading days after all documents are filed.
- (5) Alpha will assign a new stock symbol when the securities begin trading on a consolidated basis. The Listed Issuer should submit any requests in this regard in advance of the consolidation becoming effective.

#### **6.15 Security Reclassifications with No Security Split**

- (1) A Listed Issuer wishing to effect a security reclassification not involving a security split, a reclassification into more than one class of securities or other change to its capital structure must consult Alpha. The requirements to give effect to the reclassification will be tailored to the Listed Issuer's particular situation.
- (2) To give effect to a security restructuring, the Listed Issuer must file with Alpha the following:
  - (a) a notice of the security restructuring (Form 15),
  - (b) a certified copy of the minutes of the security holder meeting approving the restructuring,
  - (c) a copy of the Certificate of Amendment giving effect to the restructuring, or equivalent document,
  - (d) an opinion of counsel that all necessary steps have been taken to effect the reclassification, and that the new securities are or will be duly authorized and are or will be fully-paid and non-assessable, and
  - (e) confirmation of the new CUSIP number(s).
- (3) The new securities will normally begin trading two or three trading days after .all documents are filed.
- (4) Alpha may assign a new stock symbol to the new securities. The Listed Issuer should submit any requests in this regard in advance of the restructuring becoming effective.

#### **C. Supplemental Listings**



## 6.16 Supplemental Listings

- (1) A Listed Issuer or an Other Issuer may apply to have a new class of securities listed and posted for trading.
- (2) The distribution requirements for securities other than those specified in section 6.14(3) and (4) are the same as for an original listing.
- (3) *Warrants* — Warrants issued by a Listed Issuer to purchase listed securities of its own issue must have at least 100,000 warrants outstanding held by at least 100 warrant holders, each holding at least 100 warrants, and the warrant indenture must provide that the terms of the warrants cannot be amended except pursuant to standard anti-dilution provisions.. Any other warrants must meet the requirements for Special Purpose Issuers set out in section 2.04 of this Handbook.
- (4) *Preference Shares* — Each class of listed Preference Shares must have at least 100,000 shares outstanding held by at least 100 shareholders, each holding at least 100 shares.
- (5) The application for listing must include the following:
  - (a) a completed Listing Application (Form 1) together with the supporting documentation set out in Appendix A to the Listing Application; and
  - (b) a draft Listing Statement (Form 2 or 2A) .
- (6) Alpha will use its best efforts to review the application in a timely manner with due regard to any schedule for filing a prospectus. Alpha may require the Listed Issuer to file additional documentation in order to properly conduct its review.
- (7) The Listed Issuer or Other Issuer must submit the following documentation for final listing approval and posting of its securities for trading on Alpha:
  - (a) an originally executed copy of the Listing Statement (Form 2 or 2A) dated within three business days of the date they are submitted together with any additions or amendments to any supporting documentation previously provided,



- (b) an opinion of counsel that all securities previously issued of the class of securities to be listed or that may be issued upon conversion, exercise or exchange of other previously-issued securities are or will be duly issued and are or will be outstanding as fully paid and non-assessable,
- (c) a letter from the transfer agent stating the number of securities outstanding and confirmation of the number of securityholders holding at least one Board Lot of the securities,
- (d) a definitive specimen of the share certificate, and
- (e) applicable fee.

#### **6.17 Restricted Shares**

- (1) A Listed Issuer proposing a supplemental listing of a new class of Restricted Shares must comply with sections 2.06 and 2.07 of this Handbook.
- (2) A Listed Issuer with listed Restricted Shares may not distribute any securities that have greater voting rights than any class of listed Restricted Shares unless the distribution is to all of the Issuer's Equity Shareholders on a *pro rata* basis.

#### **D. Issuer Bids Through Alpha's Facilities**

##### **6.18 Normal Course Issuer Bids - Procedure**

- (1) Sections 6.18 through 6.20 apply
  - (a) to all normal course issuer bids by Listed Issuers and
  - (b) to all purchases of listed securities by a trustee or other agent for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or securities holders of a Listed Issuer may participate if
    - (i) the trustee or agent is an employee, director, associate or affiliate of the Listed Issuer; or
    - (ii) the Listed Issuer directly or indirectly controls the time, price, amount or manner of purchases or directly or indirectly influences the choice of the broker through which purchases are made.



**Commentary:**

The sections do not apply if the purchases are made on the specific instruction of the employee or security holder who will be the beneficial owner of the securities purchased.

- (2) A Listed Issuer must not announce a normal course issuer bid or post any documentation in connection with a normal course issuer bid if it does not have a present intention to purchase securities.
- (3) The maximum number of securities to be purchased under a normal course issuer bid cannot be a number that would make that class of securities ineligible for continued listing on Alpha assuming all the shares are purchased.
- (4) A Listed Issuer intending to make a normal course issuer bid for a class of listed securities must post the following documentation as soon as practicable after issuing a news release with details of the bid:
  - (a) a notice of the normal course issuer bid (Form 16A) which states the maximum number of securities the issuer intends to purchase under the bid.

**Commentary:**

An issuer may make a bid for less than the maximum number of securities permitted by the definition of normal course issuer bid. If so the Form 16A must contain the number of securities the issuer intends to purchase rather than simply stating the maximum number. Subsection (7) allows a Listed Issuer to increase the maximum number of securities that are the subject of the bid.

The news release announcing the bid must contain a summary of the information in Form 16A, including the maximum number of shares to be purchased, the reason for the bid, any restrictions on purchase and the number of shares purchased in the preceding twelve months.

- (5) A Form 16A notice expires on the earlier of
  - (a) one year from the date of filing, and
  - (b) any earlier date specified in the notice.

**Commentary:**



An issuer wishing to continue a bid for more than one year must file a new Form 16A no later than the expiry date of the current form.

- (6) The maximum number of securities that can be purchased under the bid must be adjusted for stock splits, stock dividends and stock consolidations. The Listed Issuer must post an amended Form 16A reflecting the adjustment at the same time as it posts the documentation required for the subdivision or consolidation.
- (7) If:
  - (a) the original Form 16A specified purchases of less than the maximum number permitted under the definition of normal course issuer bid, or
  - (b) the number of securities outstanding of the class that is the subject of the normal course issuer bid has increased by more than 25% from the date of posting of the original Form 16A,

a Listed Issuer may post a revised Form 16A permitting the purchase of up to the greater of 10% of the public float or 5% of the outstanding securities as of the date of the posting of the amended Form 16A.

- (8) A Listed Issuer must post a revised Form 16A in the event of any material change in the information in the current Form 16A as soon as practicable following the material change.

**Commentary:**

A change in the number of shares outstanding is not a material change requiring filing of an amended form unless the issuer is increasing the number of shares it intends to purchase pursuant to subsection (7). A decrease in the number of shares the issuer intends to purchase is a material change.

- (9) A Listed Issuer must issue a news release prior to or concurrently with the filing of any amended Form 16A, containing full details of the amendment,
- (10) An amended Form 16A expires on the same date as the original Form 16A.
- (11) Within 10 days of the end of each calendar month, the Listed Issuer or trustee or agent must post a completed Form 16B indicating the number of shares purchased in the previous month on Alpha and otherwise.



### **6.19 Normal Course Issuer Bids — Restrictions on Purchases**

- (1) A Listed Issuer or trustee or agent may only appoint one Member at any one time to make purchases under the bid. The Listed Issuer must notify the Market Regulator of the name of the Member and the registered representative responsible for the bid.
- (2) Normal course issuer bid purchases may not be made by intentional crosses, prearranged trades or private agreements, except for purchases under the block purchase exemption in subsection 16.20(5).
- (3) If a normal course issuer bid is outstanding at the time a sale from a control block under Part 2 of National instrument 45-102 *Resale of Securities* is underway, the Member making purchases under the bid must ensure that it is not bidding for securities at the same time securities are offered under the sale from control.
- (4) A Listed Issuer must not purchase securities under a normal course issuer bid while a formal issuer bid for the same securities is outstanding. This restriction does not apply to a trustee or agent making purchases for a plan in which employees or security holders participate.
- (5) If a Listed Issuer has a securities exchange take-over bid outstanding at the same time as a normal course issuer bid is outstanding for the offered securities, the Listed Issuer may only make purchases under the normal course issuer bid permitted by OSC Rule 48-501 *Trading During Distributions, Formal Bids and Stock Exchange Transactions*.
- (6) A Listed Issuer, trustee or agent may not make any purchases under a normal course issuer bid while in possession of any material information that has not been disseminated under Part IV of this Handbook.

### **6.20 Normal Course Issuer Bids — Limits on Price and Volume**

- (1) Normal Course Issuer Bid purchases may not begin until two trading days after the later of
  - (i) the posting of a Form 16A or amended Form 16A in connection with the bid; and



- (ii) the issuance of a news release containing details of the Form 16A or amended Form 16A.
- (2) Normal course issuer bid purchases must be made at or below the price of the last independent trade of the security at the time of purchase.

**Commentary:**

The following are not considered independent trades, whether made directly or indirectly:

- trades for the account or an insider of the Listed Issuer or for an account under the direction of an insider;
- trades for the account of the Member making purchases under the bid or under the direction of the Member;
- trades solicited by the Member making purchases under the bid; and
- trades made by the Member making purchases for the bid in order to facilitate a subsequent block purchase by the listed issuer.

Alpha will not consider this section to be violated by an inadvertent uptick caused by a change in the last sale price that occurred immediately prior to the entry of the purchase order.

- (3) Normal course issuer bid purchases may not be made at the opening of trading or during the 10 minutes prior to the scheduled closing of the continuous trading session. Orders may be entered in the closing call notwithstanding the price restriction in subsection (2).
- (4) Except as provided in subsection (5), a listed issuer that is not an investment fund must not make a purchase that, when aggregated with all other purchases during the same trading day, exceeds the greater of
- (a) 25% of the Average Daily Trading Volume of the security, and
  - (b) 1,000 securities.
- (5) Notwithstanding the restriction in subsection (4), a Listed Issuer may make a purchase of a block of securities that
- (a) has a purchase price of at least \$200,000, or



- (b) is at least 5,000 securities with a purchase price of at least \$50,000, or
- (c) is at least 20 board lots and is greater than 150% of the Average Daily Trading Volume of the security,

provided that

- (d) the block is not beneficially owned by, or is not under the control or direction of, a Related Person of the Listed Issuer,
- (e) the Listed Issuer makes no more than one purchase under this subsection in a calendar week, and
- (f) after making a block purchase, the Listed Issuer makes no further purchases during that trading day.

**Commentary:**

The block purchase exemption is only an exemption from the daily purchase restrictions. Listed Issuers cannot make a block purchase that would result in more shares purchased than permitted under the Form 16A filed in connection with the bid.

- (6) A Listed Issuer that is an investment fund must not make a purchase that, when aggregated with all other purchases during the preceding 30 days, exceeds 2% of the securities of that class outstanding as of the date of filing of the Form 16A in connection with the bid.

**E. Shareholder Rights Plans**

**6.21 Shareholder Rights Plans - Procedure**

- (1) This section applies to any shareholder rights plan, commonly known as a “poison pill,” adopted by a Listed Issuer, whether or not the rights entitle a shareholder to purchase a listed security.

**Commentary:**

Alpha does not endorse or prohibit the adoption of poison pills, whether or not in connection with a potential take-over bid. Poison pills are subject to review by the





applicable securities commissions under National Policy 62-202 *Take-Over Bids*  
— *Defensive Tactics*.

- (2) A Listed Issuer must post the following documentation as soon as practicable after issuing a news release with details of the plan:
  - (a) a notice of the shareholder rights plan (Form 17), and
  - (b) a copy of the shareholder rights plan.
- (3) A shareholder rights plan may not exempt particular security holders from the operation of the plan, except for exiting shareholders if there is minority shareholder approval.
- (4) Security holders of the Listed Issuer must ratify the shareholder rights plan no later than six months following the adoption of the plan. If security holder ratification is not obtained within this time period, the plan must be cancelled.
- (5) The Listed Issuer must issue a news release immediately upon the occurrence of an event causing the rights to separate from the listed security.

## **Part VII. Significant Transactions**

### **7.01 Notification**

- (1) A Listed Issuer must give notice of significant transactions that do not involve the issuance of securities. Alpha considers the following to be significant transactions:
  - (a) any transaction or series of transactions with a related person with an aggregate value greater than 10% of the Listed Issuer's market capitalization,
  - (b) any loan to a Listed Issuer other than by a financial institution,



- (c) any loan by a Listed Issuer unless such loan is in the ordinary course of business, or
  - (d) any payment of a bonus, finder's fee, commission or other similar payment in connection with an issuance of securities.
- (2) In addition, a Listed Issuer must provide additional details of any transaction or development it is obliged to disclose under Alpha's Timely Disclosure Policy.
  - (3) A transaction that results in a change of business may be subject to the backdoor listing rules contained in Part VIII of this Handbook. Significant related party transactions may also be subject to Multilateral Instrument 61-101.
  - (4) Listed Issuers intending to undertake a transaction for which notice is required must post a notice of significant transaction (Form 17) as soon as practicable following public announcement of the transaction.
  - (5) The Listed Issuer must notify Alpha when the transaction has closed.



## Part VIII. Backdoor Listings

### 8.01 Definition

- (1) Alpha considers a significant acquisition by a Listed Issuer accompanied or preceded by a change of control to be a “backdoor listing.”

#### **Commentary:**

A significant acquisition is any change, whether by asset purchase, take-over bid, amalgamation, arrangement, merger or otherwise that substantially change's the Listed Issuer's business. A business is considered to be substantially changed if more than 50% of the company's assets or 50% of its revenues following the change are from the assets, business or other interest that is the subject of the significant acquisition.

A change of control results when a Listed Issuer issues more than 100% of the number of equity securities in connection with the significant acquisition (including an offering to raise money to be able to make a cash acquisition) or otherwise has a substantial change in management or the board of directors of the Listed Issuer.

- (2) Alpha has discretion to deem any transaction or series of transactions to be a backdoor listing. Listed Issuers are urged to consult with Alpha at an early stage when contemplating any transaction that might be considered a backdoor listing.

### 8.02 Exception

- (1) Backdoor listings are subject to additional regulation because the business of the Listed Issuer has fundamentally changed such that the issuer's past disclosure is not as relevant to the company resulting from the significant acquisition. A transaction involving two or more Listed Issuers does not give rise to these concerns and will not be considered a backdoor listing except in exceptional cases.

### 8.03 Procedure

- (1) A Listed Issuer undergoing a backdoor listing must meet the standards for an original listing. In addition, it must obtain security holder approval for the significant acquisition.



- (2) The information circular or management proxy circular must contain prospectus-level disclosure for the resulting issuer, including historical financial statements for the company that is the target of the significant acquisition and pro forma consolidated financial statements for the last full fiscal year and any completed quarter of the current fiscal year. This information must also be included in the listing statement for the resulting company.
- (3) Principals of the resulting company must enter into an escrow agreement with Alpha that complies with the requirements of National Policy 46-201.



## **Part IX. Suspensions, Delisting and Other Remedial Actions**

### **9.01 General**

- (1) Alpha or the Market Regulator may halt or suspend trading in a Listed Security at any time without notice if such halt or suspension is in the public interest.

### **9.02 Halts**

- (1) Alpha or the Market Regulator may order a halt to trading and order entry in a Listed Security to permit the dissemination of material news concerning the issuer.
- (2) During the period of a trading halt imposed by the Market Regulator, no trading in the securities may take place on other marketplaces or over-the-counter.

### **9.03 Suspensions**

- (1) Without limiting the general power to suspend trading, the Head of Listings or his or her delegate may suspend trading of a Listed Issuer's securities where:
  - (a) the Listed Issuer has become insolvent or bankrupt or has made an assignment to creditors,
  - (b) the Listed Issuer has ceased to carry on business or a significant portion of its business or has announced its intention to cease to carry on business or a significant portion of its business,
  - (c) the Listed Issuer's financial statements state that the company may not be able to continue as a going concern,
  - (d) the Listed Issuer has
    - (i) in the case of Listed issuers other than Special Purpose Issuers, pre-tax cash flow of less than \$350,000; or,
    - (ii) in the case of technology and resource companies without a revenue generating product or resource, the Listed Issuer has not spent at least \$350,000 on research/exploration and development work acceptable to Alpha in the previous fiscal year, or



- (iii) in the case of a Special Purpose Issuer , a NAV of less than \$5,000,000 (or \$500,000 if the Special Purpose Issuer was listed as part of a group),
  - (e) the Listed Issuer, other than a Special Purpose Issuer, has shareholder equity of less than \$2,000,000.
  - (f) the Listed Issuer, other than a Special Purpose Issuer, has a public distribution of less than 250,000 shares or less than 200 public Board Lot holders or a public float with a value less than \$1,500,000,
  - (g) the Special Purpose Issuer has a distribution of less than 50,000 Units,
  - (h) the Listed Issuer is in violation of its listing agreement or Alpha Requirements,
  - (i) the Listed Issuer is not in compliance with applicable securities or corporate law,
  - (j) the Listed Issuer has not paid when due applicable fees to Alpha, or
  - (k) Alpha considers a suspension to be in the public interest or in the interest of a fair an orderly market.
- (2) Unless the public interest or the interest of a fair and orderly market warrant otherwise, Alpha will give the Listed Issuer prior notice of its intention to suspend the issuer and allow the issuer an opportunity to be heard. At the same time the issuer is notified, Alpha will issue a press release indicating it is considering a suspension.

**Commentary:**

A decision to suspend a Listed Issuer may be appealed as provided in Part XI of this Handbook.

- (3) During a suspension, the issuer remains a Listed Issuer and must comply with all applicable Alpha Requirements.



- (4) In order to have a suspension lifted, the Listed Issuer must meet the requirements for original listing and meet such other requirements as Alpha may establish.

#### **9.04 Declaration of Non-Compliance**

- (1) If a Listed Issuer has failed to comply with Alpha Requirements or applicable securities law or has failed to pay applicable fees, the Head of Listings may publicly identify the Listed Issuer as non-compliant if, in his or her opinion, suspension of trading of the Listed Issuer's securities would not be an appropriate remedy for the failure to comply.

#### **9.05 Public Reprimand.**

- (1) If a Listed Issuer has failed to comply with Parts IV, V, or X of this Handbook, the Head of Listings may publicly reprimand the Listed Issuer if suspension of trading of the Listed Issuer's securities would not be an appropriate remedy for the failure to comply.

##### **Commentary:**

In making a determination to issue a public reprimand, the Head of Listings will consider whether the failure to comply

- (a) was advertent;
  - (b) materially affected shareholders' interests;
  - (c) was rectified by the Listed Issuer;
  - (d) resulted from reliance on the advice of an independent advisor;  
and
  - (e) was one of a series of similar failures.
- (2) Alpha will give the Listed Issuer prior notice of its intention to issue a reprimand.

##### **Commentary:**

A decision to issue a reprimand may be appealed as provided in Part XI of this Handbook. Issuance of the reprimand will be stayed pending the outcome of the appeal.



#### **9.06 Delisting**

- (1) If a suspended Listed Issuer fails to meet the original listing requirements within 150 days one year of the date of suspension, it shall be automatically delisted without further notice.
  
- (2) A Listed Issuer may voluntarily request that all or a class of its Listed Securities be delisted. Such request must be in writing, set out the reasons for the request and be accompanied by a certified copy of a resolution of the Listed Issuer's board of directors (or equivalent) authorizing the request.





## **Part X. Corporate Governance and Security holder Approval**

### **A. Corporate Governance**

#### **10.01 Application**

- (1) Sections 10.03, 10.04 and 10.05 do not apply to Listed Issuers that are
  - (a) asset-backed issuers; or
  - (b) other special purpose issuers
- (2) Sections 10.03 and 10.05 do not apply to Listed Issuers that have more than 50% of the voting power for the election of directors held by an individual, group acting in concert or another company.

#### **10.02 Definition of “Independence”**

- (1) In this Part, a director is not independent if he or she
  - (a) is not independent as defined in NI 52-110;
  - (b) is a supplier or purchaser of the Listed Issuer’s products or services and such relationship is material to the Listed Issuer or the supplier or purchaser and could reasonably be considered to affect the person’s independent judgment; or
  - (c) has been a director of the Listed Issuer for 10 years or longer.

#### **10.03 Governance of Listed Issuers**

- (1) A Listed Issuer must have a Board of Directors composed of at least three independent directors or one-third independent directors, whichever is greater.
- (2) A Listed Issuer must have a Chief Executive Officer, a Chief Financial Officer who cannot be the CEO, and a secretary.



#### **10.04 Audit Committee**

- (1) A listed issuer must have an audit committee that complies with the requirements of NI 52-110.

#### **10.05 Compensation Committee**

- (1) A listed issuer must have a compensation committee composed of independent directors that
  - (a) reviews and approves goals and objectives relevant to the Chief Executive Officer's compensation;
  - (b) evaluates the Chief Executive Officer's performance with respect to those goals and objectives;
  - (c) determines the Chief Executive Officer's compensation (both cash-based and equity-based);
  - (d) reviews and approves incentive compensation plans and equity-based plans and determines whether security holder approval should be obtained; and
  - (e) makes recommendations to the board with respect to compensation of other senior officers and directors.
- (2) A Listed Issuer does not have to establish a compensation committee if the matters discussed in section 10.05, other than section 10.05(1)(e), are determined by independent directors constituting a majority of the Board's independent directors in a vote in which only independent directors participate.

### **B. Security holder Approval**

#### **10.06 No Derogation from Corporate or Securities Law**

- (1) The provisions of this Part are in addition to any requirement for security holder approval or minority security holder approval in corporate or securities law.

#### **10.07 General Requirements**

- (1) Any security holder participating or who is otherwise interested in a transaction that is the subject of a security holder vote may not vote on any resolution to approve that transaction.



- (2) A requirement for security holder approval, other than approval of a backdoor listing, may be satisfied by obtaining a written resolution signed by holders of at least 50% of the holders of the class of securities involved, other than holders excluded from voting by Alpha requirements or corporate or securities law.
- (3) The security holder approval requirements apply to transactions involving the issuance or potential issuance of listed non-voting shares.
- (4) The security holder approval requirements apply on a class-by-class basis.

**Commentary:**

If a transaction involves the issuance of listed subordinate voting shares, it must be approved by the holders of the subordinate voting shares. A vote by holders of multiple voting shares cannot override their vote, even if the multiple voting shares represent a majority of the votes.

- (5) Materials sent to security holders in connection with the vote for approval must contain information in sufficient detail to allow a security holder to make a fully-informed decision.

**10.08 Private Placements**

- (1) Security holders must approve a proposed private placement if
  - (a) the number of securities issuable in the private placement is more than 25% of the total number of securities or votes outstanding and the price of the placement is less than the closing price of the security on the day preceding the date on which the Listed Issuer announced the transaction, but not less than the maximum discount;
  - (b) the price is less than the maximum discount, regardless of the number of shares to be issued; or
  - (c) the number of securities issuable to Related Persons in the transaction, when added to the number of securities issued to Related Persons in private placements or acquisitions in the preceding twelve months, is more than 10% of the total number of securities or votes outstanding, regardless of the price of the private placement.



**Commentary:**

In determining whether the 25% threshold has been crossed, all securities issuable in the private placement are counted, whether or not convertible securities are out of the money, and no other issued convertible securities are counted, whether or not they are in the money.

For example, ABC has 10,000,000 common shares outstanding and has outstanding securities convertible into 5,000,000 common shares at \$10.00. The Market Price of ABC common shares is \$15.00. If ABC were to do a private placement of 1,500,000 common shares at \$14.75 with a sweetener of warrants convertible into a further 1,500,000 common shares at \$20.00, shareholder approval would be required as the maximum number of shares issuable (3,000,000) is more than 25% of the 10,000,000 shares outstanding. The shares convertible at \$10.00 are not counted.

If the placement was done at \$15.00 or higher, there is no requirement for shareholder approval unless the provisions for approval of non-arm's length transactions apply.

In calculating the number of shares issued to Related Persons in the previous twelve months, do not include shares that were issued in a transaction approved by shareholders.

- (2) Security holder approval of a private placement is not required if
- (a) the Listed Issuer is in serious financial difficulty and does not meet the requirements for continued listing in Section 9.03(d);
  - (b) the Listed Issuer has reached an agreement to do a financing;
  - (c) no Related Persons are participating in the financing; and
  - (d) the
    - (i) audit committee, if comprised solely of independent directors; or
    - (ii) independent directors constituting a majority of the Board's independent directors in a vote in which only independent directors participate



have determined that the financing is in the best interests of the Listed Issuer, is reasonable in the circumstances and that it is not feasible to obtain shareholder approval or make a rights offering to existing shareholders on the same terms.

- (3) A Listed Issuer taking advantage of the exemption in section 10.8(2) must forthwith issue a news release stating it will not hold a shareholder vote and fully explaining how it qualifies for the exemption.

### **10.09 Acquisitions**

- (1) Security holders must approve an acquisition if
- (a) a Related Person or a group of Related Persons has a 10% or greater interest in the assets to be acquired and the total number of securities issuable is more than 5% of the total number of securities or votes outstanding.
  - (b) for Listed Issuers that are not investment funds, the number of securities issuable pursuant to the acquisition agreement is more than 25% of the total number of securities or votes outstanding; or
  - (c) for Listed Issuers that are investment funds, the acquisition is of another investment fund (the “target fund”) and
    - (i) the target fund calculates and publishes its NAV at least once a month;
    - (ii) the consideration offered does not exceed the NAV of the target fund;
    - (iii) the investment manager of the Listed Issuer has determined that assets acquired are consistent with the Listed Issuer’s investment objectives;
    - (iv) the independent review committee of the Listed Issuer has (i) approved the acquisition, and (ii) if the Listed Issuer is to bear any of the costs and expenses of the transaction, determined that such payment is in the best interests of the Listed Issuer; and



- (v) the transaction is not a backdoor listing.

## 10.10 Acquisitions and Reorganizations of Listed Investment Funds

- (1) Fund holders of a Listed Issuer that is an investment fund must approve any
  - (a) acquisition of the Listed Issuer, or
  - (b) any reorganization or transfer of the Listed Issuer's assets to another investment fund that results in the Listed Issuer ceasing to exist after the reorganization or transfer of assets and the Listed Issuer's security holders becoming security holders of the other investment fund,unless:
  - (c) the Listed Issuer has a permitted merger clause in its constating documents that permits the acquisition of the Listed Issuer without security holder approval;
  - (d) the consideration offered to security holders of the Listed Issuer for the acquisition has a value that is not less than NAV;
  - (e) the investment manager of the Listed Issuer being acquired has determined that the investment objectives, valuation procedures and fee structure of the Listed Issuer and the acquiring issuer are substantially the same;
  - (f) the independent review committee of the Listed Issuer being acquired has (i) approved the acquisition, and (ii) if the Listed Issuer is to bear any of the costs and expenses of the transaction, determined that such payment is in the best interests of the Listed Issuer; and
  - (g) the Listed Issuer is providing its security holders with a redemption right for cash proceeds which are not less than its NAV, together with a minimum of 20 business days' prior notice and description of such redemption right and the acquisition.

### **Commentary:**



Notice may be made by means of a news release describing the transaction and the redemption right

### 10.11 Security Based Compensation

- (1) This section governs issuance of stock options, other than overallotment options to an underwriter in a prospectus offering or options to increase the size of the distribution prior to closing, and other plans that involve the issuance or potential issuance of listed securities, that are used as incentives or compensation mechanisms for employees, directors, officers, consultants and other persons who provide services for Listed Issuers (“compensation plans”).

**Commentary:**

Stock purchase plans are included in this section if the issuer provides financial assistance for the purchase of securities.

- (2) Security holders must approve the grant of securities to any person not previously employed by or an insider of the Listed Issuer where
  - (a) such grant is intended to induce the person to enter into a full-time contract of employment as an officer of the Listed Issuer, and
  - (b) the securities issued or issuable under the grant exceed 10% of the securities of that class outstanding as of the date of the grant.
- (3) Listed Issuers must comply with the section 2.25 of National Instrument 45-106 *Prospectus and Registration Exemptions* as if it were an unlisted reporting issuer and obtain shareholder approval for a compensation plan if required under that section.
- (4) The fundamental terms of an option or compensation plan may not be amended without the approval of a majority of the Listed Issuer’s Board of Directors, other than directors participating or eligible to participate in the plan. If the Board is unable to approve an amendment because of the restrictions on eligibility to vote, any amendment to the fundamental terms of an option or compensation plan must be approved by security holders, other than security holders participating or eligible to participate in the plan.



**Commentary:**

Alpha considers changes to the fundamental terms of an option or plan to include reductions in the purchase price and extension of the expiry date.

- (5) Notwithstanding subsection (4), a plan may not be amended to increase the maximum number of securities issuable under the compensation plan unless
- (a) the new maximum number of securities issuable is not greater than 5% of the outstanding securities of the class as of the date of the amendment,
  - (b) the amendment is approved by a majority of the Listed Issuer's Board of Directors, other than directors participating or eligible to participate in the plan, if the new maximum number of securities issuable is greater than 5% but not greater than 10% of the outstanding securities of the class as of the date of the amendment, or
  - (c) the amendment is approved by security holders, other than security holders participating or eligible to participate in the plan.

**10.12 Shareholder Rights Plans**

- (1) Security holders must ratify the adoption of a shareholder rights plan as provided in subsection 6.21(4).

**10.13 Related Party Transactions**

- (1) A Listed Issuer undertaking any transaction subject to Multilateral Instrument 61-101 *Protection of Minority Holders in Special Transactions* must comply with any requirements for formal valuations and minority security holder approval notwithstanding exemptions contained in sections 4.4(a), 5.5(b) and 5.7(b) of that instrument for issuers not listed on specified markets.

**Commentary:**

Listed Issuers may take advantage of other exemptions from these requirements if applicable.





## Part XI. Appeals

### 11.01 Appeals of Decision

- (1) A Listed Issuer or any other person adversely affected by a decision may appeal the decision to the Regulatory Oversight Committee, other than
  - (i) a decision of the Market Regulator,
  - (ii) a decision to temporarily halt or suspend trading pursuant to sections 9.01 or 9.02, or
  - (iii) a decision of the Regulatory Oversight Committee.

**Commentary:**

Decisions of the Market Regulator are subject to the Market Regulator's appeal procedures.

- (2) Appeals will be conducted according to the procedures established by the committee.



**FORM 1  
LISTING APPLICATION**

**1. CONTACT INFORMATION**

---

Legal name of applicant

---

Address of registered office

---

Address of head office

---

Telephone

---

Facsimile

---

General email address

---

Website

**2. RELATED PERSON CONTACTS**

Give information for all related persons for the applicant. If a related person is not an individual, provided the information listed in section 1 for that related person.

---

Name

---

Relationship to Applicant

---

Telephone

---

Email

---

Name

---

Relationship to Applicant

---

Telephone

---

Email



**3. ADDITIONAL INFORMATION CONCERNING THE ISSUER**  
 (Fill in applicable Information)

**Jurisdiction of incorporation:**

**Jurisdiction(s) in which the applicant is a reporting issuer or equivalent:**

**North American industrial classification:**

**Brief description of the applicant's business:**

**4. INFORMATION CONCERNING SECURITIES TO BE LISTED**

CLASS	CUSIP	TOTAL AUTHORIZED	TOTAL ISSUED	TOTAL RESERVED FOR ISSUANCE	TOTAL TO BE LISTED (ISSUED + RESERVED)

Complete the following chart for each class of securities to be listed:

TOTAL OUTSTANDING (A)	TOTAL HELD BY RELATED PERSONS AND EMPLOYEES (B)	PUBLIC FLOAT (A-B)	TOTAL SUBJECT TO TRANSFER RESTRICTIONS (C)	TRADEABLE FLOAT (A-C)

For the Securities to be listed, provide information regarding the term or maturity date of each type or class and specify the type of settlement at maturity (cash or in-kind).

List the registered public securityholders for each class of securities to be listed. For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.



<b>CLASS OF SECURITY</b>		
<b>SIZE OF HOLDING</b>	<b>NUMBER OF HOLDERS</b>	<b>TOTAL NUMBER OF SECURITIES</b>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		

List the beneficial public securityholders for each class of securities to be listed. For the purposes of this report, "beneficial public securityholders" are (i) public security holders holding securities in their own name as registered shareholders; and (ii) public security holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings.

For the purposes of this chart, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

<b>CLASS OF SECURITY</b>		
<b>SIZE OF HOLDING</b>	<b>NUMBER OF HOLDERS</b>	<b>TOTAL NUMBER OF SECURITIES</b>
1 – 99 securities		
100 – 499 securities		
500 – 999 securities		
1,000 – 1,999 securities		
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities		
Unable to confirm		

**Describe any restrictions on the free tradability of the class of securities to be listed. If none, confirm that the securities are freely tradable in Canada:**

**Give details of any shareholder rights plan and any "coattail" provisions allowing shareholders to participate in a partial take-over bid. If none, state "none".**



**5. INFORMATION CONCERNING RESERVED SECURITIES**

SECURITY/INSTRUMENT NAME	TOTAL RESERVED	EXERCISE OR CONVERSION PRICE	EXPIRY (YYYY-MM-DD)

**6. TRANSFER AGENT AND REGISTRAR INFORMATION**

---

Transfer Agent Name Address

---

Cities in which transfer facilities are maintained

---

Registrar Name Address

**7. HISTORICAL INFORMATION**

**Identify all exchanges on which the applicant (or any of its predecessors) has or had a class of securities listed, the security, the class of securities and number of outstanding shares being publicly traded for each security. In the case of exchanges on which the securities are no longer listed, state the date of delisting.**

**Has the applicant (or any of its predecessors) ever applied to have its securities traded on another market and been denied?** If yes, provide the name of the market(s), the date(s) and the reason(s):

**Has the issuer or any predecessor ever had trading in its securities halted by a marketplace or been suspended from trading or delisted by a marketplace?** If yes, provide details. Be specific (do not simply state "failure to meet exchange requirements") and state whether the halt or suspension was remedied. If the delisting was at the issuer's request, state if the reason was to avoid compliance with a marketplace requirement (e.g. to issue securities at a price the marketplace would not accept). Do not include routine halts for dissemination of



information, halts due to system problems in the marketplace or market-wide halts not specific to the issuer (e.g. circuit breakers).

**Has the issuer or any predecessor ever been in default of its obligations as a reporting issuer or equivalent in any jurisdiction?** If yes, provide details, including details of any cease trade orders or management cease trade orders issued.

## 8. MARKET MAKERS

Have you entered into an agreement with any Member to act as a Lead Market Maker or Market Maker for the securities to be listed? If yes, please identify the part(ies)(y) below and provide a copy of the agreement setting out the responsibilities of the party as Lead Market Maker or Market Maker.

Name of Lead Market Maker \_\_\_\_\_

Name of Market Maker(s) \_\_\_\_\_

## 9. OTHER INFORMATION

Attach copies of all documents listed in Schedule "A" of this Application.

## 10. CERTIFICATE AND DECLARATION

After having received approval from its Board of Directors, [legal name of applicant] applies to list the securities designated in this application with Alpha Exchange.

AUTHORIZATION AND CONSENT: THE APPLICANT HEREBY AUTHORIZED AND CONSENTS TO THE COLLECTION BY ALPHA EXCHANGE, ITS SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS OF ANY INFORMATION WHATSOEVER (WHICH MAY INCLUDE PERSONAL, CREDIT OR OTHER INFORMATION) FROM ANY SOURCE, INCLUDING WITHOUT LIMITATION AN INVESTIGATIVE AGENCY OR RETAIL CREDIT AGENCY, AS PERMITTED BY LAW IN ANY JURISDICTION IN CANADA OR ELSEWHERE. THE APPLICANT ACKNOWLEDGES AND AGREES THAT ANY SUCH INFORMATION MAY BE SHARED BY ALPHA EXCHANGE, ITS SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS INDEFINITELY.

The officer(s) and director(s) signing below solemnly declare that as of the date of the application they each (i) have been duly authorized to sign this certificate and (ii) all information in this application and in other information filed in connection with the listing application is, to the best of their knowledge, true and correct and (iii) they are making this solemn declaration believing it to be true and knowing it is of the same force and effect as if made under the Canada *Evidence Act*.





#### **APPENDIX "A"**

1. Certified copies of all charter documents, including Articles of Incorporation, Articles of Amendment, Articles of Continuance, Articles of Amalgamation, partnership agreements, trust indentures, declarations of trust, limited partnership agreements or equivalent documents.
2. Copies of all stock option or security purchase plans and of any other agreement pursuant to which listed or voting securities may be issued;
3. Copies of any agreements under which securities are held in escrow, pooled, or under a similar arrangement;





## FORM 2

### LISTING STATEMENT (ISSUERS OTHER THAN SPECIAL PURPOSE ISSUERS)

#### GENERAL INSTRUCTIONS

- (1) *An issuer doing an initial public offering may file the preliminary and final prospectuses in lieu of this notice.*
  
- (2) *In determining the degree of detail required, a standard of materiality must be applied. Materiality is a matter of judgment in the particular circumstance, and is determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items must be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*
  
- (3) *The disclosure must be understandable to readers and presented in an easy-to-read format. If technical terms are required, clear and concise explanations should be included.*
  
- (4) *No reference need be made to inapplicable items and, unless otherwise required in this form, negative answers to items may be omitted.*
  
- (5) *The term "issuer" includes the applicant issuer and any of its subsidiaries.*



- (6) *If an issuer discloses financial information in a Listing Statement in a currency other than the Canadian dollar, prominently disclose the currency in which the financial information is disclosed.*
- (7) *For issuers applying for approval following a backdoor listing, provide current and historic information for*
- (i) *the issuer,*
  - (ii) *all other companies or businesses involved in the backdoor listing (the “target”), and*
  - (iii) *the entity that will result from the backdoor listing.*

*Information in the issuer’s most recent Listing Statement may be incorporated by reference, but this statement must indicate if any of that information has changed or is no longer relevant. Information concerning assets or lines of business that will not be part of the new entity’s business should not be disclosed.*

**1. Table of contents**

**1.1** Include a table of contents

**2. Corporate Structure**

*Name, address and incorporation*



- 2.1** State the issuer's full corporate name or, if the issuer is an unincorporated entity, the full name under which it exists and carries on business, and the address(es) of the issuer's head and registered office.
- 2.2** State the statute under which the issuer is incorporated, continued or organized or, if the issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists.
- 2.3** Describe the substance of any material amendments to the articles or other constituting or establishing documents of the issuer.

*Intercorporate relationships*

- 2.4** Describe, by way of a diagram or otherwise, the intercorporate relationships among the issuer and its subsidiaries. If the issuer is applying following a backdoor listing or is proposing an acquisition, amalgamation, merger, reorganization or arrangement, describe by way of diagram or otherwise these intercorporate relationships both before and after the completion of the transaction.
- 2.5** For each subsidiary described in subsection (1), state
  - (a) the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the issuer,
  - (b) the percentage of each class of restricted securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the issuer, and
  - (c) where the subsidiary was incorporated, continued, formed or organized.



## INSTRUCTIONS

*A particular subsidiary may be omitted if*

- (a) the total assets of the subsidiary do not constitute more than 10 per cent of the consolidated assets of the issuer at the most recent financial year end,*
- (b) the sales and operating revenues of the subsidiary do not exceed 10 per cent of the consolidated sales and operating revenues of the issuer at the most recent financial year end, and*
- (c) the conditions in paragraphs (a) and (b) would be satisfied if*
  - (i) the subsidiaries that may be omitted under paragraphs (a) and (b) were considered in the aggregate, and*
  - (ii) the reference to 10 per cent was changed to 20 per cent.*

### **3. Describe the business**

- 3.1** Describe the business of the issuer and its operating segments that are reportable segments as those terms are used in the Handbook. Disclose information for each reportable segment of the issuer in accordance with subsection 5.1(1) of National Instrument 51-102 Form 51-102F2.
- 3.2** Disclose the nature and results of any bankruptcy, receivership or similar proceedings against the issuer or any of its subsidiaries, or any voluntary bankruptcy, receivership or



similar proceedings by the issuer or any of its subsidiaries, within the three most recently completed financial years or completed during or proposed for the current financial year.

- 3.3** Disclose the nature and results of any material restructuring transaction of the issuer or any of its subsidiaries within the three most recently completed financial years or completed during or proposed for the current financial year.
- 3.4** If the issuer has implemented social or environmental policies that are fundamental to the issuer's operations, such as policies regarding the issuer's relationship with the environment or with the communities in which the issuer does business, or human rights policies, describe them and the steps the issuer has taken to implement them.

*Three-year history*

- 3.5** Describe how the issuer's business has developed over the last three completed financial years and any subsequent period to the date of the Listing Statement, including only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.
- 3.6** If the issuer produces or distributes more than one product or provides more than one kind of service, describe the products or services.
- 3.7** Discuss changes in the issuer's business that the issuer expects will occur during the current financial year.

*Issuers with asset-backed securities outstanding*



- 3.8** If the issuer has asset-backed securities outstanding that were distributed under a Listing Statement, disclose information in accordance with section 5.3 of National Instrument 51-102 Form 51-102F2.

*Issuers with mineral projects*

- 3.9** If the issuer has a mineral project, disclose information for the issuer in accordance with section 5.4 of National Instrument 51-102 Form 51-102F2.

*Issuers with oil and gas operations*

- 3.10** If the issuer is engaged in oil and gas activities as defined in National Instrument 51-101, disclose information in accordance with National Instrument 51-101 Form 51-101F1

- (a) as at the end of, and for, the most recent financial year for which the Listing Statement includes an audited balance sheet of the issuer, or
- (b) in the absence of a completed financial year referred to in paragraph (a), as at the most recent date for which the Listing Statement includes an audited balance sheet of the issuer, and for the most recent financial period for which the Listing Statement includes an audited income statement of the issuer.

- 3.11** Include with the disclosure under section 3.10 a report in the form of Form 51-101F2, on the reserves data included in the disclosure required under section 3.10.

- 3.12** Include with the disclosure under section 3.10 a report in the form of Form 51-101F3 that refers to the information disclosed under section 3.10.



- 3.13** To the extent not reflected in the information disclosed in response to subsection (1), disclose the information contemplated by Part 6 of National Instrument 51-101 in respect of material changes that occurred after the applicable balance sheet referred to in section 3.10.

#### *INSTRUCTION*

*Disclosure in a Listing Statement must be consistent with NI 51-101 if the issuer is engaged in oil and gas activities as defined in NI 51-101.*

#### **4. Dividends or distributions**

- 4.1** Disclose the amount of cash dividends or distributions declared per security for each class of the issuer's securities for each of the three most recently completed financial years and its current financial year.
- 4.2** Describe any restrictions that could prevent the issuer from paying dividends or distributions.
- 4.3** Disclose the issuer's dividend or distribution policy and any intended change in dividend or distribution policy.

#### **5. Management's Discussion and Analysis**

#### *Interpretation*



- 5.1** For the purposes of this Item, MD&A means disclosure that is required by National Instrument 51-102 Form 51-102F1. In the case of an SEC issuer, management's discussion and analysis prepared in accordance with Item 303 of Regulation S-K or Item 303 of Regulation S-B under the 1934 Act is acceptable.
- 5.2** For MD&A in the form of Form 51-102F1, the issuer
- (a) must read the references to a "venture issuer" in Form 51-102F1 to include an IPO venture issuer,
  - (b) must disregard
    - (i) the Instruction to section 1.11 of Form 51-102F1, and
    - (ii) section 1.15 of Form 51-102F1, and
  - (c) must include the disclosure required by section 1.10 of Form 51-102F1 in the Listing Statement.

#### *INSTRUCTION*

*For the purposes of paragraph (2)(c), an issuer cannot satisfy the requirement in section 1.10 of Form 51-102F1 by incorporating by reference its fourth quarter MD&A into the Listing Statement.*





## *MD&A*

### **5.3** Provide MD&A for

- (a) the most recent annual financial statements of the issuer included in the Listing Statement under Item 32, and
- (b) the most recent interim financial statements of the issuer included in the Listing Statement under Item 32.

### **5.4** If the Listing Statement includes the issuer's annual income statements, statements of retained earnings, and cash flow statements for three financial years under Item 32, provide MD&A for the second most recent annual financial statements of the issuer included in the Listing Statement under Item 32.

### **5.5** Despite subsection (2), MD&A for the second most recent annual financial statements of the issuer included in the Listing Statement under Item 32 may omit disclosure regarding balance sheet items.

## *SEC issuers*

### **5.6** If the issuer is an SEC issuer, for any MD&A that is included in the Listing Statement, include the disclosure prepared in accordance with subsection (2) if the issuer

- (a) has based the discussion in the MD&A on financial statements prepared in accordance with U.S. GAAP, and



- (b) is required by subsection 4.1(1) of National Instrument 52-107 to provide a reconciliation to Canadian GAAP.

**5.7** In the disclosure required under subsection (1) restate, based on financial information of the issuer prepared in accordance with, or reconciled to, Canadian GAAP, those parts of the MD&A that

- (a) are based on financial statements of the issuer prepared in accordance with U.S. GAAP, and
- (b) would contain material differences if they were based on financial statements of the issuer prepared in accordance with Canadian GAAP.

*Disclosure of outstanding security data*

**5.8** Disclose the designation and number or principal amount of

- (a) each class and series of voting or equity securities of the issuer for which there are securities outstanding,
- (b) each class and series of securities of the issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the issuer, and
- (c) subject to subsection (2), each class and series of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer.



- 5.9** If the exact number or principal amount of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer is not determinable, the issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer and, if that maximum number or principal amount is not determinable, the issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined.
- 5.10** The disclosure under subsections (1) and (2) must be prepared as of the latest practicable date.

*More recent financial information*

- 5.11** If the issuer is required to include more recent historical financial information in the Listing Statement under subsection 32.6(1), the issuer is not required to update the MD&A already included in the Listing Statement under this Item.

*Additional disclosure for venture issuers or IPO venture issuers without significant revenue*

- 5.12** If the issuer is a venture issuer or an IPO venture issuer that has not had significant revenue from operations in either of its last two financial years, disclose a breakdown of material components of
- (a) capitalized or expensed exploration and development costs,
  - (b) expensed research and development costs,



- (c) deferred development costs,
  - (d) general and administrative expenses, and
  - (e) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (a) through (d).
- 5.13** Present the analysis of capitalized or expensed exploration and development costs required by subsection (1) on a property-by-property basis, if the issuer's business primarily involves mining exploration and development.
- 5.14** Provide the disclosure in subsection (1) for the following periods:
- (a) the two most recently completed financial years; and
  - (b) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included in the Listing Statement, if any.
- 5.15** Subsection (1) does not apply if the information required under that subsection has been disclosed in the financial statements included in the Listing Statement.

*Additional disclosure for junior issuers*



**5.16** For a junior issuer that had negative operating cash flow in its most recently completed financial year for which financial statements have been included in the Listing Statement, disclose

- (a) the period of time the proceeds raised under the Listing Statement are expected to fund operations,
- (b) the estimated total operating costs necessary for the issuer to achieve its stated business objectives during that period of time, and
- (c) the estimated amount of other material capital expenditures during that period of time.

*Additional disclosure for issuers with significant equity investees*

**5.17** An issuer that has a significant equity investee must disclose

- (a) summarized information as to the assets, liabilities and results of operations of the equity investee, and
- (b) the issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the issuer's share of earnings.

**5.18** Provide the disclosure in subsection (1) for the following periods



- (a) the two most recently completed financial years,
- (b) the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial statements included in the Listing Statement, if any.

**5.19** Subsection (1) does not apply if

- (a) the information required under that subsection has been disclosed in the financial statements included in the Listing Statement, or
- (b) the issuer includes in the Listing Statement separate financial statements of the equity investee for the periods referred to in subsection (2).

**6. Description of Securities**

*Equity securities*

**6.1** Describe all material attributes and characteristics of all classes of equity securities outstanding, including

- (a) dividend rights,
- (b) voting rights,
- (c) rights upon dissolution or winding-up,



- (d) pre-emptive rights,
- (e) conversion or exchange rights,
- (f) redemption, retraction, purchase for cancellation or surrender provisions,
- (g) sinking or purchase fund provisions,
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions, and
- (i) provisions requiring a securityholder to contribute additional capital.

*Debt securities*

**6.2** Describe all material attributes and characteristics all outstanding classes of debt securities and the security, if any, for the debt, including

- (a) provisions for interest rate, maturity and premium, if any,
- (b) conversion or exchange rights,
- (c) redemption, retraction, purchase for cancellation or surrender provisions,



- (d) sinking or purchase fund provisions,
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge,
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities,
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates, and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

*Asset-backed securities*

**6.3** Describe the material attributes and characteristics of all outstanding classes of asset-backed securities, including

- (a) the rate of interest or stipulated yield and any premium,





- (b) the date for repayment of principal or return of capital and any circumstances in which payments of principal or capital may be made before such date, including any redemption or pre-payment obligations or privileges of the issuer and any events that may trigger early liquidation or amortization of the underlying pool of financial assets,
- (c) provisions for the accumulation of cash flows to provide for the repayment of principal or return of capital,
- (d) provisions permitting or restricting the issuance of additional securities and any other material negative covenants applicable to the issuer,
- (e) the nature, order and priority of the entitlements of holders of asset-backed securities and any other entitled persons or companies to receive cash flows generated from the underlying pool of financial assets, and
- (f) any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of payments or distributions to be made under the asset-backed securities, including those that are dependent or based on the economic performance of the underlying pool of financial assets.

**6.4** Provide financial disclosure that describes the underlying pool of financial assets for

- (a) the three most recently completed financial years ended more than
  - (i) 90 days before the date of the Listing Statement, or



- (ii) 120 days before the date of the Listing Statement, if the issuer is a venture issuer,
  - (b) if the issuer has not had asset-backed securities outstanding for three financial years, each completed financial year ended more than
    - (i) 90 days before the date of the Listing Statement, or
    - (ii) 120 days before the date of the Listing Statement, if the issuer is a venture issuer,
  - (c) a period from the date the issuer had asset-backed securities outstanding to a date not more than 90 days before the date of the Listing Statement if the issuer has not had asset-backed securities outstanding for at least one financial year.
- 6.5** For the purposes of the financial disclosure required by subsection (3), if an issuer changed its financial year end during any of the financial years referred to in subsection (3) and the transition year is less than nine months, the transition year is not a financial year.
- 6.6** Despite subsection (4), all financial disclosure that describes the underlying pool of financial assets of the issuer for a transition year must be included in the Listing Statement for the most recent interim period, if any, ended
  - (a) subsequent to the most recent financial year refer to in paragraphs (3)(a) and (3)(b) in respect of which financial disclosure on the underlying pool of financial assets is included in the Listing Statement, and
  - (b) more than



- (i) 45 days before the date of the Listing Statement, or
- (ii) 60 days before the date of the Listing Statement if the issuer is a venture issuer.

**6.7** If the issuer files financial disclosure that describes the underlying pool of financial assets for a more recent period than required under subsection (3) or (5) before the Listing Statement is filed, the issuer must include that more recent financial disclosure that describes the underlying pool of financial assets in the Listing Statement.

**6.8** If financial disclosure that describes the underlying pool of financial assets of the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under subsection (3) or (5), the issuer must include the content of the news release or public communication in the Listing Statement.

**6.9** The disclosure in subsections (3) and (5) must include a discussion and analysis of

- (a) the composition of the pool as at the end of the period,
- (b) income and losses from the pool for the period presented on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets,
- (c) the payment, prepayment and collection experience of the pool for the period on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets,



- (d) servicing and other administrative fees, and
- (e) any significant variances experienced in the matters referred to in paragraphs (a) through (d).

**6.10** Describe the type of financial assets, the manner in which the financial assets originated or will originate and, if applicable, the mechanism and terms of the agreement governing the transfer of the financial assets comprising the underlying pool to or through the issuer, including the consideration paid for the financial assets.

**6.11** Describe any person or company who

- (a) originated, sold or deposited a material portion of the financial assets comprising the pool, or has agreed to do so,
- (b) acts, or has agreed to act, as a trustee, custodian, bailee or agent of the issuer or any holder of the asset-backed securities, or in a similar capacity,
- (c) administers or services a material portion of the financial assets comprising the pool or provides administrative or managerial services to the issuer, or has agreed to do so, on a conditional basis or otherwise, if
  - (i) finding a replacement provider of the services at a cost comparable to the cost of the current provider is not reasonably likely,
  - (ii) a replacement provider of the services is likely to achieve materially worse results than the current provider,



- (iii) the current provider of the services is likely to default in its service obligations because of its current financial condition, or
    - (iv) the disclosure is otherwise material,
  - (d) provides a guarantee, alternative credit support or other credit enhancement to support the obligations of the issuer under the asset-backed securities or the performance of some or all of the financial assets in the pool, or has agreed to do so, or
  - (e) lends to the issuer in order to facilitate the timely payment or repayment of amounts payable under the asset-backed securities, or has agreed to do so.
- 6.12** Describe the general business activities and material responsibilities under the asset-backed securities of a person or company referred to in subsection (10).
- 6.13** Describe the terms of any material relationships between
  - (a) any of the persons or companies referred to in subsection (10) or any of their respective affiliates, and
  - (b) the issuer.
- 6.14** Describe any provisions relating to termination of services or responsibilities of any of the persons or companies referred to in subsection (10) and the terms on which a replacement may be appointed.



- 6.15** Describe any risk factors associated with the asset-backed securities, including disclosure of material risks associated with changes in interest rates or prepayment levels, and any circumstances where payments on the asset-backed securities could be impaired or disrupted as a result of any reasonably foreseeable event that may delay, divert or disrupt the cash flows dedicated to service the asset-backed securities.

#### *INSTRUCTIONS*

- (1) *Present the information required under subsections (3) through (8) in a manner that will enable a reader to easily determine whether, and the extent to which, the events, covenants, standards and preconditions referred to in paragraph (2)(f) have occurred, are being satisfied or may be satisfied.*
- (2) *If the information required under subsections (3) through (8) is not compiled specifically from the underlying pool of financial assets, but is compiled from a larger pool of the same assets from which the securitized assets are randomly selected so that the performance of the larger pool is representative of the performance of the pool of securitized assets, then an issuer may comply with subsections (3) through (8) by providing the financial disclosure required based on the larger pool and disclosing that it has done so.*
- (3) *Issuers are required to summarize contractual arrangements in plain language and may not merely restate the text of the contracts referred to. The use of diagrams to illustrate the roles of, and the relationship among, the persons and companies referred to in subsection (10), and the contractual arrangements underlying the asset-backed securities is encouraged.*

#### **Derivatives**



- 6.16** Describe fully the material attributes and characteristics of all outstanding derivatives, including
- (a) the calculation of the value or payment obligations under the derivatives,
  - (b) the exercise of the derivatives,
  - (c) settlements that are the result of the exercise of the derivatives,
  - (d) the underlying interest of the derivatives,
  - (e) the role of a calculation expert in connection with the derivatives,
  - (f) the role of any credit supporter of the derivatives, and
  - (g) the risk factors associated with the derivatives.

*Restricted securities*



- 6.17** If the issuer has outstanding restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of
- (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the issuer that are the same as or greater than, on a per security basis, those attached to the restricted securities,
  - (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities,
  - (c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the issuer and to speak at the meetings to the same extent that holders of equity securities are entitled, and
  - (d) how the issuer complied with, or the basis upon which it was exempt from, the requirements of Part 12 of the Instrument.
- 6.18** If holders of restricted securities do not have all of the rights referred to in section 6.17 the detailed description referred to in that subsection must include, in boldface type, a statement of the rights the holders do not have.





- 6.19** If the issuer is required to include the disclosure referred to in section 6.17, state the percentage of the aggregate voting rights attached to the issuer's securities that will be represented by restricted securities after effect has been given to the issuance of the securities being offered.

*Other securities*

- 6.20** If securities other than equity securities, debt securities, asset-backed securities or derivatives are being distributed, describe fully the material attributes and characteristics of those securities.

*Modification of terms*

- 6.21** Describe provisions about the modification, amendment or variation of any rights attached to the outstanding securities.
- 6.22** If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

*Ratings*

- 6.23** If the issuer has asked for and received a stability rating, or if the issuer is aware that it has received any other kind of rating, including a provisional rating, from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose



- (a) each security rating, including a provisional rating or stability rating, received from an approved rating organization,
- (b) the name of each approved rating organization that has assigned a rating for the securities to be distributed,
- (c) a definition or description of the category in which each approved rating organization rated the securities to be distributed and the relative rank of each rating within the organization's overall classification system,
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities to be distributed are not addressed by the rating,
- (e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed,
- (f) a statement that a security rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization, and
- (g) any announcement made by, or any proposed announcement known to the issuer that is to be made by, an approved rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.

#### *INSTRUCTION*

*There may be factors relating to a security that are not addressed by a ratings agency when they give a rating. For example, in the case of cash settled derivatives, factors in addition to the creditworthiness of the issuer, such as the continued subsistence of the underlying interest or the volatility of the price, value or level of the underlying interest may be reflected in the rating*



*analysis. Rather than being addressed in the rating itself, these factors may be described by an approved rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under this section.*

#### *Other attributes*

- 6.24** If the rights attaching any the securities are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.
- 6.25** If any class securities may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

#### *INSTRUCTION*

*This section requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the issuer's discretion, be attached as a schedule to the Listing Statement.*

### **7. Consolidated capitalization**

- 7.1** Describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer's financial statements for its most recently completed financial period included in the Listing Statement, including any material change that will result from the issuance of the securities being distributed under the Listing Statement.



## 8. Options to purchase securities

**8.1** State, in tabular form, as at a specified date within 30 days before the date of the Listing Statement, information about options to purchase securities of the issuer, or a subsidiary of the issuer that are held or will be held upon completion of the distribution by

- (a) all executive officers and past executive officers of the issuer, as a group, and all directors and past directors of the issuer who are not also executive officers, as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,
- (b) all executive officers and past executive officers of all subsidiaries of the issuer, as a group, and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary, as a group, excluding, in each case, individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,
- (c) all other employees and past employees of the issuer as a group,
- (d) all other employees and past employees of subsidiaries of the issuer as a group,
- (e) all consultants of the issuer as a group, and
- (f) any other person or company, other than the underwriter(s), naming each person or company.



- 8.2** Describe any material change to the information required to be included in the Listing Statement under subsection (1) to the date of the Listing Statement.

#### *INSTRUCTIONS*

- (1) *Describe the options, warrants, or other similar securities stating the material provisions of each class or type of option, including*
- (a) *the designation and number of the securities under option,*
  - (b) *the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options,*
  - (c) *if reasonably ascertainable, the market value of the securities under option on the date of grant,*
  - (d) *if reasonably ascertainable, the market value of the securities under option on the specified date, and*
  - (e) *with respect to options referred to in paragraph (1)(f), the particulars of the grant including the consideration for the grant.*
- (2) *For the purposes of paragraph (1)(f), provide the information required for all options except warrants and special warrants.*

#### **9. Prior sales**



- 9.1** For each class of securities of the issuer distributed under the Listing Statement and for securities that are convertible into those classes of securities, state, for the 12-month period before the date of the Listing Statement,
- (a) the price at which the securities have been issued or are to be issued by the issuer or sold by the selling securityholder,
  - (b) the number of securities issued or sold at that price, and
  - (c) the date on which the securities were issued or sold.

*Trading price and volume*

- 9.2** For each class of securities of the issuer that is traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation generally occurs.
- 9.3** If a class of securities of the issuer is not traded or quoted on a Canadian marketplace but is traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume or quotation generally occurs.



**9.4** Provide the information required under sections 9.1 and 9.2 on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the Listing Statement.

**10. Escrowed securities and securities subject to contractual restriction on transfer**

**10.1** State as of a specified date within 30 days before the date of the Listing Statement, in substantially the following tabular form, the number of securities of each class of securities of the issuer held, to the knowledge of the issuer, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

**ESCROWED SECURITIES AND SECURITIES**

**SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER**

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class

**10.2** In a note to the table disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow or the date the contractual restriction on transfer ends, as applicable.

**10.3** Describe any material change to the information required to be included in the Listing Statement under section 10.1 to the date of the Listing Statement.



## INSTRUCTIONS

- (1) *For purposes of this section, escrow includes securities subject to a pooling agreement.*
- (2) *For the purposes of this section, securities subject to contractual restrictions on transfer as a result of pledges made to lenders are not required to be disclosed.*

### **11. Principal securityholders and selling securityholders**

- 11.1** Provide the following information for each principal securityholder of the issuer and, if any securities are being distributed for the account of a securityholder, for each selling securityholder:
- (a) the name,
  - (b) the number or amount of securities owned, controlled or directed of the class being distributed,
  - (c) the number or amount of securities of the class being distributed for the account of the securityholder,
  - (d) the number or amount of securities of the issuer of any class to be owned, controlled or directed after the distribution, and the percentage that number or amount represents of the total outstanding,





- (e) whether the securities referred to in paragraph (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.
- 11.2** If securities are being distributed in connection with a restructuring transaction, indicate, to the extent known, the holdings of each person or company described in section 11.1(a) that will exist after effect has been given to the transaction.
- 11.3** If any of the securities being distributed are being distributed for the account of a securityholder and those securities were purchased by the selling securityholder within the two years preceding the date of the Listing Statement, state the date the selling securityholder acquired the securities and, if the securities were acquired in the 12 months preceding the date of the Listing Statement, the cost to the securityholder in the aggregate and on an average cost-per-security basis.
- 11.4** If, to the knowledge of the issuer or the underwriter of the securities being distributed, more than 10% of any class of voting securities of the issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.
- 11.5** If, to the knowledge of the issuer or the underwriter of the securities being distributed, any principal securityholder or selling securityholder is an associate or affiliate of another person or company named as a principal securityholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the issuer held by the person or company other than the holding of voting securities of the issuer.
- 11.6** In addition to the above, include in a footnote to the table the required calculation(s) on a fully-diluted basis.



- 11.7** Describe any material change to the information required to be included in the Listing Statement under subsection (1) to the date of the Listing Statement.

*INSTRUCTION*

*If a company, partnership, trust or other unincorporated entity is a principal securityholder of an issuer, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of that company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal securityholder of that entity.*

**12. Directors and Executive Officers**

*Name, occupation and security holding*

- 12.1** Provide information for directors and executive officers of the issuer in accordance with section 10.1 of National Instrument 51-102 Form 51-102F2 as at the date of the Listing Statement.
- 12.2** If information similar to the information required under subsection (1) is provided for any director or executive officer, who is not serving in such capacity as at the date of the Listing Statement, clearly indicate this fact and explain whether the issuer believes that this director or executive officer is liable under the Listing Statement.

*Cease trade orders, bankruptcies, penalties or sanctions*

- 12.3** Provide information for directors and executive officers of the issuer in accordance with section 10.2 of National Instrument 51-102 Form 51-102F2 as if the references in that section to “date of the AIF” read “date of the Listing Statement”.



*Conflicts of interest*

**12.4** Disclose particulars of existing or potential material conflicts of interest between the issuer or a subsidiary of the issuer and a director or officer of the issuer or of a subsidiary of the issuer.

*Management of junior issuers*

**12.5** A junior issuer must provide the following information for each member of management

- (a) state the individual's name, age, position and responsibilities with the issuer and relevant educational background,
- (b) state whether the individual works full time for the issuer or what proportion of the individual's time will be devoted to the issuer,
- (c) state whether the individual is an employee or independent contractor of the issuer,
- (d) state the individual's principal occupations or employment during the five years before the date of the Listing Statement, disclosing with respect to each organization as of the time such occupation or employment was carried on
  - (i) its name and principal business,
  - (ii) if applicable, that the organization was an affiliate of the issuer,



- (iii) positions held by the individual, and
- (iv) whether it is still carrying on business, if known to the individual,
- (e) describe the individual's experience in the issuer's industry,
- (f) state whether the individual has entered into a non-competition or non-disclosure agreement with the issuer.

#### *INSTRUCTION*

*For purposes of this section, "management" means all directors, officers, employees and contractors whose expertise is critical to the issuer, its subsidiaries and proposed subsidiaries in providing the issuer with a reasonable opportunity to achieve its stated business objectives.*

### **13. Executive Compensation**

- 13.1** Include in the Listing Statement a Statement of Executive Compensation prepared in accordance with National Instrument 51-102 Form 51-102F6 and describe any intention to make any material changes to that compensation.

### **14. Indebtedness of Directors and Executive Officers**

*Aggregate indebtedness*



- 14.1** Provide information for the issuer in accordance with section 10.1 of National Instrument 51-102 Form 51-102F5 as if the reference in that section to “date of the information circular” read “date of the Listing Statement.”

*Indebtedness of directors and executive officers under securities purchase and other programs*

- 14.2** Provide information for the issuer in accordance with section 10.2 of National Instrument 51-102 Form 51-102F5 as if the reference in this section to “date of the information circular” read “date of the Listing Statement”.

- 14.3** Do not disclose the information required under section 14.2 for

- (a) any indebtedness that has been entirely repaid on or before the date of the Listing Statement, or
- (b) routine indebtedness (as defined in paragraph 10.3(c) of National Instrument 51-102 Form 51-102F5 as if reference in this paragraph to “the company” read “the issuer”).

**15. Audit Committees and Corporate Governance**

*Audit committees*



- 15.1** Include in the Listing Statement the disclosure for the issuer in accordance with National Instrument 51-102 Form 52-110F1, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.
  
- 15.2** Include in the Listing Statement the disclosure for the issuer in accordance with National Instrument 51-102 Form 52-110F2, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

*Corporate governance*

- 15.3** Include in the Listing Statement the disclosure in accordance with National Instrument 51-102 Form 58-101F1, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.
  
- 15.4** Include in the Listing Statement the disclosure in accordance with National Instrument 51-102 Form 58-101F2, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

**16. Risk Factors**

- 16.1** Disclose risk factors relating to the issuer and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by the issuer, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be likely to influence an investor's decision to purchase securities of the issuer.
  
- 16.2** If there is a risk that securityholders of the issuer may become liable to make an additional contribution beyond the price of the security, disclose that risk.



- 16.3** Describe any risk factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being distributed and that are not otherwise described under section 16.1 or 16.2.

#### *INSTRUCTIONS*

- (1) *Disclose risks in the order of seriousness from the most serious to the least serious.*
- (2) *A risk factor must not be de-emphasized by including excessive caveats or conditions.*

#### **17. Promoters**

- 17.1** For a person or company that is, or has been within the two years immediately preceding the date of the Listing Statement, a promoter of the issuer or subsidiary of the issuer, state
- (a) the person or company's name,
- (b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person or company,
- (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the issuer or from a subsidiary of the issuer, and the nature and



amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return, and

- (d) for an asset acquired within the two years before the date of the Listing Statement, or to be acquired, by the issuer or by a subsidiary of the issuer from a promoter,
  - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,
  - (ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the issuer or the promoter, or an affiliate of the issuer or the promoter, and
  - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

**17.2** If a promoter referred to in section 17.1 is, as at the date of the Listing Statement, or was within 10 years before the date of the Listing Statement, a director, chief executive officer, or chief financial officer of any person or company, that

- (a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer,

state the fact and describe the basis on which the order was made and whether the order is still in effect.





**17.3** For the purposes of section 17.2 “order” means

- (a) a cease trade order,
- (b) an order similar to a cease trade order, or
- (c) an order that denied the relevant person or company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

**17.4** If a promoter referred to section 17.1

- (a) is, as at the date of the Listing Statement, or has been within the 10 years before the date of the Listing Statement, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact, or
- (b) has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

**17.5** Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in section 17.1 has been subject to

- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority, or



- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

**17.6** Despite section 17.5, no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

#### *INSTRUCTIONS*

- (1) *The disclosure required by sections 17.2, 17.4 and 17.5 also applies to any personal holding companies of any of the persons referred to in sections 17.2, 17.4 and 17.5.*
- (2) *A management cease trade order which applies to a promoter referred to in section 17.1 is an “order” for the purposes of section 17.2(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*
- (3) *For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a “penalty or sanction.”*
- (4) *The disclosure in section 17.2(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The issuer does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

#### **18. Legal Proceedings and Regulatory Actions**



### *Legal proceedings*

- 18.1** Describe any legal proceedings the issuer is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of the issuer are included in the Listing Statement.
- 18.2** Describe any such legal proceedings the issuer knows to be contemplated.
- 18.3** For each proceeding described in sections 18.1 and 18.2, include the name of the court or agency, the date instituted, the principal parties to the proceeding, the nature of the claim, the amount claimed, if any, whether the proceeding is being contested, and the present status of the proceeding.

### *INSTRUCTION*

*Information with respect to any proceeding that involves a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10% of the current assets of the issuer may be omitted. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, include the amount involved in the other proceedings in computing the percentage.*

### *Regulatory actions*

- 18.4** Describe any



- (a) penalties or sanctions imposed against the issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of the Listing Statement,
- (b) any other penalties or sanctions imposed by a court or regulatory body against the issuer necessary for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the securities being distributed, and
- (c) settlement agreements the issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of the Listing Statement.

## **19. Interests of management and others in material transactions**

- 19.1** Provide information for the issuer for this section in accordance with section 13.1 of National Instrument 51-102 Form 51-102F2 as if the reference in that section to “within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect your company” read “within the three years before the date of the Listing Statement that has materially affected or is reasonably expected to materially affect the issuer or a subsidiary of the issuer”.

## **20. Auditors, Transfer Agents and Registrars**

### *Auditors*

- 20.1** State the name and address of the auditor of the issuer.



*Transfer agents, registrars, trustees or other agents*

**20.2** For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

**21. Material contracts**

**21.1** Give particulars of any material contract entered into

- (a) since the beginning of the last financial year ending before the date of this Listing Statement; or
- (b) is otherwise in effect, other than contracts entered into in the ordinary course of business that are not
- (c) contracts to which directors, officers or promoters are parties, other than employment contracts,
- (d) a continuing contract to sell the majority of the issuer's products or services or to purchase the majority of the issuer's requirements of goods, services or raw materials,



- (e) a franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name,
- (f) a financing or credit agreement with terms that have a direct correlation with anticipated cash distributions,
- (g) an external management or external administration agreement, or
- (h) a contract on which the issuer's business is substantially dependent.

## *INSTRUCTIONS*

- (1) *Set out a complete list of all contracts for which particulars must be given under this section, indicating those that are disclosed elsewhere in the Listing Statement. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the Listing Statement.*
- (2) *Particulars of contracts must include the dates of, parties to, consideration provided for in, and general nature and key terms of, the contracts.*
- (3) *Disclosure is not required of a provision of a contract if it may be omitted or made unreadable when filed pursuant to section 9.3 of National Instrument 41-101.*

## **22. Experts**



*Names of experts*

**22.1** Name each person or company

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in any document filed as part of the Listing Statement, and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

*Interest of experts*

**22.2** For each person or company referred to in section 22.1, provide the disclosure in accordance with section 16.2 of Form 51-102F2, as of the date of the Listing Statement, as if that person or company were a person or company referred to in section 16.1 of National Instrument 51-102 Form 51-102F2.

**23. Other material facts**

**23.1** Give particulars of any material facts about the securities being distributed that are not disclosed under any other Items and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

**24. Financial Statement Disclosure for Issuers**

*Interpretation of "issuer"*



**24.1** The financial statements of an issuer required under this Item to be included in a Listing Statement must include

- (a) the financial statements of any predecessor entity that formed, or will form, the basis of the business of the issuer, even though the predecessor entity is, or may have been, a different legal entity, if the issuer has not existed for three years,
- (b) the financial statements of a business or businesses acquired by the issuer within three years before the date of the Listing Statement or proposed to be acquired, if a reasonable investor reading the Listing Statement would regard the primary business of the issuer to be the business or businesses acquired, or proposed to be acquired, by the issuer, and
- (c) the restated combined financial statements of the issuer and any other entity with which the issuer completed a transaction within three years before the date of the Listing Statement or proposes to complete a transaction, if the issuer accounted for or will account for the transaction as a continuity of interests.

### **Annual financial statements**

**24.2** Subject to section 24.10, include annual financial statements of the issuer consisting of

- (a) an income statement, a statement of retained earnings, and a cash flow statement for each of the three most recently completed financial years ended more than
  - (i) 90 days before the date of the Listing Statement, or





- (ii) 120 days before the date of the Listing Statement, if the issuer is a venture issuer,
  - (b) a balance sheet as at the end of the two most recently completed financial years described in paragraph (a), and
  - (c) notes to the financial statements.
- 24.3** If the issuer has not completed three financial years, include the financial statements described under section 24.2 for each completed financial year ended more than
- (a) 90 days before the date of the Listing Statement, or
  - (b) 120 days before the date of the Listing Statement, if the issuer is a venture issuer.
- 24.4** If the issuer has not included in the Listing Statement financial statements for a completed financial year, include the financial statements described under section 24.2 or 3 for a period from the date the issuer was formed to a date not more than 90 days before the date of the Listing Statement.
- 24.5** If an issuer changed its financial year end during any of the financial years referred to in this section and the transition year is less than nine months, the transition year is deemed not to be a financial year for the purposes of the requirement to provide financial statements for a specified number of financial years in this section.
- 24.6** Notwithstanding section 24.5 all financial statements of the issuer for a transition year referred to in section 24.5 must be included in the Listing Statement.



- 24.7** Subject to section 32.4, if financial statements of any predecessor entity, business or businesses acquired by the issuer, or of any other entity are required under this section, then include
- (a) income statements, statements of retained earnings, and cash flow statements for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's income statements, statements of retained earnings, and cash flow statements are included in the Listing Statement, the results of the entities or businesses, either separately or on a consolidated basis, total three years,
  - (b) balance sheets for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's balance sheets are included in the Listing Statement, the financial position of the entities or businesses, either separately or on a consolidated basis, total two years, and
  - (c) if the entities or businesses have not completed three financial years, the financial statements described under paragraphs (a) and (b) for each completed financial year of the entities or businesses for which the issuer's financial statements in the Listing Statement do not include the financial statements of the entities or businesses, either separately or on a consolidated basis, and ended more than
    - (i) 90 days before the date of the Listing Statement, or
    - (ii) 120 days before the date of the Listing Statement, if the issuer is a venture issuer.



## Interim financial statements

**24.8** Include comparative interim financial statements of the issuer for the most recent interim period, if any, ended

(a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the Listing Statement, and

(b) more than

(i) 45 days before the date of the Listing Statement, or

(ii) 60 days before the date of the Listing Statement if the issuer is a venture issuer.

**24.9** The interim financial statements referred to in section 24.8 must include

(a) a balance sheet as at the end of the interim period and a balance sheet as at the end of the immediately preceding financial year, if any,

(b) an income statement, a statement of retained earnings, and a cash flow statement, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any,

(c) for interim periods other than the first interim period in a current financial year, an income statement and a cash flow statement, for the three month period ending



on the last day of the interim period and comparative financial information for the corresponding period in the preceding financial year, if any, and

- (d) notes to the financial statements.

*Exceptions to financial statement requirements*

**24.10** Despite section 24.2, an issuer is not required to include the following financial statements in a Listing Statement

- (a) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, if the issuer is a reporting issuer in at least one jurisdiction immediately before filing the Listing Statement,
- (b) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if
  - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the Listing Statement, and
  - (ii) the issuer includes financial statements for a financial year ended less than
    - (A) 90 days before the date of the Listing Statement, or



- (B) 120 days before the date of the Listing Statement, if the issuer is a venture issuer,
- (c) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the balance sheet for the second most recently completed financial year, if the issuer includes financial statements for a financial year ended less than 90 days before the date of the Listing Statement,
- (d) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if
  - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the Listing Statement,
  - (ii) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,
  - (iii) the business of the issuer is not seasonal, and
  - (iv) none of the financial statements required under section 32.2 are for a financial year that is less than nine months,
- (e) the income statement, the statement of retained earnings, and the cash flow statement for the third most recently completed financial year, and the balance sheet for the second most recently completed financial year, if



- (i) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2,
  - (ii) the business of the issuer is not seasonal, and
  - (iii) none of the financial statements required under section 32.2 are for a financial year that is less than nine months, or
- (f) the separate financial statements of the issuer and the other entity for periods prior to the date of the continuity of interest transaction, if the restated combined financial statements of the issuer and the other entity are included in the Listing Statement under paragraph 32.1(c).

### **Exceptions to audit requirement**

**24.11** The audit requirement in section 24.2 of the Instrument does not apply to the following financial statements

- (a) any financial statements for the second and third most recently completed financial years required under section 24.2, if
  - (i) those financial statements were previously included in a final Listing Statement without an auditor's report pursuant to an exemption under applicable securities legislation, and



- (ii) an auditor has not issued an auditor's report on those financial statements,
- (b) any financial statements for the second and third most recently completed financial years required under section 24.2, if
  - (i) the issuer is a junior issuer, and
  - (ii) the financial statements for the most recently completed financial year required under section 32.2 is not less than 12 months in length, or
- (c) any interim financial statements required under section 24.3.

*Additional financial statements or financial information filed or released*

**24.12** If the issuer files financial statements for a more recent period than required under section 24.2 or 24.8 before the Listing Statement is filed, the issuer must include in the Listing Statement those more recent financial statements.

**24.13** If historical financial information about the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under section 24.2, the issuer must include the content of the news release or public communication in the Listing Statement.

**25. Credit supporter disclosure, including financial statements**



**25.1** If a credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, include statements by the credit supporter providing disclosure about the credit supporter that would be required under Items 2,3,5,12,16,18,20,24 if the credit supporter were the issuer of the securities to be distributed and such other information about the credit supporter as is necessary to provide full, true and plain disclosure of all material facts relating to the securities to be distributed.

## **26. Exemptions for Certain Issues of Guaranteed Securities**

### **Definitions and interpretation**

**26.1** In this item

- (a) the impact of subsidiaries, on a combined basis, on the financial statements of the parent entity is “minor” if each item of the summary financial information of the subsidiaries, on a combined basis, represents less than three percent of the total consolidated amounts,
- (b) a parent entity has “limited independent operations” if each item of its summary financial information represents less than three percent of the total consolidated amounts,
- (c) a subsidiary is a “finance subsidiary” if it has minimal assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the security being distributed and any other securities guaranteed by its parent entity,
- (d) “parent credit supporter” means a credit supporter of which the issuer is a subsidiary,





- (e) “parent entity” means a parent credit supporter for the purposes of sections 26.2 and 26.3 and an issuer for the purpose of section 26.4,
- (f) “subsidiary credit supporter” means a credit supporter that is a subsidiary of the parent credit supporter, and
- (g) “summary financial information” includes the following line items:
  - (i) sales or revenues,
  - (ii) income from continuing operations,
  - (iii) net earnings or loss, and
  - (iv) unless the accounting principles used to prepare the financial statements of the entity permits the preparation of the entity’s balance sheet without classifying assets and liabilities between current and non-current and the entity provides alternative meaningful financial information which is more appropriate to the industry,
    - (A) current assets,
    - (B) non-current assets,
    - (C) current liabilities, and



(D) non-current liabilities.

**26.2** For the purposes of this Item, consolidating summary financial information must be prepared on the following basis

- (a) an entity's annual or interim summary financial information must be derived from the entity's financial information underlying the corresponding consolidated financial statements of the parent entity included in the Listing Statement,
- (b) the parent entity column must account for investments in all subsidiaries under the equity method, and
- (c) all subsidiary entity columns must account for investments in non-credit supporter subsidiaries under the equity method.

*Issuer is wholly-owned subsidiary of parent credit supporter*

**26.3** An issuer is not required to include the issuer disclosure required by Items 2, 3, 5, 16, 18, 20 and 24 if

- (a) a parent credit supporter has provided full and unconditional credit support for the securities being distributed,
- (b) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible



preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter,

- (c) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer,
- (d) no other subsidiary of the parent credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, and
- (e) the issuer includes in the Listing Statement
  - (i) a statement that the financial results of the issuer are included in the consolidated financial results of the parent credit supporter, if
    - (A) the issuer is a finance subsidiary, and
    - (B) the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer, on the consolidated financial statements of the parent credit supporter is minor, or
  - (ii) for the periods covered by the parent credit supporter's interim and annual consolidated financial statements included in the Listing Statement under Item 33, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following
    - (A) the parent credit supporter;



- (B) the issuer;
- (C) any other subsidiaries of the parent credit supporter on a combined basis;
- (D) consolidating adjustments;
- (E) the total consolidated amounts.

*Issuer is wholly-owned subsidiary of, and one or more subsidiary credit supporters controlled by, parent credit supporter*

**26.4** An issuer is not required to include the issuer disclosure required by Items 2, 3, 5, 16, 18, 20 and 24, or the credit supporter disclosure of one or more subsidiary credit supporters required by Item 25, if

- (a) a parent credit supporter and one or more subsidiary credit supporters have each provided full and unconditional credit support for the securities being distributed,
- (b) the guarantees or alternative credit supports are joint and several,
- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter,



- (d) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer,
- (e) the parent credit supporter controls each subsidiary credit supporter and the parent credit support has consolidated the financial statements of each subsidiary credit supporter into the parent credit supporter's financial statements that are included in the Listing Statement, and
- (f) the issuer includes in the Listing Statement, for the periods covered by the parent credit supporter's financial statements included in the Listing Statement under Item 33, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
  - (i) the parent credit supporter;
  - (ii) the issuer;
  - (iii) each subsidiary credit supporter on a combined basis;
  - (iv) any other subsidiaries of the parent credit supporter on a combined basis;
  - (v) consolidating adjustments;
  - (vi) the total consolidated amounts.



**26.5** Despite Item 26.3(f), the information set out in a column in accordance with

- (a) Item 26.3(f)(iv) may be combined with the information set out in accordance with any of the other columns in Item 26.3(f) if the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer and all subsidiary credit supporters, on the consolidated financial statements of the parent credit supporter is minor, and
- (b) Item 26.3(f)(ii), may be combined with the information set out in accordance with any of the other columns in Item 26.3(f) if the issuer is a finance subsidiary.

*One or more credit supporters controlled by issuer*

**26.6** An issuer is not required to include the credit supporter disclosure for one or more credit supporters required by Item 25, if

- (a) one or more credit supporters have each provided full and unconditional credit support for the securities being distributed,
- (b) there is more than one credit supporter, the guarantee or alternative credit supports are joint and several,
- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the issuer,



- (d) the issuer controls each credit supporter and the issuer has consolidated the financial statements of each credit supporter into the issuer's financial statements that are included in the Listing Statement, and
  
- (e) the issuer includes in the Listing Statement
  - (i) a statement that the financial results of the credit supporter(s) are included in the consolidated financial results of the issuer, if
    - (A) the issuer has limited independent operations, and
  
    - (B) the impact of any subsidiaries of the issuer on a combined basis, excluding the credit supporter(s) but including any subsidiaries of the credit supporter(s) that are not themselves credit supporters, on the consolidated financial statements of the issuer is minor, or
  
  - (ii) for the periods covered by the issuer's financial statements included in the Listing Statement under Item 32, consolidating summary financial information for the issuer, presented with a separate column for each of the following:
    - (A) the issuer,
  
    - (B) the credit supporters on a combined basis,
  
    - (C) any other subsidiaries of the issuer on a combined basis,
  
    - (D) consolidating adjustments,



(E) the total consolidated amounts.

## 27. Significant Acquisitions

### *Application and definitions*

- 27.1** This Item does not apply to a completed or proposed transaction by the issuer that was or will be accounted for as a reverse takeover or a transaction that is a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high.
- 27.2** The audit requirement in section 4.2 of National Instrument 41-101 does not apply to any financial statements or other information included in the Listing Statement under this Item, other than the financial statements or other information for the most recently completed financial year of a business or related businesses acquired, or proposed to be acquired, by the issuer.
- 27.3** In this Item, “**significant acquisition**” means an acquisition of a business or related businesses that,
- (a) if the issuer was a reporting issuer in at least one jurisdiction on the date of the acquisition, is determined to be a significant acquisition under section 8.3 of National Instrument 51-102, or
  - (b) if the issuer was not a reporting issuer in any jurisdiction on the date of the acquisition, would be determined to be a significant acquisition under section 8.3 of National Instrument 51-102, as if





- (i) the issuer was a reporting issuer on the date of the acquisition,
- (ii) the references to a “venture issuer” were read as an “IPO venture issuer” if the issuer is an IPO venture issuer,
- (iii) for the purposes of the optional tests, the issuer used its financial statements for the most recently completed interim period or financial year that is included in the Listing Statement,
- (iv) for the purposes of the optional income test, the most recently completed financial year of the business or related businesses were the financial year of the business ended before the date of the Listing Statement, and the 12 months ended on the last day of the most recently completed interim period of the business or related businesses were the 12 months ended on the last day of the most recently completed interim period before the date of the Listing Statement,
- (v) subsection 8.3(11.1) of National Instrument 51-102 did not apply,
- (vi) references to “annual audited statements filed” meant “audited annual financial statements included in the long form Listing Statement,” and
- (vii) in subsection 8.3(15) of National Instrument 51-102, the reference to “been required to file, and has not filed,” meant “been required to include, and has not included, in the long form Listing Statement.”

*Completed acquisitions for which issuer has filed business acquisition report*



**27.4** If an issuer completed an acquisition of a business or related businesses since the beginning of its most recently completed financial year for which financial statements are included in the Listing Statement, and it has filed a business acquisition report under Part 8 of National Instrument 51-102 for the acquisition, include all of the disclosure included in, or incorporated by reference into, that business acquisition report.

*Completed acquisitions for which issuer has not filed business acquisition report because issuer was not reporting issuer on date of acquisition*

**27.5** An issuer must include the disclosure required under subsection (2), if

- (a) the issuer completed an acquisition of a business or related businesses since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the Listing Statement,
- (b) the issuer was not a reporting issuer in any jurisdiction on the date of the acquisition,
- (c) the acquisition is a significant acquisition, and
- (d) the acquisition was completed more than
  - (i) 90 days before the date of the Listing Statement, if the financial year of the acquired business ended 45 days or less before the acquisition, or
  - (ii) 75 days before the date of the Listing Statement.



- 27.6** For an acquisition to which subsection (1) applies, include all the disclosure that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of National Instrument 51-102, as if
- (a) the issuer was a reporting issuer in at least one jurisdiction on the date of the acquisition,
  - (b) the business acquisition report was filed as at the date of the Listing Statement,
  - (c) the issuer was a venture issuer at the date of the acquisition, if the issuer is an IPO venture issuer,
  - (d) subsections 8.4(4) and 8.4(6) of National Instrument 51-102 did not apply, and
  - (e) references to financial statements filed or required to be filed meant financial statements included in the Listing Statement.

*Results consolidated in financial statements of issuer*

- 27.7** Despite section 35.2 and subsection 35.3(1), an issuer may omit the financial statements or other information of a business required to be included in the Listing Statement, if at least nine months of the acquired business or related businesses operations have been reflected in the issuer's most recent audited financial statements included in the Listing Statement.

*Recently completed acquisitions*



**27.8** Include the information required under subsection (2) for any significant acquisition completed by the issuer

- (a) since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the Listing Statement, and
- (b) for which the issuer has not included any disclosure under section 35.2 or subsection 35.3(2).

**27.9** For a significant acquisition to which subsection (1) applies, include the following

- (a) the information required by sections 2.1 through 2.6 of National Instrument 51-102 Form 51-102F4, and
- (b) the financial statements of or other information about the acquisition under subsection (3) for the acquired business or related businesses, if
  - (i) the issuer was not a reporting issuer in any jurisdiction immediately before filing the Listing Statement, or
  - (ii) the issuer was a reporting issuer in at least one jurisdiction immediately before filing the Listing Statement, and the inclusion of the financial statements or other information is necessary for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

**27.10** The requirement to include financial statements or other information under paragraph (2)(b) must be satisfied by including



- (a) if the issuer was a reporting issuer in at least one jurisdiction on the date of acquisition, the financial statements or other information that will be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of National Instrument 51-102,
- (b) if the issuer was not a reporting issuer in any jurisdiction on the date of acquisition, the financial statements or other information that would be required by subsection 35.3(2), or
- (c) satisfactory alternative financial statements or other information.

*Probable acquisitions*

**27.11** Include the information required under subsection (2) for any proposed acquisition of a business or related businesses by an issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high, and that, if completed by the issuer at the date of the Listing Statement, would be a significant acquisition.

**27.12** For a proposed acquisition of a business or related businesses by the issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high and to which subsection (1) applies, include

- (a) the information required by sections 2.1 through 2.6 of National Instrument 51-102 Form 51-102F4, modified as necessary to convey that the acquisition has not been completed, and
- (b) the financial statements or other information of the probable acquisition under subsection (3) for the acquired business or related businesses, if



- (i) the issuer was not a reporting issuer in any jurisdiction immediately before filing the Listing Statement, or
- (ii) the issuer was a reporting issuer in at least one jurisdiction immediately before filing the Listing Statement, and the inclusion of the financial statements or other information is necessary for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

**27.13** For a proposed acquisition of a business or related businesses by the issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high and to which subsection (2) applies, the requirement to include financial statements or other information under subsection (2)(b) must be satisfied by including

- (a) if the issuer was a reporting issuer in at least one jurisdiction immediately before filing the Listing Statement, the financial statements or other information that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of National Instrument 51-102, as if the date of the acquisition were the date of the Listing Statement,
- (b) if the issuer was not a reporting issuer in any jurisdiction immediately before filing the Listing Statement, the financial statements or other information that would be required to be included by subsection 35.3(2), as if the acquisition had been completed before the filing of the Listing Statement and the date of the acquisition were the date of the Listing Statement, or
- (c) satisfactory alternative financial statements or other information.



*Pro forma financial statements for multiple acquisitions*

**27.14** Despite sections 35.2, 35.3, 35.5 and 35.6, an issuer is not required to include in its Listing Statement the pro forma financial statements otherwise required for each acquisition, if the issuer includes in its Listing Statement one set of pro forma financial statements that

- (a) reflects the results of each acquisition since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the Listing Statement,
- (b) is prepared as if each acquisition had occurred at the beginning of the most recently completed financial year of the issuer for which financial statements of the issuer are included in the Listing Statement, and
- (c) is prepared in accordance with
  - (i) if no disclosure is otherwise required for a probable acquisition under section 35.6, the section in this Item that applies to the most recently completed acquisition, or
  - (ii) section 35.6.

*Additional financial statements or financial information of business filed or released*

**27.15** An issuer must include in its Listing Statement annual and interim financial statements of a business or related businesses for a financial period that ended before the date of the acquisition and is more recent than the periods for which financial statements are



required under section 35.5 or 35.6 if, before the Listing Statement is filed, the financial statements of the business for the more recent period have been filed.

- 27.16** If, before the Listing Statement is filed, historical financial information of a business or related businesses for a period more recent than the period for which financial statements are required under section 35.5 or 35.6, is publicly disseminated by news release or otherwise by or on behalf of the issuer, the issuer shall include in the Listing Statement the content of the news release or public communication.





**CERTIFICATE**

The undersigned solemnly declare that:

1. Each of the undersigned is an officer or director of the issuer and has been duly authorized to sign this form;
  
2. This Listing Statement contains full, true and plain disclosure of all material information relating to [full legal name of issuer] and contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made; and
  
3. They are making this solemn declaration believing it to be true and knowing it is of the same force and effect as if made under the *Canada Evidence Act*.

Dated at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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Signature of CEO

Name

NOTARIAL SEAL

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Signature of CFO

Name



NOTARIAL SEAL

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Signature of Director

Name

NOTARIAL SEAL

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Signature of Director

Name

NOTARIAL SEAL

---

Signature of Promoter (if applicable)

Name

NOTARIAL SEAL



**FORM 2A  
LISTING STATEMENT FOR SPECIAL PURPOSE ISSUERS**

**GENERAL INSTRUCTIONS**

- (1) *An issuer doing an initial public offering may file the preliminary and final prospectus for Investment Funds in lieu of this Listing Statement.*
- (2) *In determining the degree of detail required, a standard of materiality must be applied. Materiality is a matter of judgment in the particular circumstance, and is determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items must be considered individually rather than on a net basis, if the items have an offsetting effect. This concept of materiality is consistent with the financial reporting notion of materiality contained in the Handbook.*
- (3) *The disclosure must be understandable to readers and presented in an easy-to-read format. If technical terms are required, clear and concise explanations should be included.*
- (4) *No reference need be made to inapplicable items and, unless otherwise required in this form, negative answers to items may be omitted.*
- (5) *The term "issuer" includes the applicant issuer and any of its subsidiaries.*
- (6) *A special purpose issuer may have to modify the disclosure items to reflect the special purpose nature of its business.*
- (7) *If an issuer discloses financial information in a Listing Statement or Listing Statement in a currency other than the Canadian dollar, prominently disclose the currency in which the financial information is disclosed.*
- (8) *For issuers applying for approval following a backdoor listing, provide current and historic information for*
  - (i) *the issuer;*



- (ii) *all other companies or businesses involved in the backdoor listing (the “target”), and*
- (iii) *the entity that will result from the backdoor listing.*

*Information in the issuer’s most recent Listing Statement may be incorporated by reference, but this statement must indicate if any of that information has changed or is no longer relevant. Information concerning assets or lines of business that will not be part of the new entity’s business should not be disclosed.*

## **1. Table of Contents**

Include a table of contents

## **2. Overview of the Structure of the Investment Fund**

### *2.1 Legal Structure*

(1) Under the heading “Overview of the Legal Structure of the Fund”, state the full corporate name of the investment fund or, if the investment fund is an unincorporated entity, the full name under which it exists and carries on business and the address(es) of the investment fund’s head and registered office.

(2) State the statute under which the investment fund is incorporated or continued or organized or, if the investment fund is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the investment fund is established and exists. Describe the substance of any material amendments to the articles or other constating or establishing documents of the investment fund.

(3) State whether the investment fund would be considered a mutual fund under securities legislation.

## **3. Investment Objectives**

### *3.1 Investment Objectives*

(1) Set out under the heading "Investment Objectives" the fundamental investment objectives of the investment fund, including information that describes the fundamental nature of the investment fund, or the fundamental features of the investment fund, that distinguish it from other investment funds.



(2) If the investment fund purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of an investment in the investment fund, include this fact as a fundamental investment objective of the investment fund and

- (a) identify the person or company providing the guarantee or insurance,
- (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance,
- (c) if applicable, state that the guarantee or insurance does not apply to the amount of any redemptions before the maturity date of the guarantee or before the death of the securityholder and that redemptions before that date would be based on the net asset value of the investment fund at the time, and
- (d) modify any other disclosure required by this section appropriately.

#### *INSTRUCTIONS*

*(1) State the type or types of securities, such as money market instruments, bonds or equity securities, in which the investment fund will primarily invest under normal market conditions.*

*(2) If the investment fund primarily invests, or intends to primarily invest, or if its name implies that it will primarily invest*

*(a) in a particular type of issuer, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries,*

*(b) in a particular geographic location or industry segment, or*

*(c) in portfolio assets other than securities,  
the investment fund's fundamental investment objectives must so indicate.*

*(3) If a particular investment strategy is an essential aspect of the investment fund, as evidenced by the name of the investment fund or the manner in which the investment fund is marketed, disclose this strategy as an investment objective. This instruction would be applicable, for example, to an investment fund that described itself as an "investment fund that invests primarily through the use of derivatives."*



## 4. Investment Strategies

### 4.1 Investment Strategies

(1) Describe under the heading "Investment Strategies"

(a) the principal investment strategies that the investment fund intends to use in achieving its investment objectives,

(b) the use of leverage, including any restrictions and the maximum amount of leverage the fund can use, expressed as a ratio as follows: (total long positions including leveraged positions plus total short positions) divided by the net assets of the investment fund, and

(c) the process by which the investment fund's portfolio adviser selects securities for the fund's portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.

(2) Indicate what types of securities, other than those held by the investment fund in accordance with its fundamental investment objectives, may form part of the investment fund's portfolio assets under normal market conditions.

(3) If the investment fund intends to use derivatives

(a) for hedging purposes only, state that the investment fund may use derivatives for hedging purposes only, or

(b) for non-hedging purposes, or for hedging and non-hedging purposes, briefly describe

(i) how derivatives are or will be used in conjunction with other securities to achieve the investment fund's investment objectives,

(ii) the types of derivatives expected to be used and give a brief description of the nature of each type, and

(iii) the limits of the investment fund's use of derivatives.

(4) If the investment fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations,



disclose any temporary defensive tactics the investment fund's portfolio adviser may use or intends to use in response to such conditions.

(5) If the investment fund intends to enter into securities lending, repurchase or reverse repurchase transactions, briefly describe

(a) how those transactions are or will be entered into in conjunction with other strategies and investments of the investment fund to achieve the investment fund's investment objectives,

(b) the types of those transactions to be entered into and give a brief description of the nature of each type, and

(c) the limits of the investment fund's entering into those transactions.

#### *4.2 Overview of the Investment Structure*

(1) Under the sub-heading, "Overview of the Investment Structure", describe, including a diagram for complex structures, the overall structure of the underlying investment or investments made or to be made by the investment fund, including any direct or indirect investment exposure. Include in the description and the diagram any counterparties under a forward or swap agreement entered into with the investment fund or its manager, the nature of the portfolio of securities being purchased by the investment fund, any indirect investment exposure that is related to the return of the investment fund and any collateral or guarantees given as part of the overall structure of the underlying investment or investments made by the investment fund.

### **5. Overview of the Sector(s) that the Fund Invests in**

#### *5.1 Sector(s) that the Fund Invests in*

(1) Under the heading "Overview of the Sector(s) that the Fund Invests in", if the investment fund invests or intends to invest in a specific sector(s), briefly describe the sector(s) that the investment fund has been or will be investing in.

(2) Include in the description known material trends, events or uncertainties in the sector(s) that the investment fund invests or intends to invest in that might reasonably be expected to affect the investment fund.

#### *5.2 Significant Holdings in Other Entities*



(1) For a labour sponsored or venture capital fund, include in substantially the tabular form below, the following information as at a date within 30 days of the date of the Listing Statement with respect to each entity, 5 percent or more of whose securities of any class are beneficially owned directly or indirectly by the fund.

*Significant Holdings of the* [name of the labour sponsored or venture capital fund]

Name and Address of Entity	Nature of Entities' Principal Business	Percentage of Securities of each Class Owned by Fund

## 6. Investment Restrictions

### 6.1 Investment Restrictions

(1) Under the heading “Investment Restrictions”, describe any restrictions on investments adopted by the investment fund, beyond what is required under securities legislation.

(2) If the investment fund has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.

(3) Describe the nature of any securityholder or other approval that may be required in order to change the fundamental investment objectives and any of the material investment strategies to be used to achieve the investment objectives.

(4) Describe the nature of any approval of the independent review committee to vary any of the investment restrictions and practices.

## 7. Management Discussion of Fund Performance

### 7.1 Management Discussion of Fund Performance

(1) Provide, under the heading “Management Discussion of Fund Performance”, management’s discussion of fund performance in accordance with sections 2.3, 2.4, 2.5, 3, 4, 5 and 6 of Part B of Form 81-106F1 for the period covered by the financial statements required under Item 38.

## 8. Fees and Expenses

### 8.1 Fees and Expenses





(1) Under the heading “Fees and Expenses”, set out information about all of the fees and expenses payable by the investment fund and by investors in the investment fund.

(2) The information required by this section must be a summary of the fees, charges and expenses of the investment fund and investors presented in the form of the following table, appropriately completed, and introduced using substantially the following words:

"This table lists the fees and expenses that you may have to pay if you invest in the [insert the name of the investment fund]. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

**Fees and Expenses Payable by the Fund** [for scholarship plans, Fees and Expenses payable by Subscribers’ Deposits]

Type of Fee	Amount and Description
-------------	------------------------

**Fees and Expenses Payable Directly by You**

Type of Fee	Amount and Description
-------------	------------------------

(3) Describe the following fees and expenses in the table referred to in subsection (2):

**Fees and Expenses Payable by the Fund or by Subscribers’ Deposits (for scholarship plans)**

- (a) Expenses of the Issue
- (b) Management Fees [*See Instruction (1)*]
- (c) Incentive or Performance Fees
- (d) Portfolio Adviser Fees
- (e) Counterparty Fees (if any)
- (f) Operating Expenses [*See Instructions (2) and (3)*]
- (g) Other Fees and Expenses [*specify type*] [*specify amount*]

**Fees and Expenses Payable Directly by You**



- (a) Sales Charges [*specify percentage, as a percentage of \_\_\_\_\_* ]
- (b) Service Fees [*specify percentage, as a percentage of \_\_\_\_\_* ]
- (c) Redemption Fees [*specify percentage, as a percentage of \_\_\_\_\_ , or specify amount*]
- (d) Registered Tax Plan Fees [*include this disclosure and specify the type of fees if the registered tax plan is sponsored by the investment fund and is described in the Listing Statement*][*specify amount*]
- (m) Other Fees and Expenses [*specify type*] [*specify amount*].

**INSTRUCTIONS**

(1) List the amount of the management fee, including any performance or incentive fee, for each investment fund separately.

(2) Under "Operating Expenses", state whether the investment fund pays all of its operating expenses and lists the main components of those expenses. If the investment fund pays only certain operating expenses and is not responsible for payment of all such expenses, adjust the statement in the table to reflect the proper contractual responsibility of the investment fund and indicate who is responsible for the payment of these expenses.

(3) Show all fees or expenses payable by the investment fund (e.g. brokerage) and investors in the investment fund. The description of fees must also include sales and trailing commissions paid either by the investment fund or the investor.

(4) Describe each fee paid by the investment fund and by the investor in this section separately. The description of fees must also include sales and trailing commissions paid either by the investment fund or the investor.

**9. Annual Returns and Management Expense Ratio**

*9.1 Annual Returns and Management Expense Ratio*

(1) Under the sub-heading "Annual Returns and Management Expense Ratio", provide, in the following table, returns for each of the past five years and the management expense ratio for each of the past five years as disclosed in the most recently filed annual management report of fund performance of the investment fund:

[specify year] [specify year] [specify year] [specify year] [specify year]

**Annual Returns** \_\_\_\_\_



**MER**

“MER” means management expense ratio.

**10. Risk Factors**

*10.1 Risk Factors*

(1) Under the heading “Risk Factors”, describe the risk factors material to the investment fund that a reasonable investor would consider relevant to an investment in the fund’s securities, such as the risks associated with any particular aspect of the fundamental investment objectives and investment strategies.

(2) Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification, leverage, credit, legal and operational risks, as appropriate.

(3) Include a brief discussion of general investment risks applicable to the investment fund, such as specific company developments, stock market conditions and general economic and financial conditions in those countries where the investments of the investment fund are listed for trading.

(4) If derivatives are to be used by the investment fund for non-hedging purposes, describe the risks associated with any use or intended use by the investment fund of derivatives.

(5) If there is a risk that purchasers of the securities distributed may become liable to make an additional contribution beyond the price of the security, disclose the risk.

**INSTRUCTIONS**

(1) Describe risks in the order of seriousness from the most serious to the least serious.

(2) A risk factor must not be de-emphasized by including excessive caveats or conditions.

**11 Distribution Policy**

*11.1 Distribution Policy*

Under the heading “Distribution Policy”, describe the distribution policy, including



- (a) whether distributions are made by the investment fund in cash or reinvested in securities of the investment fund,
- (b) the targeted amount of any distributions,
- (c) whether the distributions are guaranteed or not, and
- (d) when the distributions are made.

## **12. Purchases of Securities**

### *12.1 Purchases of Securities*

- (1) Under the heading "Purchases of Securities", describe the procedure followed or to be followed by investors who desire to purchase securities of the investment fund or switch them for securities of other investment funds.
- (2) If applicable, state that the issue price of securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the investment fund of the purchase order.
- (3) Describe how the securities of the investment fund are distributed. If sales are effected through a principal distributor, give brief details of any arrangements with the principal distributor.
- (4) Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and if applicable, that the choice of different purchase options affects the amount of compensation paid to a dealer.
- (5) If applicable, disclose that a dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the investment fund caused by the investor.
- (6) If applicable, for an investment fund that is being sold on a best efforts basis, state whether the issue price will be fixed during the initial distribution period, and state when the investment fund will begin issuing securities at the net asset value of a security of the investment fund.

## **13. Redemption of Securities**



### *13.1 Redemption of Securities*

(1) Under the heading “Redemption of Securities”, describe how investors may redeem securities of the investment fund, including

(a) the procedures followed, or to be followed, by an investor who desires to redeem securities of the investment fund and specifying the procedures to be followed and the documents to be delivered before a redemption order pertaining to securities of the investment fund will be accepted by the investment fund for processing and before payment of the proceeds of redemption will be made by the investment fund,

(b) how the redemption price of the securities is determined and, if applicable, state that the redemption price of the securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the investment fund of the redemption order, and

(c) the circumstances under which the investment fund may suspend redemptions of the securities of the investment fund.

### *13.2 Short-term Trading*

(1) For an investment fund in continuous distribution, under the sub-heading “Short-Term Trading”

(a) describe the adverse effects, if any, that short-term trades in securities of the investment fund by an investor may have on other investors in the investment fund,

(b) describe the restrictions, if any, that may be imposed by the investment fund to deter short-term trades, including the circumstances, if any, under which such restrictions may not apply,

(c) where the investment fund does not impose restrictions on short-term trades, state the specific basis for the view of the manager that it is appropriate for the investment fund not to do so, and

(d) describe any arrangements, whether formal or informal, with any person or company, to permit short-term trades in securities of the investment fund, including the name of such person or company and the terms of such



arrangements, including any restrictions imposed on the short-term trades and any compensation or other consideration received by the manager, the investment fund or any other party pursuant to such arrangements.

## **INSTRUCTION**

*For the disclosure required by section 15.2, include a brief description of the short-term trading activities in the investment fund that are considered by the manager to be inappropriate or excessive. If the manager imposes a short-term trading fee, include a cross-reference to the disclosure provided under Item 10 of this Form.*

### **14. Consolidated Capitalization**

#### *14.1 Consolidated Capitalization*

(1) This section does not apply to an investment fund in continuous distribution.

(2) Under the heading “Consolidated Capitalization”, describe any material change in, and the effect of the material change on, the share and loan capital of the investment fund, on a consolidated basis, since the date of the investment fund’s financial statements for its most recently completed financial period included in the Listing Statement, including any material change that will result from any issuance of securities in an ongoing or recently-completed prospectus distribution.

### **15. Prior Sales**

#### *15.1 Prior Sales*

(1) This section does not apply to an investment fund in continuous distribution.

(2) Under the heading “Prior Sales”, for each class of securities of the investment fund distributed under the Listing Statement and for securities that are convertible into those classes of securities, state, for the 12-month period before the date of the Listing Statement,

(a) the price at which the securities have been issued or are to be issued by the investment fund,



- (b) the number of securities issued or sold at that price, and
- (c) the date on which the securities were issued or sold.

## **15.2 Trading Price and Volume**

- (1) For each class of securities of the investment fund that is traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation generally occurs.
- (2) If a class of securities of the investment fund is not traded or quoted on a Canadian marketplace but is traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume or quotation generally occurs.
- (3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the Listing Statement.

## **16. Organization and Management Details of the Investment Fund**

### *16.1 Management of the Investment Fund*

- (1) Under the heading “Organization and Management Details of the Investment Fund” and under the sub-heading “Officers and Directors of the Investment Fund”,
  - (a) list the name and municipality of residence of each director and executive officer of the investment fund and indicate their respective positions and offices held with the investment fund and their respective principal occupations during the five preceding years,
  - (b) state the period or periods during which each director has served as a director and when his or her term of office will expire,
  - (c) state the number and percentage of securities of each class of voting securities of the investment fund or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by all directors and executive officers of the investment fund as a group,
  - (d) disclose the board committees of the investment fund and identify the members of each committee,



(e) if the principal occupation of a director or executive officer of the investment fund is acting as an executive officer of a person or company other than the investment fund, disclose that fact and state the principal business of the person or company, and

(f) for an investment fund that is a limited partnership, provide the information required by this subsection for the general partner of the investment fund, modified as appropriate.

(2) Under the sub-heading “Cease Trade Orders and Bankruptcies”, if a director or executive officer of the investment fund is, as at the date of the Listing Statement or was within 10 years before the date of the Listing Statement a director, chief executive officer or chief financial officer of any other investment fund, that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, state the fact and describe the basis on which the order was made and whether the order is still in effect.

(3) For the purposes of subsection (2), “order” means

(a) a cease trade order,

(b) an order similar to a cease trade order, or

(c) an order that denied the relevant investment fund access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

(4) If a director or executive officer of the investment fund

(a) is, as at the date of the Listing Statement or pro forma Listing Statement, as applicable, or has been within the 10 years before the date of the Listing





Statement as applicable, a director or executive officer of any investment fund that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact, or (b) has, within the 10 years before the date of the Listing Statement or pro forma Listing Statement, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer, state the fact.

(5) Under the heading “Organization and Management Details of the Investment Fund” and under the sub-heading “Manager of the Investment Fund”, provide the complete municipal address of the manager and details of the manager of the investment fund, including the history and background of the manager and any overall investment strategy or approach used by the manager in connection with the investment fund.

(6) Under the sub-heading “Duties and Services to be Provided by the Manager”, provide a description of the duties and services that the manager will be providing to the investment fund.

(7) Under the sub-heading “Details of the Management Agreement”, provide a brief description of the essential details of any management agreement that the manager has entered into or will be entering into with the investment fund, including any termination rights.

(8) Under the sub-heading “Officers and Directors of the Manager of the Investment Fund”,

(a) list the name and municipality of residence of each partner, director and executive officer of the manager of the investment fund and indicate their respective positions and offices held with the manager and their respective principal occupations within the five preceding years,

(b) if a partner, director or executive officer of the manager has held more than one office with the manager within the past five years, state only the current office held, and



(c) if the principal occupation of a partner, director or executive officer of the manager is with an organization other than the manager of the investment fund, state the principal business in which the organization is engaged.

(9) Under the sub-heading “Cease Trade Orders and Bankruptcies of the Manager”, provide the information required under subsections (2) and (4) for the directors and executive officers of the manager of the investment fund, modified as appropriate.

#### **INSTRUCTIONS**

*(1) The disclosure required by subsections (2) and (4) also applies to any personal holding companies of any of the persons referred to in subsections (2) and (4).*

*(2) A management cease trade order which applies to directors and executive officers of the investment fund is an “order” for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

*(3) For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a “penalty or sanction”.*

*(4) The disclosure in paragraph (2)(a) only applies if the director or executive officer of the investment fund was a director, chief executive officer or chief financial officer when the order was issued against the relevant investment fund. The investment fund does not have to provide disclosure if the director or executive officer became a director, chief executive officer or chief financial officer after the order was issued.*

#### **16.2 Portfolio Adviser**

(1) Under the sub-heading “Portfolio Adviser”

(a) state the municipality and the province or country where the portfolio adviser principally provides its services to the investment fund and give details of the portfolio adviser of the investment fund, including the history and background of the portfolio adviser,

(b) state the extent to which investment decisions are made by certain individuals employed by the portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee, and

(c) state the name, title, and length of time of service of the person or persons employed by or associated with the portfolio adviser of the investment fund who is or are principally responsible for the day-to-day management of a material



portion of the portfolio of the investment fund, implementing a particular material strategy or managing a particular segment of the portfolio of the investment fund, and each person's business experience in the last five years.

(2) Under the sub-heading "Details of the Portfolio Advisory Agreement", provide a brief description of the essential details of any portfolio advisory agreement that the portfolio adviser has entered into or will be entering into with the investment fund or the manager of the investment fund, including any termination rights.

### *16.3 Conflicts of Interest*

(1) Under the sub-heading "Conflicts of Interest", disclose particulars of existing or potential material conflicts of interest between

- (a) the investment fund and a director or executive officer of the investment fund,
- (b) the investment fund and the manager or any director or executive officer of the manager of the investment fund, and
- (c) the investment fund and the portfolio adviser or any director or executive officer of the portfolio adviser of the investment fund.

### *16.4 Independent Review Committee*

(1) Under the sub-heading "Independent Review Committee", provide a description of the independent review committee of the investment fund, including

- (a) the mandate and responsibilities of the independent review committee,
- (b) the composition of the independent review committee (including the names of its members), and the reasons for any change in its composition since the date of the most recently filed annual information form or Listing Statement of the investment fund, as applicable,
- (c) that the independent review committee prepares a report at least annually of its activities for securityholders which is available on the [investment fund's/investment fund family's] Internet site at [insert investment fund's Internet site address], or at the securityholder's request at no cost, by contacting the [investment fund/investment fund family] at [investment fund's/investment fund family's email address], and



(d) the amount of fees and expenses payable in connection with the independent review committee by the investment fund, including any amounts payable for committee participation or special assignments, and state whether the investment fund pays all of the fees payable to the independent review committee.

#### *16.5 Trustee*

(1) Under the sub-heading “Trustee”, provide details of the trustee of the investment fund, including the municipality and the province or country where the trustee principally provides its services to the investment fund.

#### *16.6 Custodian*

(1) Under the sub-heading “Custodian”, state the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the investment fund.

(2) Describe generally the sub-custodial arrangements of the investment fund.

#### *INSTRUCTION*

*A "principal sub-custodian" is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the investment fund.*

#### *16.7 Auditor*

(1) Under the sub-heading “Auditor”, state the name and address of the auditor of the investment fund.

#### *16.8 Transfer Agent and Registrar*

(1) Under the sub-heading, “Transfer Agent and Registrar”, for each class of securities, state the name of the investment fund’s transfer agent(s), registrar(s), trustee, or other agent appointed by the investment fund to maintain the securities register and the register of transfers for such securities and indicate the location (by municipalities) of each of the offices of the investment fund or transfer agent, registrar, trustee or other agent where the securities, register and register of transfers are maintained or transfers of securities are recorded.



## 16.9 Promoters

(1) For a person or company that is, or has been within the two years immediately preceding the date of the Listing Statement, a promoter of the investment fund or of a subsidiary of the investment fund, state under the sub-heading "Promoter"

(a) the person or company's name and municipality and the province or country of residence,

(b) the number and percentage of each class of voting securities and equity securities of the investment fund or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person or company,

(c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the investment fund or from a subsidiary of the investment fund, and the nature and amount of any assets, services or other consideration received or to be received by the investment fund or a subsidiary of the investment fund in return, and

(d) for an asset acquired within the two years before the date of the Listing Statement, or to be acquired, by the investment fund or by a subsidiary of the investment fund from a promoter,

(i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined,

(ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the investment fund, the promoter, or an affiliate of the investment fund or of the promoter, and

(iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

(2) If a promoter referred to in subsection (1) is, as at the date of the Listing Statement or pro forma Listing Statement, as applicable, or was within 10 years before the date of the Listing Statement a director, chief executive officer or chief financial officer of any person or company, that



(a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, state the fact and describe the basis on which the order was made and whether the order is still in effect.

(3) For the purposes of subsection (2), “order” means:

(a) a cease trade order,

(b) an order similar to a cease trade order, or

(c) an order that denied the relevant person or company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

(4) If a promoter referred to in subsection (1)

(a) is, as at the date of the Listing Statement or pro forma Listing Statement, as applicable, or has been within the 10 years before the date of the Listing Statement, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact, or

(b) has, within the 10 years before the date of the Listing Statement or pro forma Listing Statement, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

(5) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in subsection (1) has been subject to



(a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority, or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

(6) Despite subsection (5), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered to be important to a reasonable investor in making an investment decision.

## **INSTRUCTIONS**

*(1) The disclosure required by subsections (2), (4) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (4), and (5).*

*(2) A management cease trade order which applies to a promoter referred to in subsection (1) is an “order” for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

*(3) For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a “penalty or sanction”.*

*(4) The disclosure in paragraph (2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The investment fund does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

## **17. Calculation of Net Asset Value**

### *17.1 Calculation of Net Asset Value*

(1) Under the heading “Calculation of Net Asset Value”,

(a) describe how the net asset value of the investment fund is calculated, and



(b) state the frequency at which the net asset value is calculated and the date and time of day at which it is calculated.

### *17.2 Valuation Policies and Procedures*

- (1) Under the sub-heading “Valuation Policies and Procedures of the Investment Fund”,
- (a) describe the methods used to value the various types or classes of assets of the investment fund and its liabilities for the purpose of calculating net asset value,
  - (b) If the valuation principles and practices established by the manager differ from Canadian GAAP, describe the differences, and
  - (c) if the manager has discretion to deviate from the investment fund's valuation practices described in paragraph (a), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, so state.

### *17.3 Reporting of Net Asset Value*

- (1) Under the sub-heading “Reporting of Net Asset Value”, describe
- (a) how the net asset value of the investment fund will be made available at no cost (e.g. website, toll-free telephone line, etc.), and
  - (b) the frequency at which the net asset value is disclosed.

## **18. Description of the Securities Distributed**

### *Equity Securities*

(1) State the description of the securities or class a series of securities of the investment fund are being distributed, under the heading “Attributes of the Securities” and under the sub-heading “Description of the Securities Distributed” state the description or the designation of the class of equity securities distributed and describe all material attributes and characteristics, including

- (a) dividend or distribution rights,





- (b) voting rights,
- (c) rights upon dissolution, termination or winding-up,
- (d) pre-emptive rights,
- (e) conversion or exchange rights,
- (f) redemption, retraction, purchase for cancellation or surrender provisions,
- (g) sinking or purchase fund provisions,
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions, and
- (i) provisions requiring a securityholder to contribute additional capital.

### *18.1 Debt Securities*

(1) If debt securities are being distributed, under the heading “Attributes of the Securities” and under the sub-heading “Description of the Securities Distributed”, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including

- (a) provisions for interest rate, maturity and premium, if any,
- (b) conversion or exchange rights,
- (c) redemption, retraction, purchase for cancellation or surrender provisions,
- (d) sinking or purchase fund provisions,
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge,
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the investment fund or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities,



(g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the investment fund or any of its affiliates, and

(h) any financial arrangements between the investment fund and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

### *18.2 Derivatives*

(1) If derivatives are being distributed, under the heading “Attributes of the Securities” and under the sub-heading “Description of the Securities Distributed”, describe fully the material attributes and characteristics of the derivatives, including

(a) the calculation of the value or payment obligations under the derivatives,

(b) the exercise of the derivatives,

(c) settlements that are the result of the exercise of the derivatives,

(d) the underlying interest of the derivatives,

(e) the role of a calculation expert in connection with the derivatives,

(f) the role of any credit supporter of the derivatives, and

(g) the risk factors associated with the derivatives.

### **18.3 Other Securities**

(1) If securities other than the securities mentioned above are being distributed, under the heading “Attributes of the Securities” and under the sub-heading “Description of the Securities Distributed”, describe fully the material attributes and characteristics of those securities.

### *18.4 Restricted Securities*

(1) If the investment fund has outstanding, or proposes to distribute restricted securities, subject securities or securities that are, directly or indirectly, convertible into or



exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of

(a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the investment fund that are the same as or greater than, on a per security basis, those attached to the restricted securities,

(b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities,

(c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the investment fund and to speak at the meetings to the same extent that holders of equity securities are entitled, and

(d) how the investment fund complied with, or the basis upon which it was exempt from, the requirements of Part 12 of the Instrument.

(2) If holders of restricted securities do not have all of the rights referred to in subsection.

(3) The detailed description referred to in that subsection must include, in boldface type, a statement of the rights the holders do not have.

(4) If the investment fund is required to include the disclosure referred to in subsection.

(5), state the percentage of the aggregate voting rights attached to the investment fund's securities that will be represented by restricted securities after effect has been given to the issuance of the securities being offered.

### *18.5 Modification of Terms*



(1) Describe provisions about the modification, amendment or variation of any rights attached to the issuer's listed securities.

(2) If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

### **18.6 Ratings**

(1) If the investment fund has asked for and received a stability rating, or if the investment fund is aware that it has received any other kind of rating, including provisional rating, from one or more approved rating organizations for the securities being distributed and the rating or ratings continue in effect, disclose

(a) each security rating, including a provisional rating or stability rating, received from an approved rating organization,

(b) the name of each approved rating organization that has assigned a rating for the securities to be distributed,

(c) a definition or description of the category in which each approved rating organization rated the securities to be distributed and the relative rank of each rating within the organization's overall classification system,

(d) an explanation of what the rating addresses and what attributes, if any, of the securities to be distributed are not addressed by the rating,

(e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities to be distributed,

(f) a statement that a security rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization, and

(g) any announcement made by, or any proposed announcement known to the investment fund that is to be made by, an approved rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.



### *18.7 Other Attributes*

(1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.

(2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

#### **INSTRUCTION**

*This section requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the investment fund's discretion, be attached as a schedule to the Listing Statement.*

## **19. Securityholder Matters**

### *19.1 Meetings of Securityholders*

(1) Under the heading "Securityholder Matters" and under the sub-heading "Meetings of Securityholders", describe the circumstances, processes and procedures for holding any securityholder meeting and for any extraordinary resolution.

### *19.2 Matters Requiring Securityholder Approval*

(1) Under the sub-heading "Matters Requiring Securityholder Approval", describe the matters that require securityholder approval.

### *19.3 Amendments to Declaration of Trust*

(1) For an investment fund established pursuant to a declaration of trust, under the sub-heading "Amendments to the Declaration of Trust", describe the circumstances, processes and procedures required to amend the declaration of trust.

### *19.4 Reporting to Securityholders*

(1) Under the sub-heading "Reporting to Securityholders" describe the information or reports that will be delivered or made available to securityholders and the frequency



with which such information or reports will be delivered or made available to securityholders, including any requirements under securities legislation.

## **20. Termination of the Fund**

### *20.1 Termination of the Fund*

(1) Under the heading “Termination of the Fund”, describe the circumstances in which the investment fund will be terminated, including:

- (a) the date of termination,
- (b) how the value of the securities of the investment fund at termination will be determined,
- (c) whether securityholders will receive cash or any other type of payment upon termination,
- (d) the details of any rollover transaction, if securityholders will receive securities of another investment fund as part of a rollover transaction upon termination,
- (e) how the assets of the investment fund will be distributed upon termination, and
- (f) if the investment fund is a commodity pool, disclose whether the investment fund will be wound up without the approval of securityholders if the net asset value per security falls below a certain predetermined level, and, if so, the net asset value per security at which this will occur.

## **21. Options to Purchase Securities**

### *21.1 Options to Purchase Securities*

(1) Under the heading “Options to Purchase Securities”, state, in tabular form, as at a specified date within 30 days before the date of the Listing Statement or pro forma Listing Statement, information about options to purchase securities of the investment fund, or a subsidiary of the investment fund, that are held or will be held upon completion of the distribution by

- (a) all executive officers and past executive officers of the investment fund, as a group, and all directors and past directors of the investment fund who are not



also executive officers, as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,

(b) all executive officers and past executive officers of all subsidiaries of the investment fund, as a group, and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary, as a group, excluding, in each case, individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies,

(c) all other employees and past employees of the investment fund as a group,

(d) all other employees and past employees of subsidiaries of the investment fund as a group,

(e) all consultants of the investment fund as a group, and

(f) any other person or company, other than the underwriter(s), naming each person or company.

(2) Describe any material change to the information required to be included in the Listing Statement under subsection (1) to the date of the Listing Statement.

## **INSTRUCTIONS**

*(1) Describe the options, warrants, or other similar securities stating the material provisions of each class or type of option, including:*

*(a) the designation and number of the securities under option;*

*(b) the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;*

*(c) if reasonably ascertainable, the market value of the securities under option on the date of grant;*

*(d) if reasonably ascertainable, the market value of the securities under option on the specified date; and*

*(e) with respect to options referred to in paragraph (1)(f), the particulars of the grant including the consideration for the grant.*



*(2) For the purposes of paragraph (1)(f), provide the information required for all options except warrants and special warrants.*

## **22. Principal Holders of Securities of the Investment Fund and Selling Securityholders**

### *22.1 Principal Holders of Securities of the Investment Fund and Selling Securityholders*

(1) Under the heading “Principal Holders of Securities of the Investment Fund [and Selling Securityholders]”, provide the following information for each principal securityholder of the investment fund and, if any securities are being distributed for the account of a securityholder, for each selling securityholder, as of a specified date not more than 30 days before the date of the Listing Statement:

(a) the name,

(b) the number or amount of securities of the investment fund of any class to be owned, controlled or directed after the distribution, and the percentage that number or amount represents of the total outstanding, and

(c) whether the securities referred to in paragraphs (b) are owned both of record and beneficially, of record only, or beneficially only.

(2) If, to the knowledge of the investment fund more than 10 percent of any class of voting securities of the investment fund is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

(3) If, to the knowledge of the investment fund, any principal securityholder is an associate or affiliate of another person or company named as a principal securityholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the investment fund held by the person or company other than the holding of voting securities of the investment fund.

(4) In addition to the above, include in a footnote to the table the required calculation(s) on a fully-diluted basis.





(5) Describe any material change to the information required to be included in the Listing Statement under subsection (1) to the date of the Listing Statement.

#### *INSTRUCTION*

*If a company, partnership, trust or other unincorporated entity is a principal securityholder of an investment fund, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of the company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal securityholder of that entity.*

**I**

### **23. Interests of Management and Others in Material Transactions**

#### *23.1 Interests of Management and Others in Material Transactions*

(1) Under the heading “Interests of Management and Others in Material Transactions”, describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the Listing Statement or pro forma Listing Statement that has materially affected or is reasonably expected to materially affect the investment fund:

(a) a director or executive officer of the investment fund or the investment fund manager,

(b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the outstanding voting securities of the investment fund or the investment fund manager, and

(c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

#### *INSTRUCTIONS*

*(1) The materiality of an interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to investors.*



*(2) Give a brief description of the material transaction. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to the investment fund.*

*(3) For any transaction involving the purchase of assets by or sale of assets to the investment fund, state the cost of the assets to the purchaser, and the cost of the assets to the seller if acquired by the seller within three years before the transaction.*

*(4) This Item does not apply to any interest arising from the ownership of securities of the investment fund if the securityholder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.*

*(5) No information need be given under this Item for a transaction if*

*(a) the rates or charges involved in the transaction are fixed by law or determined by competitive bids,*

*(b) the interest of a specified person or company in the transaction is solely that of a director of another company that is a party to the transaction,*

*(c) the transaction involves services as a bank or other depository of funds, a transfer agent, registrar, trustee under a trust indenture or other similar services,*

*(d) the transaction does not involve remuneration for services and the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than ten percent of any class of equity securities of another company that is party to the transaction and the transaction is in the ordinary course of business of the investment fund or its subsidiaries.*

*(6) Describe all transactions not excluded above that involve remuneration (including an issuance of securities), directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than ten percent of any class of equity securities of another company furnishing the services to the investment fund.*

## **24. Proxy Voting Disclosure**

### *24.1 Proxy Voting Disclosure for Portfolio Securities Held*



(1) Under the heading “Proxy Voting Disclosure for Portfolio Securities Held”, include the disclosure required by subsection 10.2(3) of National Instrument 81-106.

## **25. Material Contracts**

### *25.1 Material Contracts*

(1) Under the heading “Material Contracts”, list and provide particulars of

- (a) the articles of incorporation, the declaration of trust or trust agreement of the investment fund or any other constating document, if any,
- (b) any agreement of the investment fund or trustee with the manager of the investment fund,
- (c) any agreement of the investment fund, the manager or trustee with the portfolio adviser of the investment fund,
- (d) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund,
- (e) any agreement of the investment fund, the manager or trustee with the underwriters or agents of the investment fund,
- (f) any swap or forward agreement of the investment fund, the manager or trustee with a counterparty that is material to the investment fund fulfilling its investment objectives,
- (g) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund, and
- (h) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the investment fund.

### **INSTRUCTIONS**

*(1) Set out a complete list of all contracts for which particulars must be given under this section, indicating those that are disclosed elsewhere in the Listing Statement. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the Listing Statement.*



*(2) Particulars of contracts must include the dates of, parties to, consideration provided for in, termination provisions, general nature and key terms of, the contracts.*

## **26. Legal and Administrative Proceedings**

### *26.1 Legal and Administrative Proceedings*

(1) Under the heading “Legal and Administrative Proceedings”, describe briefly any ongoing legal and administrative proceedings material to the investment fund, to which the investment fund, its manager or principal distributor is a party.

### *26.2 Particulars of the Proceedings*

(1) For all matters disclosed under section 32.1, disclose

- (a) the name of the court or agency having jurisdiction,
- (b) the date on which the proceeding was instituted,
- (c) the principal parties to the proceeding,
- (d) the nature of the proceeding and, if applicable, the amount claimed, and
- (e) whether the proceeding is being contested and the present status of the proceeding.

(2) Provide similar disclosure about any proceedings known to be contemplated.

### *26.3 Penalties and Sanctions*

(1) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of any settlement agreement and the circumstances that gave rise to the settlement agreement, if, within the 10 years before the date of the Listing Statement or pro forma Listing Statement, the manager of the investment fund, a director or executive officer of the investment fund or a partner, director or executive officer of the manager of the investment fund has

- (a) been subject to any penalties or sanctions imposed by a court or a securities regulatory authority relating to Canadian securities legislation, promotion or management of an investment fund, theft or fraud or has entered into a



settlement agreement before a court or with a regulatory body in relation to any of these matters, or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body or has entered into any other settlement agreement before a court or with a regulatory body that would likely be considered important to a reasonable investor in determining whether to purchase securities of the investment fund.

## **27. Experts**

### *27.1 Names of Experts*

(1) Under the heading “Experts”, name each person or company

(a) who is named as having prepared or certified a report, valuation, statement or opinion in any document filed as part of the listing application , and

(b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

### *27.2 Interests of Experts*

(1) Disclose all registered or beneficial interests, direct or indirect, in any securities or other property of the investment fund or of an associate or affiliate of the investment fund received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

(2) For the purpose of subsection (1), if the ownership is less than one percent, a general statement to that effect is sufficient.

(3) If a person, or a director, officer or employee of a person or company referred to in subsection (1) is or is expected to be elected, appointed or employed as a director, officer or employee of the investment fund or of any associate or affiliate of the investment fund, disclose the fact or expectation.

## **INSTRUCTIONS**



*(1) Section 28.2 does not apply to the investment fund's predecessor auditors, if any, for those periods when they were not the investment fund's auditor.*

*(2) Section 28.2 does not apply to registered or beneficial interests, direct or indirect, held through mutual funds.*

## **28. Exemptions and Approvals**

### *28.1 Exemptions and Approvals*

(1) Under the heading "Exemptions and Approvals", describe all exemptions from or approvals under securities legislation obtained by the investment fund or the manager of the investment fund that continue to be relied upon by the investment fund or the manager, including all exemptions to be evidenced by the issuance of a receipt for the Listing Statement pursuant to section 19.3 of the National Instrument 41-101.

## **29. Other Material Facts**

### *29.1 Other Material Facts*

(1) Under the heading "Other Material Facts", using sub-headings as appropriate, give particulars of any material facts about the securities being distributed that are not disclosed under any other section and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

## **30. Financial Disclosure**

### *30.1 Financial Statements*

(1) Unless incorporated by reference under Item 37, include in the Listing Statement the comparative annual financial statements and the auditor's report prepared in accordance with NI 81-106 for the investment fund's most recently completed financial year.

(2) If an investment fund's most recent financial year ended within 90 days of the date of the Listing Statement referred to in subsection (1), the investment fund may treat the previous year as the most recently completed financial year under subsection (1).

(3) If the investment fund has not completed its first financial year, the fund must include in the Listing Statement audited financial statements and the auditor's report prepared



in accordance with NI 81-106 for the period from the date of the fund's formation to a date not more than 90 days before the date of the Listing Statement and as at a date not more than 90 days before the date of the Listing Statement, as applicable.

(4) Despite subsections (1) and (3), if the investment fund is a newly established fund, include in the Listing Statement the opening balance sheet of the investment fund, accompanied by the auditor's report prepared in accordance with NI 81-106.

### *30.2 Interim Financial Statements*

(1) Include in the Listing Statement financial statements for the investment fund prepared in accordance with National Instrument 81-106 for the interim period that began immediately after the financial year to which the annual financial statements required to be included in the Listing Statement under section 38.1 relate, if the Listing Statement is filed 60 days or more after the end of that interim period.

### *30.3 Management Reports of Fund Performance*

(1) Include in the Listing Statement the most recently filed interim management report of fund performance, if filed after the most recently filed annual management report of fund performance and include the most recently filed annual management report of fund performance.



## CERTIFICATE

The undersigned solemnly declare that:

1. Each of the undersigned is an officer or director of the issuer and has been duly authorized to sign this form;
2. This Listing Statement contains full, true and plain disclosure of all material information relating to [full legal name of issuer] and contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made; and
3. They are making this solemn declaration believing it to be true and knowing it is of the same force and effect as if made under the *Canada Evidence Act*.

Dated at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signature of CEO	Name	NOTARIAL SEAL
Signature of CFO	Name	NOTARIAL SEAL
Signature of Director	Name	NOTARIAL SEAL
Signature of Director	Name	NOTARIAL SEAL
Signature of Promoter (if applicable)	Name	NOTARIAL SEAL





## FORM 3 PERSONAL INFORMATION FORM

### General Instructions

1. All terms defined in Alpha Requirements have the same meaning in this form.
2. This form is to be completed by
  - (a) every individual who is or proposed to become a related person of a listed issuer;
  - (b) each director, senior officer and person who directly or indirectly owns, controls or exercises discretion over 20% or more of the outstanding voting shares of any person other than an individual that is or becomes a related person of a listed issuer; and
  - (c) any person required by the Exchange to complete this form.
3. If you have submitted a completed form to the Exchange within the past 36 months and the information on the previously submitted form has not changed, you may provide a sworn declaration to that effect in lieu of completing a new form.
4. This form must be sworn before a notary public in the jurisdiction in which it is sworn. If the jurisdiction does not have notary publics, it must be sworn before a person who meets the requirements of the *Canada Evidence Act*. All attachments must be initialled by you and the notary public.
5. The Exchange will only accept originally-executed copies of this form.
6. All questions must have a response. The Exchange will not accept a “Not Applicable” or “N/A” response. Failure to answer a question fully may result in the return of the PIF, a delay in processing the issuer’s application or denial of the issuer’s application.
7. An individual who makes a false statement by statutory declaration commits an offence under applicable securities legislation and an indictable offence under the *Criminal Code* (Canada). The Exchange may verify the information contained in this form, including verification of any previous criminal record. If incomplete or



misleading information is provided, the Exchange may disqualify the individual from association with the issuer and/or other issuers.



**COMPANY IN CONNECTION WITH WHICH THIS FORM IS FILED:**

**PRESENT OR PROPOSED POSITION WITH THE ISSUER  
(check all applicable boxes):**

Director	
Officer (give title)	
Investment Manager	
Director of Investment Manager	
Officer of Investment Manager (give title)	
Insider	
Other (give details)	

**1. IDENTIFICATION**

<b>Last Name</b>	<b>First Name</b>	<b>Middle Names (If none, state "none")</b>
<b>NAME MOST COMMONLY KNOWN BY</b>		
Any other legal names, assumed names or nicknames under which you have carried on business or been known by. Include any name change(s) resulting from marriage, divorce, court order or other process. If you have not been known by any other names, state "none"		
<b>Sex</b>	<b>Date of Birth (YYYY-MM-DD)</b>	<b>Place of Birth (City, Province/State, Country)</b>
<b>Marital Status</b>	<b>Full Name of Spouse (include common law)</b>	<b>Spouse's Occupation</b>

**2. CONTACT INFORMATION**



RESIDENTIAL PHONE NUMBER:

BUSINESS PHONE NUMBER:

MOBILE PHONE NUMBER:

FACSIMILE:

E-MAIL:

Include area code and country code (if outside of Canada and the United States) for each number. State "none" if you do not have one of the contacts listed.

### 3. RESIDENTIAL HISTORY

Provide your residential history for the previous 10 years, giving full street address, the municipality, the province or state and country. Begin with your current address. If you are unable to identify a street address, provide the municipality, province or state and country. The Exchange may require you to provide the full address.

Address	From (MM-YY)	To (MM/YY)

### 4. IDENTIFICATION

Attach a legible photocopy of a piece of identification issued in the past 5 years from a government authority (such as a driver's licence or passport) containing a recognizable photograph of you and your signature. If the piece of identification is not a passport, it must contain your full first and last names, date of birth, sex and current mailing address.



**5. CITIZENSHIP**

**ARE YOU A CANADIAN CITIZEN?**

**IF NOT, ARE YOU LAWFULLY RESIDENT IN CANADA AS AN IMMIGRANT?**

**IF YOU ANSWERED YES TO THE PREVIOUS QUESTION, HOW MANY YEARS HAVE YOU LIVED CONTINUOUSLY IN CANADA?**

**LIST ANY OTHER CITIZENSHIP(S) YOU CURRENTLY HOLD:**

(If none, state "none")

**PROVIDE YOUR U.S. SOCIAL SECURITY NUMBER:**

(If none, state "none")

**PROVIDE YOUR HONG KONG IDENTIFICATION NUMBER:**

(If none, state "none")

**PROVIDE YOUR CANADIAN SOCIAL INSURANCE NUMBER:**

(If none, state "none")

**6. PROFESSIONAL DESIGNATION(S)**

Please list all professional designations you have and professional associations to which you belong (please include membership numbers where applicable). For each association, state whether you are an active member.

**7. EMPLOYMENT HISTORY**

Provide your employment history for the last 10 years, beginning with your current employer. If you changed positions with the same employer, list each position separately.

<b>EMPLOYER</b>	<b>ADDRESS</b>	<b>POSITION</b>	<b>FROM (MM-YY)</b>	<b>TO (MM-YY)</b>




**Has your employment in a sales, investment or advisory capacity in a firm engaged in the sale of real estate, insurance, or mutual funds ever been terminated for cause?**

Yes:            No:

If “yes” provide details:

**Has a firm registered under applicable securities legislation ever terminated your employment for cause?**

Yes:            No:

If “yes” provide details:

**8. POSITIONS WITH OTHER ISSUERS**

Provide the names of any reporting issuers and any issuer with continuous disclosure obligations in any jurisdiction of which you are now, or during the last 10 years, have been a director, promoter, insider or control person

<b>Name of Reporting Issuer</b>	<b>Position(s) Held</b>	<b>Market Traded On</b>	<b>From (MM YY)</b>	<b>To (MM YY)</b>



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## 9. PROCEEDINGS BY REGULATORS

**Have you personally ever been the subject of a cease trading order issued by any authority regulating trading in securities?**

Yes:            No:

If "yes" provide details:

**Have you, or has any partnership or company of which you were at the time of such event a partner, officer, director, or beneficial owner of more than 10% of the voting securities, ever been denied the benefit of any exemption provided by any act regulating trading in securities?**

Yes:            No:

If "yes" provide details:

**Have you, or has any partnership or company of which you were at the time of such event a partner, officer, director, or beneficial owner of more than 10% of the voting securities, ever been the subject of disciplinary action, not disclosed in 3(b) above, undertaken by any authority regulating or supervising trading in securities, including any stock exchange, association of investment dealers or similar organization?**

Yes:            No:

If "yes" provide details:

**While you were a partner, officer, director, or beneficial owner of more than 10% of the voting securities of an issuer, did the issuer ever had an application for listing or quotation refused (including applications resulting from a backdoor listing)?**

Yes:            No:



If “yes” provide details:

**Have you personally ever been the subject of disciplinary action, not disclosed above, undertaken by any tribunal, organization or society responsible for the regulation of a profession?**

Yes:            No:

If “yes” provide details:

## 10      OFFENCES

Note

An “offence” includes

- A summary conviction or indictable offence under the *Criminal Code* (Canada)
- A quasi-criminal offence (for example, under the *Income Tax Act* (Canada), or the tax, immigration, drugs, firearms, money laundering or securities legislation of any jurisdiction; or
- A misdemeanour or felony under the criminal laws of the United States of America or any of its states or territories or an offence under criminal legislation of any jurisdiction.

If a pardon under the *Criminal Records Act* (Canada) has been formally requested and you have received formal written notice that such pardon has been granted and it has not been revoked, you are not obliged to disclose any such pardoned offence. In such circumstances, the appropriate response would be: “Yes, pardon granted on (date).”

**Have you ever been convicted under any law of any province, territory, state or country of any offence relating to trading in securities, commodities or commodity futures contracts, or with the theft of securities, or with any related offence, or been a party to any proceedings taken on account of fraud arising out of any trade in or advice respecting securities?**

Yes:            No:

If “yes” provide details:





**Have you ever been convicted under any law of any province, territory, state or country for contraventions or criminal offences not noted in 4(a) above? (Do not include non-criminal traffic convictions.)**

Yes:            No:

If “yes” provide details:

**Are you currently the subject of a charge or indictment, under any law of any province, territory, state or country for contraventions, criminal offences, or other conduct of the type described above?**

Yes:            No:

If “yes” provide details:

**To the best of your knowledge, has any partnership or company of which you were at the time of such event a partner, officer, director, or beneficial owner of more than 10% of the voting securities, ever been convicted, or is any partnership or company in which you hold such a position currently the subject of a charge or indictment, under any law of any province, territory, state or county for contraventions, criminal offences, or other conduct of the type described above?**

Yes:            No:

If “yes” provide details:

## **10. CIVIL PROCEEDINGS**

**Has a court in a civil proceeding ever rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether or not by consent) against you or against any partnership or company of which you were (at the time of the conduct underlying the judgment, garnishment, injunction or ban) a partner, officer, director, or beneficial owner of more than 10% of the voting securities in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or charges or allegations of similar conduct?**



Yes:            No:

If “yes” provide details:

**Are you now, or, to the best of your knowledge any partnership or company of which you were (at the time of the conduct underlying the claim) a partner, officer, director, or beneficial owner of more than 10% of the voting securities subject to a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or charges or allegations of similar conduct?**

Yes:            No:

If “yes” provide details:

## **11. Bankruptcy**

**Have you ever been declared bankrupt, made a voluntary assignment in bankruptcy, made a compromise or agreement with your creditors or gone out of business leaving debts outstanding, or produced a declaration under the Quebec *Voluntary Deposit of Salary Wages Law*, or has a receiver or a receiver and manager appointed by or at the request of your creditors ever assumed control of your assets?**

Yes:            No:

If “yes” provide details:

If so, have you been discharged? (*Attach a copy of the discharge*):

**Has any partnership or company of which you were at the time of such event a partner, director, officer, or beneficial owner of more than 10% of the voting securities ever been declared bankrupt or made a voluntary assignment in**



**bankruptcy, or had control of its assets assumed by a receiver and manager appointed by or at the request of its creditors?**

Yes:            No:

If "yes" provide details:



**Acknowledgement and Consent to Collection and Use of Personal Information**

I HAVE READ AND UNDERSTOOD THE PERSONAL INFORMATION COLLECTION POLICY ("PRIVACY POLICY") OF ALPHA EXCHANGE. I HEREBY AUTHORIZE AND CONSENT TO THE COLLECTION AND USE BY ANY OF ALPHA EXCHANGE AND ITS SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS OF ANY INFORMATION WHATSOEVER (WHICH MAY INCLUDE PERSONAL, CREDIT, OR OTHER INFORMATION) FROM ANY SOURCE, INCLUDING WITHOUT LIMITATION AN INVESTIGATIVE AGENCY OR A RETAIL CREDIT AGENCY AS PERMITTED BY LAW IN ANY JURISDICTION IN CANADA OR ELSEWHERE. I ACKNOWLEDGE AND AGREE THAT SUCH INFORMATION MAY BE SHARED WITH AND RETAINED BY ALPHA EXCHANGE AND ITS SUBSIDIARIES, AFFILIATES, REGULATORS AND AGENTS INDEFINITELY.

**Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_



## Statutory Declaration

I, \_\_\_\_\_ (Name of Person Completing this Form) Do Solemnly Declare  
That

(a) I have read and understand the questions, caution and acknowledgement in this  
Form;

(b) The answers I have given to the questions in this Form and in any attachments to  
the Form are true and correct except where stated to be to the best of my knowledge in  
which case I believe the answers to be true; and

(c) I make this solemn declaration conscientiously believing it to be true and knowing  
that it is of the same force and effect as if made under oath and by virtue of the Canada  
*Evidence Act.*

SWORN/DECLARED before me at the City of \_\_\_\_\_ in the Province

(or State) of \_\_\_\_\_

This \_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
NOTARY'S SEAL



	<b>Release and Discharge Relating to Consent to Disclosure of Criminal Record Information</b>
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---

Surname      Given Name      Middle Name      Date of Birth (*dd/mmm/yyyy*)      Male   
Female

---

Previous Surnames (*eg. Former marriage, maiden*)

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Address (*number, street, apt., lot, concession, township, rural route #, city, postal code*)

---

Occupation

I hereby authorize the Ontario Provincial Police (the OPP) to release records of criminal convictions for which a pardon has not been granted, records of discharges which have not been removed from the CPIC system in accordance with the Criminal Records Act, and records of outstanding criminal charges of which the OPP is aware, to the person(s) listed below.

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Name [Name of Alpha Investigator]	Title [Title of Alpha Investigator]
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Department and Branch  
[Name of Alpha Department and Branch]

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Name of Organization  
Alpha Exchange

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### Release and Discharge



I hereby release and forever discharge Her Majesty the Queen in right of Ontario, the Commissioner of the Ontario Provincial Police and all members and employees of the OPP from any and all actions, claims and demands for damages, loss or injury howsoever arising which may hereafter be sustained by myself as a result of the disclosure of information by the OPP to the above named organization.

I acknowledge that information so disclosed may be confirmed only by a comparison of the fingerprints on file to which the information relates and my fingerprints.

<i>Signature</i>	<i>Date</i>

**Confidential**

This record and the information contained therein, is being provided in confidence and shall not be disclosed to any person with the exception of the person(s) named above without the express written consent of the Commissioner of the OPP.

Based on a name check only, and having a birth date as provided above – a records check:

fails to reveal any record relating to the above subject.  
indicates the following information may relate to the above subject.

Details cannot be certified as relating to the subject of inquiry, without a fingerprint comparison.

LE 219 (Rev. 12/05)

**PERSONAL INFORMATION COLLECTION POLICY**

Give policy – needs to be part of Alpha’s privacy policies.



## FORM 4

### LISTING AGREEMENT

**IN CONSIDERATION** for the listing of its securities on Alpha Exchange (“Exchange”), the undersigned (the “Listed Issuer”) agrees with the Exchange as follows:

1. The Listed Issuer will comply with all Exchange requirements applicable to Listed Issuers, including Exchange rules, policies and procedural requirements which may be in effect from time to time.
2. Without limiting the generality of the preceding section, the Listed Issuer will
  - (a) promptly provide the Exchange and its regulator all such information or documentation concerning the Issuer as the Exchange or its regulator may require;
  - (b) not undergo a material change in its business and affairs without the consent of the Exchange;
  - (c) notify the Exchange at least seven trading days in advance of any dividend or distribution record date;
  - (d) maintain transfer and registration facilities in the City of Toronto where all listed securities are directly transferable and registrable, with no fee for transfer or registration other than government stock transfer taxes;
  - (e) post all forms, notices, particulars, reports, statements and information required by the Exchange in a timely manner;
  - (f) not change the provisions attaching to any warrants, convertible debentures, rights or other securities outstanding from time to time (other than debt securities that are not convertible into equity securities) without the consent of the Exchange;
  - (g) remove or cause the resignation of any Related Person of an Issuer the Exchange deems unacceptable; and







**FORM 5**  
**QUARTERLY UPDATE**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

Complete the following table for each class of Listed Securities for the period beginning on the date of the last quarterly update:

Class	Number of securities issued at beginning of quarter (A)	Number of securities reserved for issuance at beginning of quarter (B)	Number of securities issued during the quarter (C)	Number of securities redeemed during the quarter (D)	Number of new securities reserved for issuance during the quarter (E)	Number of securities previously but no longer reserved for issuance (F) <sup>1</sup>

Total number for each class outstanding at the end of quarter (A+C-D):

Total number reserved for issuance at the end of quarter (B+E-F):

Provide the following information for securities listed in (B), (C), (D) and (E) (other than grants of compensation options<sup>2</sup>) during the quarter:

Date of Issue or	Type of security	Type of transaction	Number issued or	Price	Consideration (cash,	Details of any related

<sup>1</sup> For example, shares reserved for issuance on exercise of warrants that expired during the period.

<sup>2</sup> Include shares issued on exercise of compensation options in this table.



Reservation			reserved <sup>3</sup>		property, etc.)	person involvement

Give the following information for compensation options granted during the quarter:

Date	Class of security	Name of Optionee and Relationship to Issuer	Number	Exercise Price	Expiry Date

Total number of shares reserved for issuance on exercise of options at the beginning of the quarter:

Total number of shares reserved for issuance on exercise of options at the end of the quarter:

### CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements;<sup>4</sup> and

<sup>3</sup> For redemptions or securities no longer reserved for issuance, put the amount in brackets.



3. All information in this form is true and complete and the form contains no misrepresentations.

---

Signature of Authorized Person

Name

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Position

Date

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<sup>4</sup> If the Listed Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



**FORM 6**

**NOTICE OF PROSPECTUS OFFERING**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**If this is updating a prior notice, give date(s) of those notices:**

**Date of news release announcing the offering:**

**Date of preliminary prospectus:**

**Date of (final) prospectus:**

Provide the following information concerning the offering:

Type of security <sup>1</sup>	Number to be issued <sup>2</sup>	Price per security <sup>3</sup>	Conversion or exercise price (if applicable)	Net proceeds to the issuer per security

If securities other than currently-listed securities are sold in the offering, provide details of the security:<sup>4</sup>

<sup>1</sup> Describe the security to be offered (for example, unit of one share and ½ share purchase warrant, convertible debenture, etc.).

<sup>2</sup> If not determined, provide highest and lowest number contemplated.

<sup>3</sup> If not determined, provide a price range.



If the securities are Listed Securities with different particulars (e.g. flow through shares, special warrants), describe:

Describe the terms and conditions of the offering:

Summarize the intended use of proceeds:

Give full particulars of any direct or indirect involvement by related persons in the offering (including purchases in the offering, receipt of any brokerage or finder's fees or receipt of any proceeds):

Provide the following information with respect to any agent's or broker's or finder's fee, commission or other compensation paid in connection with the offering:

Name	Relationship to Listed Issuer	Cash compensation	Securities compensation	Other compensation	Exercise price of any convertible security	Expiry date

Describe the plan of distribution:

## CERTIFICATE

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<sup>4</sup> For convertible securities, include the conversion or exercise price and terms, expiry date, number of listed securities issuable on conversion or exercise and any other significant terms. For debentures, include the interest rate, conversion price and terms and default provisions.



The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements;<sup>5</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

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Signature of Authorized Person	Name
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Position	Date
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<sup>5</sup> If the Listed Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



**FORM 7**

**NOTICE OF PRIVATE PLACEMENT**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**If this is updating a prior notice, give date(s) of those notices:**

**Date of news release announcing the private placement:**

**Date of request for price protection (if applicable):**

**Closing market price on the day prior to the earlier of the date of this notice or the date price protection was granted:**

**Number of Securities Issued and Outstanding as of: the Date of This Notice:**

Provide the following information concerning the offering:

Type of security <sup>1</sup>	Number to be issued <sup>2</sup>	Percentage of the number of listed securities outstanding prior to the placement <sup>3</sup>	Price per security <sup>4</sup>	Conversion or exercise price (if applicable)	Prospectus Exemption

If securities other than currently-listed securities are sold in the offering, provide details of the security:<sup>5</sup>

<sup>1</sup> Describe the security to be offered (for example, unit of one share and ½ share purchase warrant, convertible debenture, flow through common shares, etc.). Indicate whether the securityholders have voting rights in all or certain circumstances.

<sup>2</sup> If not determined, provide highest and lowest number contemplated.

<sup>3</sup> Calculate on a partially diluted basis assuming all of the placees exercise any conversion or exercise rights attaching to the securities purchased, but no other holders of convertible securities.

<sup>4</sup> If not determined, provide a price range.





If the securities are listed securities with different particulars (e.g. flow through shares, special warrants), describe:

Provide the following information with respect to direct or indirect participation by any related person or person who will become a related person on closing of the offering:<sup>6</sup>

Name	Holding prior to offering <sup>7</sup>	Percentage of outstanding prior to offering <sup>8</sup>	Number of securities to be purchased	Holding following the offering <sup>9</sup>	Percentage of outstanding following offering <sup>10</sup>

Describe the terms and conditions of the offering:

Summarize the intended use of proceeds:

Give full particulars of any direct or indirect involvement by related persons in the offering not disclosed above (including receipt of any brokerage or finder's fees or receipt of any proceeds):

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<sup>5</sup> For convertible securities, include the conversion or exercise price and terms, expiry date, number of listed securities issuable on conversion or exercise and any other significant terms. For debentures, include the interest rate, conversion price and terms and default provisions.

<sup>6</sup> If the offering will result in a new related person, the person must file a Personal Information Form (Form 3) with the Exchange and obtain Exchange approval prior to closing. The purchase by the person may close in escrow pending receipt of Exchange Approval.

<sup>7</sup> List separately securities held and securities to be issued on conversion of any securities held.

<sup>8</sup> Calculate on a partially diluted basis assuming the person converts or exercises all convertible securities held, but no other holders do.

<sup>9</sup> List separately securities held and securities to be issued on conversion of any securities held.

<sup>10</sup> Calculate on a partially diluted basis assuming the person converts or exercises all convertible securities held, but no other holders do.



Provide the following information with respect to any agent's or broker's or finder's fee, commission or other compensation paid in connection with the offering:

Name	Relationship to Issuer	Cash compensation	Securities compensation	Other compensation	Exercise price of any convertible security	Expiry date

### CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements;<sup>11</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

---

Signature of Authorized Person

Name

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Position

Date

<sup>11</sup> If the Listed Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



**FORM 8**  
**NOTICE OF ACQUISITION**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**If this is updating a prior notice, give date(s) of those notices:**

**Date of news release announcing acquisition:**

**Closing market price on the day prior to the date of this notice:**

**Total number of securities issued and outstanding as of the date of this notice:**

Describe the assets to be acquired. The description must be sufficiently detailed that a reader will understand the transaction without reference to any other material:

Describe the acquisition, including the date, the parties and the terms of the transaction. The description must be sufficiently detailed that a reader will understand the transaction without reference to any other material:

Describe how the purchase price was determined (e.g. arm's length negotiations, special committee of the Board, etc.):



Provide details of any valuation or appraisal of the subject of the acquisition known to the Listed Issuer:

Provide the following information concerning the acquisition:

Type of security <sup>1</sup>	Number to be issued <sup>2</sup>	Percentage of the number of listed securities outstanding prior to the acquisition <sup>3</sup>	Price per security <sup>4</sup>	Conversion or exercise price (if applicable)	Prospectus Exemption

If securities other than currently-listed securities are sold in the offering, provide details of the security:<sup>5</sup>

If the securities are Listed Securities with different particulars (e.g. flow through shares, special warrants), describe:

Provide the following information with respect to direct or indirect participation by any related person or person who will become a related person on closing of the acquisition:<sup>6</sup>

---

<sup>1</sup> Describe the security to be offered (for example, unit of one share and ½ share purchase warrant, convertible debenture, flow through common shares, etc.). Indicate whether the securityholders have voting rights in all or certain circumstances.

<sup>2</sup> If not determined, provide highest and lowest number contemplated.

<sup>3</sup> Calculate on a partially diluted basis assuming all of the securities issued in connection with the acquisition are exercised or converted, but no other holders of convertible securities.

<sup>4</sup> If not determined, provide a price range.

<sup>5</sup> For convertible securities, include the conversion or exercise price and terms, expiry date, number of listed securities issuable on conversion or exercise and any other significant terms. For debentures, include the interest rate, conversion price and terms and default provisions.

<sup>6</sup> If the offering will result in a new related person, the person must file a Personal Information Form (Form 3) with the Exchange and obtain Exchange approval prior to closing. The purchase by the person may close in escrow pending receipt of Exchange Approval.



Name	Holding prior to acquisition <sup>7</sup>	Percentage of outstanding <sup>8</sup> prior to acquisition	Number of securities to be acquired	Holding following the acquisition <sup>9</sup>	Percentage of outstanding <sup>10</sup> following acquisition

Give full particulars of any direct or indirect involvement by related persons in the offering not disclosed above (including receipt of any brokerage or finder's fees or receipt of any proceeds):

Provide the following information with respect to any agent's or broker's or finder's fee, commission or other compensation paid in connection with the offering:

Name	Relationship to Issuer	Cash compensation	Securities compensation	Other compensation	Exercise price of any convertible security	Expiry date

If the securities to be issued are only partial consideration for the acquisition, describe the additional consideration. Include any future payments or expenditures the issuer may be required to make under the acquisition agreement:

<sup>7</sup> List separately securities held and securities to be issued on conversion of any securities held.

<sup>8</sup> Calculate on a partially diluted basis assuming the person converts or exercises all convertible securities held, but no other holders do.

<sup>9</sup> List separately securities held and securities to be issued on conversion of any securities held.

<sup>10</sup> Calculate on a partially diluted basis assuming the person converts or exercises all convertible securities held, but no other holders do.



## CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements;<sup>11</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

---

Signature of Authorized Person

Name

---

Position

Date

---

<sup>11</sup> If the Listed Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



**FORM 9**

**NOTICE OF OPTION GRANT OR AMENDMENT**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**Number of Securities Issued and Outstanding as of the Date of This Notice:**

**1. OPTION GRANTS**

Provide the following information for each option grant:

Name of Optionee				
Position with Issuer				
Date of Grant (YYYY-MM-DD)	No. of shares in option grant	Exercise price	Closing Market Price the day prior to the grant	Total number of options held

Provide the following information for all outstanding options, including those listed above:

Total number of optioned shares	Percentage of the number of listed securities outstanding prior to the date of this notice <sup>1</sup>	Exercise prices <sup>2</sup>	Expiry dates <sup>3</sup>

<sup>1</sup> Calculate on a partially diluted basis assuming all of the optionees exercise their options, but no other holders of convertible securities do.

<sup>2</sup> Give the number exercisable at each price (e.g. 10,000 @ 10.25 and 5,000 @ 10.36)

<sup>3</sup> Give the number for each date (e.g. 10,000 on June 30, 2011 and 5,000 on June 30, 2012)



Provide the following information with respect to any agent's or broker's or finder's fee, commission or other compensation paid in connection with the offering:

Name	Relationship to Issuer	Cash compensation	Securities compensation	Other compensation	Exercise price of any convertible security	Expiry date

## 2. ADDITIONAL INFORMATION

If shareholder approval is required for the option grant, state when the approval was or is expected to be given:





## CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements;<sup>4</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

---

Signature of Authorized Person

Name

---

Position

Date

---

<sup>4</sup> If the Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



**FORM 10**  
**NOTICE OF ISSUER BID**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**Date of news release announcing the issuer bid:**

**Number of securities issued and outstanding as of the date of this notice:**

Describe the issuer bid:

Normal Course:

Substantial:

Maximum number of shares to be acquired under the bid:

Percentage that number represents of the issued and outstanding securities as of the date of this notice:

Price:<sup>1</sup>

Expiry date of the bid:

Describe any agreements to tender to the bid:

Give full particulars of any direct or indirect involvement by related persons in the bid (including receipt of any brokerage or finder's fees):

---

<sup>1</sup> If the securities are to be purchased at market price, state "market price [subject to a maximum of \$X]". If the price is to be determined by auction, describe the auction process.



**CERTIFICATE**

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned’s knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements and will conduct the issuer bid in compliance with applicable securities legislation;<sup>2</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

---

Signature of Authorized Person

Name

---

Position

Date

---

<sup>2</sup> If the Listed Issuer is not in compliance (e.g. has not filed required financial statements), add “except as follows:” and provide details.



**FORM 11**

**NOTICE OF SECURITIES EXCHANGE TAKE-OVER BID**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**Date of news release announcing the take-over bid:**

**Number of securities issued and outstanding as of the date of this notice:**

Describe the securities to be issued pursuant to the bid:

Maximum number of shares to be issued under the bid:

Percentage that number represents of the issued and outstanding securities as of the date of this notice:

Price:<sup>1</sup>

Expiry date of the bid:

Describe any agreements to tender to the bid:

Give full particulars of any direct or indirect involvement by related persons in the bid (including holding shares of the bid target and receipt of any brokerage or finder's fees):

**CERTIFICATE**

The undersigned certifies that:

---

<sup>1</sup> If the securities are to be purchased at market price, state "market price [subject to a maximum of \$X]".



1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Issuer is in compliance with applicable securities legislation and Alpha Requirements and will conduct the take-over bid in compliance with applicable securities legislation;<sup>2</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

---

Signature of Authorized Person

Name

---

Position

Date

---

<sup>2</sup> If the Listed Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



**FORM 12**

**NOTICE OF ADDITIONAL LISTING**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**If this is updating a prior notice, give date(s) of those notices:**

**Date of news release announcing the transaction that is the subject of this notice:**

**Closing market price on the day prior to the date of this notice:**

**Total number of shares issued and outstanding as of the date of this notice:**

Describe the particulars of the issuance (e.g. stock dividend):

Provide the following information concerning the share issuance:

Type of security <sup>1</sup>	Number to be issued <sup>2</sup>	Percentage of the number of listed securities outstanding as of the date of this notice <sup>3</sup>	Price per security <sup>4</sup>	Conversion or exercise price (if applicable)	Prospectus Exemption

<sup>1</sup> Describe the security to be offered (for example, unit of one share and ½ share purchase warrant, convertible debenture, flow through common shares, etc.). Indicate whether the securityholders have voting rights in all or certain circumstances.

<sup>2</sup> If not determined, provide highest and lowest number contemplated.

<sup>3</sup> Calculate on a partially diluted basis assuming all of the securities issued in connection with the acquisition are exercised or converted, but no other holders of convertible securities.

<sup>4</sup> If not determined, provide a price range. If no consideration is received (e.g. for a stock dividend) enter "0."



If the securities are listed securities with different particulars (e.g. flow through shares, special warrants), describe:

Provide the following information with respect to direct or indirect participation by any related person or person who will become a related person on closing of the transaction:<sup>5</sup>

Name	Holding prior to transaction <sup>6</sup>	Percentage of outstanding <sup>7</sup> prior to transaction	Number of securities to be acquired	Holding following the transaction <sup>8</sup>	Percentage of outstanding <sup>9</sup> following transaction

Give full particulars of any direct or indirect involvement by related persons in the offering not disclosed above:

### CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;

<sup>5</sup> If the offering will result in a new related person, the person must file a Personal Information Form (Form 3) with the Exchange and obtain Exchange approval prior to closing. The purchase by the person may close in escrow pending receipt of Exchange Approval.

<sup>6</sup> List separately securities held and securities to be issued on conversion of any securities held.

<sup>7</sup> Calculate on a partially diluted basis assuming the person converts or exercises all convertible securities held, but no other holders do.

<sup>8</sup> List separately securities held and securities to be issued on conversion of any securities held.

<sup>9</sup> Calculate on a partially diluted basis assuming the person converts or exercises all convertible securities held, but no other holders do.



2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements;<sup>10</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

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Signature of Authorized Person

Name

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Position

Date

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<sup>10</sup> If the Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.





**FORM 13**

**NOTICE OF STOCK SUBDIVISION (Stock Split)**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**If this is updating a prior notice, give date(s) of those notices:**

**Date of news release announcing the subdivision:**

**Closing market price on the day prior to the date of this notice:**

**Total number of shares issued and outstanding as of the date of this notice:**

Type of subdivision:

Push-out

Call in

Terms of the subdivision (e.g. 2 for 1, 1.5 for one, etc.):

If a push-out, record date for the subdivision:

If a push-out, expected date of mailing the share certificates:

If a call-in, expected date of mailing of letters of transmittal:



## CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements;<sup>1</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

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Signature of Authorized Person

Name

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Position

Date

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<sup>1</sup> If the Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



**FORM 14**

**NOTICE OF STOCK CONSOLIDATION**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**If this is updating a prior notice, give date(s) of those notices:**

**Date of news release announcing the consolidation:**

**Total number of shares issued and outstanding as of the date of this notice:**

**Total number of shares outstanding after giving effect to the consolidation:**

**Terms of the consolidation (e.g. 1 for 10):**

**Describe the treatment of a holding less than required for a full share (e.g. rounding up, rounding down):**

**Date of shareholders' meeting to approve the consolidation:**

**Record date for the consolidation:**



## CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements;<sup>1</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

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Signature of Authorized Person

Name

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Position

Date

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<sup>1</sup> If the Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



**FORM 15**

**NOTICE OF RECLASSIFICATION (Other than By Stock Split or Consolidation)**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**If this is updating a prior notice, give date(s) of those notices:**

**Date of news release announcing the reclassification:**

**Total number of securities issued and outstanding as of the date of this notice:**

**Total number of securities outstanding after giving effect to the reclassification:**

**Terms of the reclassification:**

**Describe the anticipated impact of the reclassification on the liquidity of the market for the listed security and on public securityholders' voting rights and equity interest:**

**Date of security holders' meeting to approve the reclassification:**

**Record date for the reclassification:**



## CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Alpha Requirements;<sup>1</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

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Signature of Authorized Person

Name

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Position

Date

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<sup>1</sup> If the Listed Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



## FORM 16A

### NOTICE OF NORMAL COURSE ISSUER BID

**Name of Listed Issuer:**

**Trading symbol for the securities that are the subject of the bid:<sup>1</sup>**

**Date:**

**If this is updating a prior notice, give date(s) of those notices:**

**Date of news release announcing the bid:**

**Number of securities that are the subject of the bid outstanding:**

**Public float of the securities that are the subject of the bid:**

**Amount of securities that may be acquired under the bid:** If the issuer has determined a specific number of shares, state it here. If not, state the amount as a percentage of the outstanding or public float, as the case may be.

**Expiry:** Give the date on which the bid will terminate, which cannot be more than one year from the date of this notice.

**Method of acquisition:** State on which exchange(s) purchases will be made.

**Consideration:** Describe any restrictions on the price the issuer will pay for securities, such as price, specific funds available, method of purchasing, etc.

**Reasons for bid:** State the reason or business purpose for the bid.

**Valuation:** Include a summary of any appraisal or valuation<sup>2</sup> known to the directors or officers after reasonable inquiry of the issuer, its material assets or its securities in the

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<sup>1</sup> This notice may cover acquisitions of more than one class of listed securities. If this is the case, provide the information for each class of securities that is the subject of the bid.

<sup>2</sup> This includes independent and material non-independent valuations and appraisals.



previous two years, together with a statement of where and when a copy of the appraisal or valuation may be inspected.

**Previous Purchases:** Give details of any purchases by the Listed Issuer or persons acting jointly or in concert with the Listed Issuer of the securities that are the subject of the bid in the previous twelve months.

**Identify any persons acting jointly or in concert with the Listed Issuer:**

**Participation by Related Persons:** State the name of every director or senior officer of the Listed Issuer who intends to sell shares of the Listed Issuer during the course of the bid. Where their intention is known after reasonable inquiry, state the name of every other Related Person of the Listed Issuer or person acting jointly or in concert with the Listed Issuer who intends to sell shares of the Listed Issuer during the course of the bid:

**Benefits to Related Persons:** State any direct or indirect benefits any person named in the previous section will receive from selling or not selling shares of the Listed Issuer during the bid. An answer is not required if the benefit will be the same as the benefit to any other shareholder who sells or does not sell during the bid.

## CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange requirements;<sup>3</sup>
3. There is no material information concerning material changes or plans or proposals for material changes in the affairs of the Listed Issuer that have not been previously disclosed; and
4. All information in this form is true and complete and the form contains no misrepresentations.

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<sup>3</sup> If the Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.





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Signature of Authorized Person

Name

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Position

Date





## FORM 16B

### NOTICE OF NORMAL COURSE ISSUER BID PURCHASES<sup>1</sup>

**Name of Listed Issuer:**

**Trading symbol for the securities that are the subject of the bid:<sup>2</sup>**

**Date:**

**Date of filing of Form 16A in connection with the bid:**

**Listed Issuer's Broker:<sup>3</sup>**

**Number of securities purchased during the previous month:** State the total number of securities purchased and specify on which exchange(s) the purchases were made. Specify whether purchases were made using the block purchase exemption.

**Number of securities purchased during the course of the bid:** State the total number of securities purchased under the bid to the end of the calendar month covered by this notice.

### CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange requirements;<sup>4</sup> and

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<sup>1</sup> This notice is used to report purchases in the previous calendar month.

<sup>2</sup> This notice may cover acquisitions of more than one class of listed securities. If this is the case, provide the information for each class of securities that is the subject of the bid.

<sup>3</sup> If the Listed Issuer changed brokers during the period covered by this notice, provide the names of both brokers and state the date on which the change occurred.

<sup>4</sup> If the Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.



3. All information in this form is true and complete and the form contains no misrepresentations.

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Signature of Authorized Person

Name

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Position

Date





**FORM 17**

**NOTICE OF SIGNIFICANT TRANSACTION**

**Name of Listed Issuer:**

**Trading Symbol:**

**Date:**

**If this is updating a prior notice, give date(s) of those notices:**

**Date of news release announcing acquisition:**

Describe the transaction. The description must be sufficiently detailed that a reader will understand the transaction without reference to any other material:

Describe the consideration. Include any future payments or expenditures the issuer may be required to make under the acquisition agreement:

Describe how the value of the consideration was determined (e.g. special committee of the Board, third party valuation, etc.):

If the transaction is an acquisition, provide details of any valuation or appraisal of the subject of the acquisition:

Give full particulars of any direct or indirect involvement by related persons in the transaction not disclosed above (including receipt of any brokerage or finder's fees or receipt of any proceeds):



Provide the following information with respect to any agent's or broker's or finder's fee, commission or other compensation paid in connection with the offering:

Name	Relationship to Issuer	Cash Compensation	Securities Compensation	Other Compensation	Exercise Price of any Convertible Security	Expiry Date

### CERTIFICATE

The undersigned certifies that:

1. The undersigned is an officer or director of the Listed Issuer and has been duly authorized to sign this form;
2. To the best of the undersigned's knowledge after reasonable inquiry, the Listed Issuer is in compliance with applicable securities legislation and Exchange requirements;<sup>1</sup> and
3. All information in this form is true and complete and the form contains no misrepresentations.

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Signature of Authorized Person	Name
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Position	Date
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<sup>1</sup> If the Issuer is not in compliance (e.g. has not filed required financial statements), add "except as follows:" and provide details.

## **ANNEXE B**





**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
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**I. Original Listing**

<b>A. Distribution</b>						
<b>SPIs: Investment Funds</b>	For each series or class, at least 100,000 units outstanding.	TSX considers applications from SPIs on a case by case basis and will consider:  Objectives & strategy; Nature and size of assets; Anticipated operating and financial results; Track record & expertise of managers & advisors; Level of investor & market support for the issuer.	Same as TSX	Same as TSX	<b>Global Select:</b> Same as for non SPIs  <b>Global Market:</b> Generally 1,100,000 shares held by 400 public board lot holders unless traded in \$1000 denominations, in which case, 100 shareholders.  <b>Nasdaq Capital:</b> SPIs trade on Global market	<b>Investment Trusts:</b> 1,000,000 units held by 800 public shareholders  <b>Other:</b> At least 1,000,000 units held by 400 public shareholders unless traded in \$1000 denominations or redeemable at holder's option on at least a weekly basis, unless the security is treated as equity (e.g. equity linked term notes)
<b>Non SPIs</b>	Tier 1: Public float of	1,000,000 freely tradable shares	<i>Tier 1:</i> 1,000,000 freely	At least 500,000 freely-tradable	<b>Global Select:</b> 1,250,000 shares	<b>Equity:</b> At least 500,000



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
	<p>500,000 shares held by 800 public board lot holders or public float of 1,000,000 shares held by 400 public board lot holders.</p> <p>Tier 2: Public float of 1,000,000 shares held by 250 public board lot holders.</p>	<p>held by 300 public holders</p>	<p>tradable shares held by 200 public board lot holders</p> <p><i>Tier 2:</i> 500,000 freely tradable shares held by 200 public board lot holders</p> <p><i>Both Tiers:</i> Public float must be at least 10% of the total outstanding and at least 20% of the outstanding securities must be held by public shareholders.</p>	<p>shares held by 150 public board lot holders.</p> <p>The public float must constitute at least 10% of the outstanding, but can go down to 5% if there are 200 public board lot holders.</p>	<p>held by at least 2200 public shareholders, 450 of whom hold a board lot.</p> <p><b>Global Market:</b> 1,100,000 shares held by 400 public board lot holders</p> <p><b>Nasdaq Capital:</b> 1,000,000 shares (400,000 ADRs) held by 300 public board lot holders.</p>	<p>shares held by 800 public shareholders or 1,000,000 shares held by 400 public shareholders. Companies with 500,000 shares held by 400 holders may be eligible if average daily trading volume over past 6 months is 2000 shares.</p> <p><b>Preferred:</b> 100,000 publicly held shares if common stock listed on Amex or NYSE, 400,000 shares held by 800 public shareholders if not.</p> <p><b>Warrants:</b> Considered on a case-by-case</p>



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
						<p>basis must have at least 200,000 warrants held by public warrant holders and underlying must be listed on Amex or NYSE.</p> <p><b>Currency and Index Warrants:</b> At least 1,000,000 warrants held by 400 public warrant holders or 2,000,000 held by a smaller number determined on a case-by-case basis.</p> <p><b>Other:</b> At least 1,000,000 units held by 400 public shareholders unless traded in \$1000 denominations</p>



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
						<p>or redeemable at holder's option on at least a weekly basis.</p> <p><b>Foreign:</b> <i>Canadian issuers:</i> same as US but both Canadian and US public holders counted.</p> <p><i>Other:</i> 1,000,000 shares held worldwide by 800 worldwide shareholders</p>
<b>Initial Listing – Technology and R&amp;D Alternative Distribution</b>	Not separate Category but alternative test for Tier 2: Public float of 1,000,000 shares held by 200 public board lot holders.	Market value of \$50 million and public float of \$10 million (technology issuers only)	No alternative test	No alternative test	No alternative test	No alternative test



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
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<b>B. Minimum Price/ Float Market Value</b>						
<b>SPIs:</b>	<i>Issuers other than investment funds— Issuer must be listed and must have a market capitalization of at least \$150 million.</i>				<p><b>Global Select:</b>  <i>Minimum Public Float Value:</i> \$110 million or \$100 million if stockholders' equity of \$110 million  <i>Closed-end management investment company:</i> \$70 million.            If listed with other funds in the family, total of \$220 million for the family and average of \$50 million for each fund and minimum of \$35 million.</p> <p><b>Global Market:</b>            Generally, \$4 million.</p>	<p><b>Closed End Management Investment Companies:</b>            \$20 million public float value or net asset value or, if part of a group, \$10 million public float or net asset value or average for group of \$15 million.</p> <p><b>Other:</b>            \$4 million public float value</p>



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
<b>Non SPIs</b>	<p><i>Tier 1:</i> Minimum Public Float Value— \$3,000,000.</p> <p><i>Tier 2:</i> Minimum Public Float Value— \$1,000,000.</p>	<p>Minimum Public Float Value— \$4 million</p>	<p><i>Tier 1:</i> Minimum Public Float Value — \$1,000,000</p> <p><i>Tier 2:</i> Minimum Public Float Value — \$1,000,000</p> <p>Exchange will use discretion if shares issued at less than \$0.005 prior to listing.</p>	<p>Minimum Public Float Value— \$50,000</p> <p>IPO price cannot be less than \$0.10 per share</p> <p>Builders shares (shares issued to insiders for which a hard value cannot be established) cannot have been issued for less than \$0.005 in the previous 18 months. Exchange will use discretion with respect to builder shares issued between \$0.005 and \$0.02.</p>	<p><b>Global Select:</b> Minimum Public Float Value:</p> <p>\$110 million or \$100 million if stockholders' equity of \$110 million or market value of \$45 million for IPO or spinoff of other Global Select issuer</p> <p><b>Global Market:</b> See assets</p> <p><b>Nasdaq Capital:</b> See assets</p>	<p><b>Equity:</b> Minimum Price — Listing standard 3: \$2 Listing Standards 1, 2 and 4: \$3</p> <p><i>Public Float Value — Listing Standard 1:</i> \$3,000,000 Listing standards 2 &amp; 3: \$10 million Listing Standard 4: \$20 million</p> <p><i>Market Capitalization:</i> Listing standard 3: \$50 million Listing standard 4: \$75 million</p> <p><b>Preferred:</b> \$10 price, \$2 million public float value if common listed on Amex or NYSE, \$4 million if not</p>



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
						<p><b>Currency or Index Warrants:</b> Initial price of \$6 with aggregate public float value of \$12 million.</p> <p><b>Bonds:</b> \$5 million public float value</p> <p><b>Other:</b> \$4 million public float value</p> <p><b>Foreign:</b> <i>Canadian issuers:</i> same as US but both Canadian and US public holders counted.</p> <p><i>Other:</i> \$3 million worldwide</p>
<b>Tech/R&amp;D Alternative</b>	Not separate category but alternative test for Tier 2: Minimum Public	Market value of \$50 million and public float of \$10 million (technology)	No alternative test	No alternative test	No alternative test	No alternative test



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
	Float Value — \$1 million.	issuers only).				

<b>C. Assets/Operations</b>						
<b>SPIs: Investment Funds</b>	<i>Investment funds</i> — Net tangible assets (NTA) of \$10 million or NTA of \$1 million that is part of a group with aggregate NTA of \$20 million and all are listed.	TSX considers applications from SPIs on a case by case basis and will consider  Objectives & strategy; Nature and size of assets; Anticipated operating and financial results; Track record & expertise of managers & advisors; Level of investor & market support for the issuer.	<b>Real Estate/Investment Tier1:</b> - net tangible assets of \$5 million - a publicly-disclosed investment policy and strategy, acceptable to the exchange, the includes the applicant's (i) investment strategies and criteria; (ii) diversification requirements; (iii) conflict of interest provisions; and	Investment companies: NTA of \$4 million or NTA of \$2 million, at least 50% of which has been allocated to at least 2 specific investments.	<b>Global Select:</b> No requirement for closed-end management investment companies  <b>Global Market:</b> Generally, if company meets the income test in “other”, more than \$100 million in assets and stockholders’ equity of \$10 million. If company does not meet income test, either \$200	In addition to the regular original listing requirements:  <b>Closed End Management Investment Companies:</b> \$20 million public float value or net asset value or, if part of a group, \$10 million public float or net asset value or average for group of \$15 million.  <b>Currency and</b>





**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			(iv) contractual rights of access to the books and records of investees; - for investment issuers, a board or advisory board comprised of individuals with adequate backgrounds and experience demonstrating sufficient expertise in making investment decisions; and - for investment issuers, at least 50% of the applicant's available funds have been allocated to a minimum of two specific investments.  <i>Tier 2:</i> net tangible		million in assets and equity of \$10 million, or \$100 million in assets and equity of \$20 million	<b>Index Warrants:</b> Minimum tangible net worth of \$250,000,000 or \$150 million and original listed price of all listed warrants is more than 25% of net worth. Specific tests for different types of securities.  <b>Other</b> Assets of \$100 million and stockholders' equity of \$10 million or, if unable to satisfy earnings criteria, assets of \$200 million and stockholders' equity of \$10 million or assets of \$100 million and stockholders' equity of \$20 million.



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			assets of \$2 million; - a publicly-disclosed investment policy and strategy, acceptable to the exchange, that includes (i) the applicant's investment strategies and criteria; (ii) diversification requirements; (iii) conflict of interest provisions; and (iv) contractual rights of access to the books and records of investees; - for investment issuers, a board or advisory board comprised of individuals with adequate backgrounds and experience demonstrating			<b>Investment Trusts:</b> Total assets of \$100 million and net worth of \$10 million



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			sufficient expertise in making investment decisions; and - for investment issuers, at least 50% of the applicant's available funds have been allocated to a minimum of two specific investments.			
<b>Non SPIs</b>	We do not have an asset requirement for non-SPIs.	<b>Industrial Exempt:</b> Net tangible assets of \$7.5 million.  <b>Non-exempt:</b> - Profitable companies must have net tangible assets of \$2 million,. - Companies with less than \$2 million in NTA may qualify if they meet the	<b>Tech/Industrial Tier 1:</b> <u>Category 1:</u> - net tangible assets of \$1,000,000; OR <u>Category 2:</u> - net tangible assets of \$5,000,000 OR <u>Category 3:</u> No NTA requirement  <b>Tier 2:</b>		<b>Global Market:</b> <u>Listing Standard 1:</u> Annual income from continuing operations before income taxes of at least \$1,000,000 in the most recent fiscal year or two of the three previous, stockholders' equity of \$15 million and public float value of \$8 million OR <u>Listing Standard 2:</u> Stockholders'	<u>Listing Standards 1, 2 &amp; 3:</u> Stockholders' equity of \$4 million  <u>Listing Standard 4:</u> Total assets of \$75 million in last fiscal year, of 2 of its last 3 fiscal years.



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
		<p>earnings and cash flow requirements for exempt companies. - Companies forecasting profitability must have net tangible assets of \$7.5 million</p> <p><b>Tech companies</b> <i>Non-exempt:</i> -Evidence that the company's products and services are at an advanced stage of development of commercialization and that the company has the necessary management expertise and resources to develop the business.</p> <p>R&amp;D companies must have technical expertise and</p>	<p><u>Category 1:</u> - net tangible assets of \$500,000 OR <u>Category 2:</u> - net tangible assets of \$750,000; OR <u>Category 3:</u> - net tangible assets of \$750,000; - sufficient testing of any technology to demonstrate commercial viability;</p>		<p>equity of \$30 million, two year operating history and public float value of \$18 million OR <u>Listing Standard 3:</u> Market cap of \$75 million (with a minimum price of \$4) and public float value of \$20 millions OR <u>Listing Standard 4:</u> Total assets and revenues of \$75 million each for the most recent fiscal year or two of the three most recent.</p> <p><b>Nasdaq Capital:</b> <u>Listing Standard 1:</u> Stockholders' equity of \$5 million, public float value of \$15 million and two-year operating history <u>Listing Standard 2:</u> Market cap of \$50 million</p>	



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
		resources to advance its program, and a minimum two-year operating history that includes research and development activities.			(minimum price \$4), stockholders equity of \$4 million and public float worth \$15 million <u>Listing Standard 3:</u> Net income from continuing operations of \$750,000 in the past fiscal year or two of the three past, stockholders' equity of \$4 million and public float worth \$5 million	
<b>Other – Mining</b>	We do not have a separate category.	<i>Exempt</i> Net tangible assets of \$7.5 million,  <i>Non-exempt</i> Producing mining companies must have net tangible assets of \$4 million. Exploration and development-stage companies must have net	<i>Tier1:</i> <u>Category 1:</u> - net tangible assets of \$2,000,000 OR <u>Category 2:</u> No NTA requirement	Title to a property on which there has been exploration and a report complying with NI 43-101 recommends further exploration.	No separate category for mining	No separate category for mining



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
		tangible assets of \$3 million, Must hold or have a right to earn a 50% interest in the qualifying property.				
<b>Other – Oil &amp; Gas</b>	We do not have a separate category.	<b>See reserves</b>	<b>See reserves</b>	Title to a property on which there has been exploration and a report complying with securities law recommends further exploration.	No separate category for oil & gas	No separate category for oil & gas
<b>Other – R &amp; D</b>	We do not have a separate category.	<b>Tech Exempt</b> Same as industrial  <i>Non-exempt</i> Evidence that the company's products and services are at an advanced stage of development of commercialization and that the company has the	<i>Tier1:</i> - a satisfactory recommended research and development work program of \$1 million; - net tangible assets of \$5 million; - at least \$1 million in expenditures for prior research and development costs	No separate category for R & D	No separate category for R & D	No separate category for R & D



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
		necessary management expertise and resources to develop the business. R&D companies must have technical expertise and resources to advance its program. And a minimum two-year operating history that includes research and development activities.	(other than general or administrative expenses) on the technology or product which is the subject of the work program  <i>Tier 2:</i> a satisfactory recommended research and development work program of \$500,000; - net tangible assets of \$750,000; - at least \$500,000 in expenditures for prior research and development costs (other than general or administrative expenses) on the technology or product which is the subject of the work program			



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
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<b>D. Working Capital/Income</b>						
<b>SPIs: Investment Funds</b>	Adequate working capital to carry on business and an appropriate capital structure.	Adequate working capital to carry on business and an appropriate capital structure.	<b>Real Estate/Investment</b> <i>Tier 1:</i> - adequate working capital and financial resources for 18 months.  <i>Tier 2:</i> - adequate working capital and financial resources for 12 months;	A recent history as a listed company and working cap of \$50,000 or a minimum of \$100,000	<b>Global Select:</b> No requirement for closed-end management investment companies  <b>Global Market</b> See assets	
<b>Non SPIs</b>	Adequate working capital to carry on business and an appropriate capital structure.	<b>Industrial</b> Adequate working capital to carry on business and an appropriate capital structure.  <b>Technology:</b> <i>Non-exempt:</i>	<i>Tier 1:</i> <u>Category 1:</u> <sup>1</sup> - adequate working capital and financial resources to carry on business for 18 months. <sup>2</sup> OR <u>Category 2:</u>	A recent history as a listed company and working cap of \$50,000 or a minimum of \$100,000	<b>Global Select:</b> <u>Category 1:</u> Aggregate income from continuing operations before income tax of \$11 million over the three prior fiscal	<u>Listing Standard 1:</u> Pre tax income from continuing operations of \$750,000 in last fiscal year or 2 of 3 last fiscal years.

<sup>1</sup> Companies must meet all of the requirements of Category 1, 2 or 3. They cannot mix and match.

<sup>2</sup> "Financial resources" refers generally only to the ability to pay from cash flow all general and administrative expenses and costs reasonably required pursuant to the issuer's business plan. (TSX Venture Policy 1.1, definition of "financial resources").





### LISTING STANDARDS COMPARISON CHART

Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
		<ul style="list-style-type: none"> <li>- At least \$10 million in the treasury, the majority of which was raised in a prospectus offering,</li> <li>- adequate funds to cover all planned development and capital expenditures and general and administrative expenses for at least one year, Research and Development Companies must have a minimum of \$12 million in treasury and Adequate funds to cover operations (including all planned research and development expenditures) for</li> </ul>	<ul style="list-style-type: none"> <li>- adequate working capital and financial resource to carry out the program identified in the plan, including funding any acquisition, growth or expansion plans;</li> <li>- adequate working capital to satisfy general and administrative expenses for at least 18 months;<sup>3</sup> and</li> <li>- at least \$100,000 in unallocated funds.</li> </ul> <p>OR</p> <p><u>Category 3:</u></p> <ul style="list-style-type: none"> <li>- adequate working capital and financial resources to carry on business for 18 months; and</li> <li>- net income of \$200,000 before</li> </ul>		<ul style="list-style-type: none"> <li>years, positive income from continuing operations before income tax in each of the prior three fiscal years and \$2.2 million income from continuing operations before income taxes in each of the two most recent fiscal years</li> <li>OR</li> <li><u>Category 2:</u> Aggregate cash flows of \$27.5 million over the prior three fiscal years, average market cap of \$550 million over the prior 12 months and total revenue of \$110 million in</li> </ul>	<p><u>Listing Standard 2:</u> No specific requirement, but must have two years of operations.</p>

<sup>3</sup> The exchange will normally consider this requirement to be met where the applicant has historically generated positive cash flow (TSX Venture Policy 2.1 s. 4.12).



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
		a period of at least 2 years,	<p>extraordinary items and after all charges except income tax in the fiscal year preceding the application or</p> <ul style="list-style-type: none"> <li>- a minimum average net income of \$200,000 for at least two of the three preceding fiscal years.</li> </ul> <p><i>Tier 2:</i>  <u>Category 1:</u><sup>4</sup>            - adequate financial resources to carry on business for 12 months.            OR  <u>Category 2:</u>            - adequate working capital and financial resource to carry out the program identified in the</p>		<p>previous fiscal year            OR  <u>Category 3:</u>            Average market cap of at least \$850 million over the prior 12 months and total revenue of at least \$90 million in the prior fiscal year            OR  <u>Category 4:</u>            Market cap of \$160 million, total assets of \$80 million and stockholders' equity of \$55 million.</p> <p><b>Global Market:</b>            See assets</p> <p><b>Nasdaq Capital:</b>            See assets</p>	

<sup>4</sup> Companies must meet all of the requirements of Category 1, 2 or 3. They cannot mix and match.



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			plan, including funding any acquisition, growth or expansion plans; - adequate working capital to satisfy general and administrative expenses for at least 12 months; and - at least \$100,000 in unallocated funds. OR <u>Category 3:</u> - expenditures of \$250,000 on the development of the product or technology by the applicant in the preceding 12 months; - adequate working capital and financial resource to carry out the program identified in the			



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			plan, including funding any acquisition, growth or expansion plans; - adequate working capital to satisfy general and administrative expenses for at least 12 months; and - at least \$100,000 in unallocated funds.			
<b>Other – Mining</b>	We do not have a separate category.	<i>Exempt:</i> Adequate working capital and an appropriate capital structure.  <i>Non-exempt:</i> At least \$2 million in working capital	<i>Tier 1:</i> <u>Category 1:</u> <sup>5</sup> - adequate working capital and financial resources to (a) conduct the recommended work program, (ii) satisfy general and administrative expenses for 18 months, (iii) maintain the	Same as industrial	No separate category for mining	No separate category for mining

<sup>5</sup> A company must meet all the requirements of Category 1, 2 or 3. It cannot mix and match.



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			property and any other properties on which the applicant will spend more than 20% of its available funds <sup>6</sup> in good standing for 18 months; and - \$100,000 in unallocated funds. OR <u>Category 2:</u> - adequate working capital and financial resources to conduct the business plan recommended by the feasibility study and to satisfy general and administrative expenses for at least 18 months; and - at least \$100,000			

<sup>6</sup> "Available funds" is defined as the estimated working capital available to the applicant, its subsidiaries and proposed subsidiaries as of the end of the most recent month and the amounts and sources of other funds that will be available to the issuer following the IPO. (TSX Venture Policy 1.1, definitions of "available funds" and "principal property").



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			<p>in unallocated funds.</p> <p><i>Tier 2:</i></p> <ul style="list-style-type: none"> <li>- spent a minimum of \$100,000 in exploration and development on the qualifying property in the previous year or have made sufficient expenditures to demonstrate that it is an advanced exploration property;</li> <li>- adequate working capital to (i) conduct the recommended work program, (ii) satisfy general and administrative expenses for 12 months, and (iii) maintain the property and any other properties on which the applicant will</li> </ul>			



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			spend more than 20% of its available funds <sup>7</sup> in good standing for 12 months; and - at least \$100,000 in unallocated funds.			
<b>Other – Oil &amp; Gas</b>	We do not have a separate category.	<i>Exempt:</i> Adequate working capital and an appropriate capital structure.  <i>Non-exempt:</i> Adequate funds to execute the program and cover all other capital expenditures as well as general, administrative and debt service expenses, for a	<i>Tier 1:</i> - adequate working capital and financial resources to carry out the business, subject to a minimum of \$500,000.  <i>Tier 2:</i> <u>Category 1:</u> <sup>8</sup> - adequate working capital and financial resources for 12 months. OR	Same as industrial	No separate category for oil & gas	No separate category for oil & gas

<sup>7</sup> “Available funds” is defined as the estimated working capital available to the applicant, its subsidiaries and proposed subsidiaries as of the end of the most recent month and the amounts and sources of other funds that will be available to the issuer following the IPO. (TSX Venture Policy 1.1, definitions of “available funds” and “principal property.”)

<sup>8</sup> Companies must meet all of the requirements for Category 1, 2 or 3. They cannot mix and match.



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
		period of 18 months with an allowance for contingencies.	<u>Category 2:</u> - adequate working capital and financial resources to (i) complete the recommended work program (joint venture or otherwise) and (ii) meet general and administrative expenses for 12 months; and - at least \$100,000 in unallocated funds. OR <u>Category 3:</u> - allocation of a minimum of \$1.5 million of the applicant's funds to a joint venture or other satisfactory recommended exploration program; - adequate working capital to (i) complete the			





**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			applicant's portion of the work program and (ii) satisfy general and administrative expenses for 12 months; and - at least \$100,000 in unallocated funds.			
<b>Other – R &amp; D</b>	We do not have a separate category but an alternative test for Technology and R&D for Tier 2: bona fide research and development expenses of at least \$250,000 in each of the previous two fiscal years.	No separate category for R & D	<p><i>Tier 1:</i> - adequate working capital and financial resources to (i) conduct the work program and (ii) satisfy general and administrative expenses for 18 months; and - at least \$100,000 in unallocated funds.</p> <p><i>Tier 2:</i> - adequate working capital and financial resources to (i) conduct the</p>	No separate category for R & D	No separate category for R & D	No separate category for R & D



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			work program and (ii) satisfy general and administrative expenses for 12 months; and - at least \$100,000 in unallocated funds.			

<b>E. Earnings from Ongoing Operations / Cash Flow</b>						
<b>SPIs: Investment Funds</b>				Same as industrial	<b>Global Select:</b> See working cap	
					<b>Global Market</b> See assets	
<b>Non SPIs</b>	Tier 1: Pre-tax cash flow from continuing operations of at least \$700,000 in its last fiscal year  Tier 2: Pre-tax cash flow from continuing operations of at least \$200,000 in	<b>Industrial Exempt</b> Earnings from ongoing operations of at least \$300,000 - Pre-tax cash flow of at least \$700,000 in the preceding fiscal year and an average annual pre-tax cash flow of \$500,000 for	<b>Tech/Industrial Tier 1: Category 1:</b> - net income of \$100,000 before extraordinary items and after all charges except income tax in the fiscal year preceding the application or - a minimum average net	Operating companies must have achieved revenues from the sale of goods and if not profitable, have a business plan that demonstrates a reasonable likelihood of profitability. Non-operating	<b>Global Select:</b> See working cap  <b>Global Market</b> See assets  <b>Nasdaq Capital:</b> See assets	



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
	<p>its last fiscal year</p> <p>Commentary: if the issuer has experienced significant losses in any of last 3 fiscal years, Alpha will review the pre-tax cash flow for an additional two years.</p>	<p>the two preceding fiscal years.</p> <p><i>Non-exempt Profitable</i> companies must have earnings from ongoing operations of at least \$200,000 before taxes and extraordinary items in the fiscal year immediately preceding the application, and</p> <ul style="list-style-type: none"> <li>- pre-tax cash flow of at least \$500,000 in the fiscal year preceding the application.</li> </ul> <p>Companies forecasting profitability must have evidence of earnings from ongoing operations for the current or next fiscal year of at</p>	<p>income of \$100,000 before extraordinary items and after all charges except income tax for at least two of the three preceding fiscal years.</p> <p>OR</p> <p><u>Category 2:</u></p> <ul style="list-style-type: none"> <li>- a 24-month management plan outlining the development of the business demonstrating that the applicant's product, service or technology is sufficiently developed that there is a reasonable expectation of earnings from its business within the next 24 months;</li> </ul> <p>OR</p> <p><u>Category 3:</u></p>	<p>companies must have a reasonable plan to develop an active business and the financial resources to carry out the plan (achieve limited objectives that will advance their development to the stage where financing is typically available.</p>		



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
		least \$200,000. - They should also have at least six months of operating history, including gross revenues at commercial levels for the preceding six months.	- net income of \$200,000 before extraordinary items and after all charges except income tax in the fiscal year preceding the application or - a minimum average net income of \$200,000 for at least two of the three preceding fiscal years.  <i>Tier 2:</i> <u>Category 1:</u> - net income of \$50,000 before extraordinary items and after all charges except income tax in the fiscal year preceding the application or - a minimum average net income of \$50,000 for at			



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			least two of the three preceding fiscal years. OR <u>Category 2:</u> - revenues derived from commercial operations in the previous 12 months of at least \$250,000 - a 24-month management plan outlining the development of the business demonstrating that the applicant's product, service or technology is sufficiently developed that there is a reasonable expectation of revenue within the next 24 months; OR <u>Category 3:</u>			



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			- a working prototype of any industrial product; - a 24-month management plan outlining the development of the business demonstrating that the applicant's product, service or technology is sufficiently developed that there is a reasonable expectation of revenue within the next 24 months.			
<b>Other – Mining</b>	We do not have a separate category.	<i>Exempt</i> Pre-tax profitability from ongoing operations in the fiscal year immediately preceding the filing of the listing application,	No specific requirement	Same as industrial	No separate category for mining	No separate category for mining



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
		- Pre-tax cash flow of \$700,000 in the previous fiscal year and an average annual pre-tax flow of \$500,000 for the two preceding fiscal years.				
<b>Other – Oil &amp; Gas</b>	We do not have a separate category.	<i>Exempt</i> Pre-tax profitability from ongoing operations in the fiscal year preceding the application, pre-tax cash flow of \$050,000 in the previous fiscal year and an average annual pre-tax cash flow of \$500,000 for the two preceding fiscal years.	No specific requirement	Same as industrial	No separate category for oil & gas	No separate category for oil & gas
<b>Other – R &amp; D</b>	We do not have a separate category but an alternative test for Tier 2:	No separate category for R & D	No separate category for R & D	No separate category for R & D	No separate category for R & D	No separate category for R & D



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
	treasury of at least \$5M.					

<b>F. Reserves</b>						
<b>SPIs: Investment Funds</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Non SPIs</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Other - Mining</b>	N/A (no exploration companies qualify)	<i>Exempt:</i> Proven and profitable reserves to provide a mine life of at least 3 years.  <i>Non-Exempt:</i> Producing mining companies must	<i>Tier 1:</i> <u>Category 1:</u> a mineral interest in an advanced exploration property, which is one that has substantial geological merit but is not	Title to a property on which there has been exploration and a report complying with NI 43-101 recommends further exploration.	No separate category for mining	No separate category for mining





**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
		<p>have proven and probable reserves to provide a mine life of at least three years, together with evidence indicating a reasonable likelihood of future profitability;</p> <p>be in production or have made a production decision on the qualifying project or mine.</p> <p>Industrial mineral companies (i.e. the minerals produced are not readily marketable) will normally be required to submit commercial contracts to demonstrate a</p>	<p>advanced to the point where sufficient engineering and economic data exist to permit an acceptable valuation option</p> <p>an independent geological report recommends a drilling or detailed sampling program based on the merit of the previous results; a geological report recommending a work program on the property of at least \$500,000.</p> <p>OR</p> <p><u>Category 2:</u> a mineral interest in a property with proven and/or probable reserves providing for a</p>			



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
		<p>reasonable likelihood of future profitability, unless the company is presently generating revenues from production.</p> <p>Exploration and development-stage companies must have net tangible assets of \$3 million, an advanced property (generally, one in which continuity of mineralization is demonstrated in three dimensions at economically interesting grades),</p>	<p>mine life of at least 3 years; and a positive feasibility study.</p> <p><i>Tier 2:</i>            - a minimum 50% interest in a qualifying property, which is the property on which it is relying to meet the minimum listing requirements,<sup>9</sup> or            - be the operator of the property with a satisfactory joint venture agreement to protect the applicant's interest in the property;            - a geological report recommending a minimum \$200,000 non-</p>			

<sup>9</sup> TSX Venture Policy 1.1, definition of "qualifying property."



### LISTING STANDARDS COMPARISON CHART

Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			contingent work program on the property.			
<b>Other – Oil &amp; Gas</b>	N/A (no exploration companies qualify)	<p><i>Exempt:</i> Proved developed reserves of \$7.5 million,</p> <p><i>Non-exempt:</i> Proved developed reserves<sup>10</sup> of \$3 million a clearly defined program which can reasonably be expected to increase reserves</p>	<p><i>Tier 1:</i> a geological report demonstrating proven reserves (producing or non-producing) with a present value of \$2 million, based on constant dollar pricing assumptions discounted at 15%.</p> <p><i>Tier 2:</i> <u>Category 1:</u> - at least \$500,000 proven producing reserves based on constant dollar pricing assumptions discounted at 15%; - a geological report</p>	Title to a property on which there has been exploration and a report complying with securities law recommends further exploration.	No separate category for oil & gas	No separate category for oil & gas

<sup>10</sup> Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure, when compared to the cost of drilling a well, to put the reserves on production.



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			recommending further development or production; OR <u>Category 2:</u> - proven and probable reserves (producing or non-producing) with a present value of \$750,000 based on constant dollar pricing assumptions, with proven reserves discounted at 15% and probable reserves discounted a further 50%; - a geological report recommending a minimum development program of \$300,000; OR <u>Category 3:</u> - a satisfactorily diversified exploration program recommended by			



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
			the geological report; <sup>11</sup>			

<b>G. Escrow</b>						
<b>SPIs: Investment Funds and Non SPIs</b>	Governed by NP 46-201. Alpha issuers must have an escrow agreement that complies with the provisions of NP 46-201 respecting "established" issuers.	Governed by NP 46-201 and their own rules for non-exempt issuers. TSX junior issuers are considered "established" issuers. For exempt issuers no escrow necessary.	Governed by NP 46-201 and their own rules. TSXV level 1 issuers are considered "established" issuers. All others are "emerging" issuers.	Not required except for backdoor listings. Otherwise, governed by NP 46-201. CNSX issuers are considered "emerging" issuers.		

**II. International Companies**

<sup>11</sup> A one-well drilling program will generally not be acceptable. (TSX Venture Policy 2.1 s. 4.7(c)(i)).



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
<b>SPIs and Non SPIs</b>	Must be listed on a recognized and acceptable foreign exchange. Jurisdictions that are members of the IOSCO Technical Committee are deemed to be acceptable. Exemption from all or some Handbook requirements if subject to substantially similar regulatory and exchange listing regime as in Canada as well as similar requirements as those contained in the Listing Handbook.	Must be listed on a recognized and acceptable exchange. Must demonstrate to exchange that it is able to comply with Canadian reporting and public company standards. This can be done if a board or management member or a consultant or employee is resident in Canada.	No specific requirements	No specific requirements		Public distribution requirements modified (see above), otherwise must meet original listing requirements. Exchange may reject companies with foreign ownership restrictions.

**III. Disclosure**

<b>General</b>	All exchanges require listed companies to promptly disclose material information publicly. While the list of specific
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**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
	<p>events requiring disclosure vary from market to market, in practice they won't often if ever have a result where something is material to one exchange and not to another. The one exchange that is somewhat different from the others is Nasdaq, as it ties its disclosure requirements to the SEC's Regulation FD and doesn't go beyond that.</p> <p>Exchanges generally require listed companies to file any periodic disclosure filed with a securities commission.</p>					
	<p>Issuer must give notice of any transaction involving or potentially involving an issuance of listed shares and post details in the appropriate form on the exchange website. Form includes certificate of compliance with applicable rules.</p> <p>Issuer must give prior notice of corporate actions affecting listed shareholders but not requiring exchange approval (e.g. dividends, transfer agent</p>	<p>Issuer must give notice of any transaction requiring exchange approval.</p> <p>Issuer must give prior notice of corporate actions affecting listed shareholders but not requiring exchange approval (e.g. dividends, transfer agent changes, redemptions).</p> <p>Issuer must report share issuances on a monthly basis.</p>	<p>Issuer must give notice of any transaction requiring exchange approval.</p> <p>Issuer must give prior notice of corporate actions not requiring exchange approval (e.g. dividends, transfer agent changes)</p> <p>Issuer must report share issuances on a monthly basis.</p>	<p>Issuer must give notice of any transaction involving or potentially involving an issuance of listed shares and post details in the appropriate form on the exchange website. Form includes certificate of compliance with applicable rules.</p> <p>Issuer must give notice of any transaction considered a "significant transaction" and post details in the appropriate form on the</p>	<p>Issuer must give prior notice of corporate actions affecting listed shareholders but not requiring exchange approval (e.g. dividends, transfer agent changes)</p> <p>Issuer must report share issuances on a monthly basis.</p>	<p>Issuer must give prior notice of corporate actions affecting listed shareholders but not requiring exchange approval (e.g. dividends, transfer agent changes)</p> <p>Issuer must report share issuances on a monthly basis.</p>



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
	<p>changes, redemptions).</p> <p>Issuer must give notice of any transaction considered a “significant transaction” and post details in the appropriate form on the exchange website. Form includes certificate of compliance with applicable rules.</p> <p>Above notices have to be posted at least 5 business days before the transaction takes place.</p> <p>Issuer must report share issuances on a quarterly basis and provide financial</p>			<p>exchange website. Form includes certificate of compliance with applicable rules.</p> <p>Issuer must file monthly and quarterly updates (which include details of share issuances) and annually update listing statement and MD&amp;A.</p>		





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	statements and MD&A in accordance with the requirements and filing deadlines.					

**IV. Corporate Transactions**

<b>A. General</b>	Issuer must give notice of any transaction involving or potentially involving an issuance of listed shares, any transaction deemed a "significant transaction" and backdoor listings and post details in the appropriate form on the exchange website. No exchange approval of	Issuer must apply to list any shares to be issued and exchange must approve. Non-exempt issuers must obtain approval for material transactions. Shareholder approval required for certain transactions (described below).	Issuers must obtain approval for any share issuances or material transactions. Shareholder approval required for certain transactions (described below).	Issuer must give notice of any transaction involving or potentially involving an issuance of listed shares, any transaction deemed a "significant transaction" and backdoor listings and post details in the appropriate form on the exchange website. No exchange	Issuer must give 15 days prior notice before -establishing or materially amending a stock option or other equity compensation plan -issuing securities that may result in a change of control -issuing shares in an M&A transaction if an	Issuer must apply to list any shares to be issued. The rules set out required disclosure depending on the transaction, but the forms are not posted on the website. No exchange approval or restrictions on pricing etc., but shareholder approval requirements (detailed below).



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	transactions, shareholder approval of certain transactions (described below)			approval of transactions, shareholder approval of backdoor listings	insider has a 5% interest in the other company or insiders as a group have a 10% interest -transactions that may result in the issuance of more than 10% of the outstanding <b>[intuitively this seems to be incomplete, but I can't find any other requirements]</b> No specific requirements other than shareholder approval (detailed below)	
<b>B. Private Placements</b>	Maximum permitted discount: 25% if market	Maximum permitted discount: 25% if market	Maximum permitted discount: 25% if market	Maximum permitted discount: 25% if market		



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
	price \$0.50 or less, 20% if \$0.51-\$2, 15% if above \$2. Can issue at greater discount with disinterested shareholder approval.	price \$0.50 or less, 20% if \$0.51-\$2, 15% if above \$2. Can issue at greater discount with disinterested shareholder approval.	price \$0.50 or less, 20% if \$0.51-\$2, 15% if above \$2. Cannot be priced below \$0.05.	price \$0.50 or less, 20% if \$0.51-\$2, 15% if above \$2. Cannot be priced below \$0.05.		
<b>C. Warrants</b>	<p><u>Unlisted</u> Cannot be exercisable at less than market price and cannot allow for purchase of more shares than issued in private placement for which it is a sweetener. Cannot do a bare issuance of warrants.</p> <p><u>Listed</u> Underlying must be listed, must have at least 100 warrant holders holding 100 warrants and</p>	<p><u>Unlisted</u> Cannot be exercisable at less than market price and cannot allow for purchase of more shares than issued in private placement for which it is a sweetener. Cannot do a bare issuance of warrants.</p> <p><u>Listed</u> Considered on a case-by-case basis. Underlying must be listed, must have at least 100 warrant</p>	<p><u>Unlisted</u> Cannot be exercisable at less than the greater of the specified premium over market price and \$0.10 and cannot allow for purchase of more shares than issued in private placement for which it is a sweetener. Cannot do a bare issuance of warrants.</p>	<p><u>Unlisted</u> Cannot be exercisable at less than market price and cannot allow for purchase of more shares than issued in private placement for which it is a sweetener. Cannot do a bare issuance of warrants.</p>	Can only be listed if underlying listed	



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
	100,000 in total, warrant trust indenture must contain anti-dilution provisions.	holders holding 100 warrants and 100,000 in total, warrant trust indenture must contain anti-dilution provisions.				
<b>D. Incentive and Compensation Options</b>	Cannot be at a discount to market at time granted. Cannot be priced if undisclosed material information.	Cannot be at a discount to market at time granted. Cannot be priced if undisclosed material information. Limits on how many options may be subject to the plan or granted to one recipient.	Cannot be at a greater discount to market at time granted than permitted for private placement. Cannot be priced if undisclosed material information. Limits on how many options may be subject to the plan or granted to one recipient.	Cannot be at a discount to market at time granted. Cannot be priced if undisclosed material information. Terms cannot be changed once issued – issuer must cancel and wait 30 days before granting new option.		
<b>E. Issued to Charities</b>		May be issued for no consideration on a de minimis basis	May be issued for no consideration on a de minimis basis			
<b>F. Rights Offerings</b>	Rights must be transferable and	Rights must be transferable and	Rights must be transferable and	Rights must be transferable and		



**LISTING STANDARDS COMPARISON CHART**

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	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
	issued on a one right per share basis. Offering must be unconditional. Beneficial holders must have same rounding up privilege as registered.	issued on a one right per share basis. Offering must be unconditional. Beneficial holders must have same rounding up privilege as registered.	issued on a one right per share basis. Offering must be unconditional. Beneficial holders must have same rounding up privilege as registered.	issued on a one right per share basis. Offering must be unconditional.		
<b>G. Prospectus Offerings</b>	Pricing and shareholder approval requirements for private placements apply to prospectus offerings.	Exchange has discretion to apply pricing and shareholder approval requirements for private placements to prospectus offerings.	Price should not be more than 20% discounted from market and cannot be below \$0.05. If a unit with warrants, warrants must be exercisable at market price. Agent and underwriter compensation regulated. Exchange also has a short-form offering document that is exempt from the prospectus requirements in			



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
<b>H. Shares for Debt</b>	Treated as private placements	Treated as private placements	some provinces. Treated as private placements, but issuer must certify that cash not available to pay the debt	Treated as private placements		
<b>I. Other Transactions Regulated</b>	Name Changes Share Reclassifications, Consolidations and Splits, Take-over bids, Issuer bids, Transactions with related parties worth more than 10% of market cap. Loans to issuer other than by a financial institution. Payments of Bonuses, Finders' Fees or Commission. [Note: disclosure requirement only, exchange does not approve	<i>All issuers:</i> Stock Exchange Take-Over Bids and Issuer Bids Normal Course Issuer Bids Sales from Control Block Small Shareholder Arrangements Name Changes Share Reclassifications, Consolidations and Splits  <i>Non-exempt issuers:</i> Exchange must approve proposed material changes as defined in timely disclosure policy. If	Loans by Issuer Payments of Bonuses, Finders' Fees, Commissions Investor Relations Activities Changes of Business Acquisitions and Dispositions of Non-Cash Assets Stock Exchange Take-Over Bids and Issuer Bids Normal Course Issuer Bids Small Shareholder arrangements Name Changes Share Reclassifications,	Name Changes Share Reclassifications, Consolidations and Splits Transactions to related parties worth more than the lesser of \$10,000 and 10% of market cap Loans to issuer other than by a financial institution Payments of Bonuses, Finders' Fees or Commission Investor Relations Activities Changes in business.		



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
	transactions].	consideration to insiders is more than 2% of market cap, must be approved by board and supported by an independent valuation.	Consolidations and Splits.	[Note: disclosure requirement, exchange does not approve transactions].		

**V. Requirements for Continued Listing (Suspension/Delisting)**

<b>A. General</b>	<p>All markets have the discretion to delist or suspend a company that has made an assignment in bankruptcy, is no longer operating or that has a going concern note in their financials. Although CNSX doesn't have a specific requirement, it has general discretionary power to suspend or delist in the public interest. All markets can suspend or delist for failure to comply with listing requirements generally or to pay applicable fees.</p> <p>The delisting process is generally a two-stage process. In all but egregious cases, the issuer will be suspended for non-compliance and given a period of time (usually one year) to meet the original listing requirements. Generally speaking, the Canadian exchanges do not have extensive procedural provisions other than to ensure that an issuer has an opportunity to be heard prior to a delisting decision. American exchanges have quite extensive procedural requirements.</p>					
<b>B. SPIs: Investment Funds</b>	<p>Cannot be less than \$500,000 if part of group or \$5,000,000 in NTA.</p> <p>Less than 50,000 units.</p>	Same as Non-SPIs	Same as Non-SPIs	Same as Non-SPIs		<p><i>Closed End Funds</i> Public float value cannot be less than \$500,000 for more than 60 days</p> <p>Closed end fund issuers must continue to qualify under the Investment Company Act of 1940 unless it otherwise meets</p>



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
						original listing requirements.
<b>C. Non SPIs</b>	<p>Pre-tax cash flow of \$350,000 or, in the case of technology and resource companies, acceptable expenditures of \$350,000.</p> <p>Public distribution of 250,000 shares and 200 public board lot holders and public float worth \$1,500,000.</p> <p>Shareholder equity of less than \$2 million.</p>	<p>Assets worth \$3,000,000 and revenues of \$3,000,000 <i>or</i> Acceptable R&amp;D expenditures of \$1,000,000 <i>or</i> Acceptable exploration and development expenses of \$350,000 with revenues of \$3 million from resource sales</p> <p>Public distribution of 500,000 shares and 150 public board lot holders and a market value of \$2 million with a total market cap of \$3,000,000.</p>	<p>Net Tangible Assets/Property of \$250,000 (\$100,000 for technology/industrial)</p> <p>Public distribution of 300,000 shares held by 150 public board lot holders representing 10% of the total issued and a market cap of \$100,000.</p>	<p>Exchange has discretion to delist if in the public interest.</p>	<p><b>Global Select:</b> Must meet original listing standards. If not, transferred to Global Market</p> <p><b>Global Market:</b> At least 400 shareholders and must meet one of the following tests:</p> <p><u>Standard 1:</u> Stockholders' equity of \$10 million, public float of 750,000 shares worth \$5 million</p> <p><u>Standard 2:</u> Market cap of \$50 million, public float of 1,100,000 shares worth \$15 million</p>	<p><i>Stockholder Equity</i> Stockholders' equity of \$2,000,000 if such issuer has sustained losses from continuing operations and/or net losses in two of its three most recent fiscal years; or</p> <p>stockholders' equity of \$4,000,000 if such issuer has sustained losses from continuing operations and/or net losses in three of its four most recent fiscal years; or stockholders' equity of \$6,000,000 if such issuer has sustained losses from continuing operations and/or net losses in its five most recent fiscal years.</p>





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	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
					<p><u>Standard 3:</u> Total assets and revenue of \$50 million for the last fiscal year or two of the past three, public float of 1,100,000 shares worth \$15 million</p> <p>SPIs must generally have a public float worth \$1 million.</p> <p><b>Nasdaq Capital:</b> 500,000 shares held by 300 public shareholders worth \$1 million and stockholders' equity of \$2.5 million and market cap of \$35 million and net income from</p>	<p>However, the Exchange will not normally consider suspending an issuer that does not meet these standards if the issuer has: A total value of market capitalization of \$50,000,000; or total assets and revenue of \$50,000,000 each in its last fiscal year or in two of its last three fiscal years; and has at least 1,100,000 shares publicly held, a market value of publicly held shares of at least \$15,000,000 and 400 board lot shareholders. Issuers falling therein.</p> <p><i>Distribution—</i> 200,000 common shares held by 300 public shareholders; 50,000 publicly held warrants or</p>



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					continuing operations of \$500,000 in past fiscal year or two of three past	preferred shares <i>Market Value</i> Public float value cannot be less than \$1,000,000 for more than 90 consecutive days (\$400,000 for bonds)  Bond issuers must be able to make principal and interest payments on bonds.

**VI. Corporate Governance**

<b>A. General</b>	Listed issuers must comply with NI 58-101.	Listed issuers must comply with NI 58-101 requirements for non-venture issuers.	Listed issuers must comply with NI 58-101 requirements for venture issuers.	Listed issuers must comply with NI 58-101 requirements for venture issuers.  Foreign issuers must disclose how their governing legislation or constating	Listed issuers must comply with Sarbanes-Oxley Act and other applicable law	Listed issuers must comply with Sarbanes-Oxley Act and other applicable law
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**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
				documents differ materially from Canadian governance requirements.		
<b>B. Board and Management Composition</b>	Board should have at least 3 independent directors or 1/3 independent, whichever is higher. Independence defined as in NI 52-110. <sup>12</sup> Controlled corporations, foreign private, AB issuers and other SPIs are exempt. Issuer must have a CEO, CFO who is not also CEO and a secretary.	Board must have at least 2 independent directors. Issuer must have a CEO, CFO who is not also CEO and a secretary.	No requirement	No requirement	Majority of the Board must be independent directors as defined. Controlled corporations and foreign private issuers are exempt.	Majority of the Board must be independent directors as defined. Controlled corporations and foreign private issuers are exempt.
<b>C. Audit Committee</b>	NI 52-110	NI 52-110	Must have an audit committee of at least 3 directors, majority	Issuers are encouraged, but not required, to appoint independent	Audit committee must comprise at least 3 directors, all independent.	Audit committee must comprise at least 3 directors, all independent. Committee must

<sup>12</sup> Words in italics mean new additions to Alpha's Listing Handbook.



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
			independent.	members	Committee must have a charter conforming to Nasdaq rules.	have a charter conforming to Amex rules.
<b>D. Compensation Committee</b>	CEO compensation must be determined by an entirely independent compensation committee or by majority of the independent directors in a vote in which only they participate. Reviews and approves incentive compensation plans and determines whether shareholder approval should be obtained. Controlled companies exempted, AB issuers and other	No requirement	Shareholders generally must approve amendments to compensation plans.	No requirement	CEO compensation must be determined by an entirely independent compensation committee or by independent directors in a vote in which only they participate.	CEO compensation must be determined by an entirely independent compensation committee or by independent directors in a vote in which only they participate.



**LISTING STANDARDS COMPARISON CHART**

**Current Information for Alpha and for all other exchanges other than Alpha as of December, 2010**

	Alpha	TSX	TSX VE	CNSX	Nasdaq	Amex
	SPIs.					

**VII. Security Holder Approval Requirements**

<b>A. General</b>	Required for backdoor listings.	General discretion to require shareholder approval (or majority of the minority) if a transaction materially affects control of the issuer <sup>13</sup> , or is non arm's length.  Required for backdoor listings.	Generally required if a security issuance (equity or debt) will result in a new control person. Required for backdoor listings All companies must comply with MI 61-101 re: shareholder approval of related party transactions	Only required for backdoor listings	Shareholder approval required for change of control (no hard and fast definition).	Shareholder approval required for change of control (no hard and fast definition).
<b>B. Private Placements</b>	No requirement for arm's-length placements done at or above the market price.  Shareholder approval required for arm's-length	Required if securities are issued at more than the maximum permitted discount (shareholders participating in	Disinterested shareholder approval if (i) will result in a new control person, (ii) it appears to be a defensive tactic to a takeover bid or	No requirement. Issuers not permitted to issue securities at more than the maximum permitted discount.	Required for placements done below the greater of market and book value if more than 20% of the common stock or voting power	Required for placements done below the greater of market and book value if more than 20% of the common stock or voting power is

<sup>13</sup> Alpha and CNSX must approve new control persons.



**LISTING STANDARDS COMPARISON CHART**

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	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
	placements if priced at discounts larger than permitted or for potential issuance of 25% or more of the current outstanding at any discount. Minority shareholder approval required if insiders increase position by more than 10% in a twelve-month period.	the placement are not to vote), the placement involves the issuance or potential issuance of more than 25% of the outstanding securities at any discount; Minority shareholder approval required if insiders increase position by more than 10% in a six-month period.	(iii) if it is a related party transaction.		is issued or issuable, either by the company alone or together with sales by officers, directors and substantial shareholders.  Exemption for companies in financial distress that cannot wait for shareholder approval. Audit committee or independent directors must approve reliance on the exemption	issued or issuable, either by the company alone or together with sales by officers, directors and substantial shareholders.
<b>C. Public Offering</b>	Rules for private placements apply.	Exchange has discretion to apply rules for private placements.	No requirement.	No requirement.	No requirement Nasdaq has discretion to deem an offering not to be a public offering.	No requirement.
<b>D. Defensive Tactics</b>	Poison pill rights plans must be ratified by shareholders	Poison pill rights plans should be ratified by shareholders	Required for placements that appear to be defensive	No specific requirements.	Governed by state law?	Governed by state law?



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	within 6 months of adoption.	within 6 months of adoption.	measure to a take-over			
<b>E. Related Party Transactions (Not involving share issuances)</b>	None, but disclosure required if value greater than 10% of market cap.	None for exempt issuers. For non-exempt, board approval with independent valuation if consideration to insiders is greater than 2% of market cap, shareholder approval if greater than 10%.		None, but disclosure required if value greater than the lower of 10% of market cap and \$10,000.	Governed by state law?	Governed by state law?
<b>F. Related Party Transactions that involved share issuances</b>	Shareholder approval needed if transaction provides consideration to insiders in aggregate of 10% or greater of mkt. capitalization of issuer in the preceding 12 months (for private placement and acquisitions). The insiders	Shareholder approval needed if transaction provides consideration to insiders in aggregate of 10% or greater of mkt. capitalization of issuer (for Private placements in the preceding 6 months) and has not been	All issuers must comply with MI 61-101 Related Party Transactions whether or not they are reporting issuers in Ontario or Quebec.			



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	participating in the transaction are not eligible to vote their securities in respect of such approval.	negotiated at arm's length. The insiders participating in the transaction are not eligible to vote their securities in respect of such approval.				
<b>G. Qualifying Transaction for SPACs/CPCs</b>	N/A: SPACs/CPCs do not qualify for listing.	Required	Required	N/A: SPACs/CPCs do not qualify for listing.		
<b>H. Equity Compensation</b>	Governed by shareholder approval requirement in NI 45-106. Required when grant is for any person not previously employed by issuer and issuable securities exceed 10%. Board approval generally required for	Required when plan instituted and for any amendment where approval is required by §613(i), and every three years if the plan does not have a fixed maximum number of securities issuable. Unlike other requirements this must be	Required if the plan, together with all other plans, could result in the issuance of more than 10% of the outstanding. Rolling plans must be approved annually. <sup>14</sup> This must be done at a meeting and cannot be done by resolution signed by a	No specific requirements, governed by shareholder approval requirement in NI 45-106.	Required for establishment and material amendment of equity compensation arrangements with some limited exceptions.	Required for establishment and material amendment of equity compensation arrangements with some limited exceptions.

<sup>14</sup> Approval is not required if the issuer is conducting an IPO and discloses details of the plan in the prospectus.





**LISTING STANDARDS COMPARISON CHART**

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	<b>Alpha</b>	<b>TSX</b>	<b>TSX VE</b>	<b>CNSX</b>	<b>Nasdaq</b>	<b>Amex</b>
	amendments to compensation plans and shareholder approval in certain circumstances.	done at a meeting and cannot be done by resolution signed by a majority of shareholders. Required when grant is for any person not previously employed by issuer and issuable securities exceed 2%.	majority of shareholders. There are more complicated requirements for when disinterested shareholder approval is required.			
<b>I. Acquisition</b>	Required if more than 25% of the outstanding shares/votes to be issued, or If securities issued or issuable to insiders as a group in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer in	Required if the acquisition involves the issuance of more than 25% of the outstanding securities; or if insiders will receive more than 10% of the outstanding securities (needs majority of minority approval).			Required if more than 20% of the outstanding shares/votes to be issued, or insiders have a 5% interest individually (or 10% as a group) in the assets acquired and the transaction will result in issuance of 5% or more of common shares/votes.	Required if more than 20% of the outstanding shares/votes to be issued, or insiders have a 5% interest individually (or 10% as a group) in the assets acquired and the transaction will result in issuance of 5% or more of common shares/votes.



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	preceding 12 months and issuable securities exceed 5% of outstanding securities.					

**VIII. Exchange Sanctions**

<b>A. General</b>	Suspension, Delisting, Determine a person not to be fit to be associated with a listed issuer	Suspension, Delisting, Determine a person not to be fit to be associated with a listed issuer	Suspension, Delisting, Determine a person not to be fit to be associated with a listed issuer	Suspension, Delisting, Determine a person not to be fit to be associated with a listed issuer		Suspension, Delisting, Determine a person not to be fit to be associated with a listed issuer
<b>B. Public Reprimand</b>	Can issue	No provision	No provision	No provision		No provision
<b>C. Officer and Directors</b>	May require replacement if responsible for failure to comply with Alpha rules or securities law.	No provision but in practice can achieve.	No provision but in practice can achieve.	No provision but in practice can achieve.		

## ANNEXE C



**ALPHA EXCHANGE INC.  
TRADING POLICIES  
(the “TRADING POLICIES”)**



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## PART I. Definitions and Interpretations

### 1.1. Definitions

- (1) Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in Alpha Requirements that is defined or interpreted in
  - (a) Ontario securities law,
  - (b) UMIR, or
  - (c) IIROC Rules,has the same meaning in these Trading Policies.
- (2) The following terms have the meanings set out when used in the Alpha Requirements and apply to the trading of both Alpha Listed Securities and Other Traded Securities unless otherwise specified:

<b>Alpha</b>	The recognized exchange which provides a marketplace for Alpha Listed Securities and Other Traded Securities on Alpha.
<b>Alpha Approval</b>	Any approval given by Alpha under the Alpha Requirements.
<b>Alpha Best Bid and Offer (ABBO)</b>	In respect of a particular security, the best bid, the highest price and its corresponding volume that a Member has published to buy, and the best offer, the lowest price and its corresponding volume that a Member has published to sell, in the Alpha CLOB.
<b>Alpha Closing Price or (ACP)</b>	The CCP for an Alpha Listed Security unless it exceeds parameters established by Alpha. The Alpha Closing Price for Other Traded Securities will be adjusted overnight to reflect the closing price on the principal market as established in UMIR.
<b>Alpha Last Sale Price (ALSP)</b>	The price at which the last trade of a Board Lot was executed on Alpha, other than a Special Terms trade.



<b>Alpha Listed Security</b>	Securities listed by and traded on Alpha.
<b>Alpha Requirements</b>	Alpha Requirements include the following: <ol style="list-style-type: none"><li>1. These Trading Policies;</li><li>2. The Alpha Exchange Listing Handbook;</li><li>3. Obligations arising out of the Member Agreement or any Listing Forms;</li><li>4. Any forms issued pursuant to these Trading Policies or the Alpha Exchange Listing Handbook;</li><li>5. UMIR; and</li><li>6. Ontario securities law, and any decision thereunder as it may be amended, supplemented and in effect from time to time.</li></ol>
<b>Alpha Systems</b>	The electronic systems operated by Alpha for providing all facilities and services related to the trading of Alpha Listed Securities and Other Traded Securities on Alpha.
<b>Approved Trader</b>	An employee of a Member who has been approved as a Trader, or an employee of a client of a Sponsoring Member who has been approved as a Trader.
<b>Assigned Security</b>	The particular Alpha Listed Security or Other Traded Security for which a Member has been appointed either the Market Maker or the Odd Lot Dealer.
<b>Board</b>	The Board of Directors of Alpha and any committee of the Board of Directors to which powers have been delegated.
<b>Board Lot</b>	A standard trading unit.
<b>Bypass Cross</b>	A cross that has a bypass marker.



<b>Bypass Order</b>	An order that has a bypass marker to indicate that it is: (a) part of a designated trade; or (b) to satisfy an obligation to fill an order imposed on a Member or DMA Eligible Client by any provision of UMIR or a Policy; and that is entered on a protected marketplace to execute as against the disclosed volume on that marketplace prior to the execution or cancellation of the balance of the order.
<b>Calculated Opening Price (COP)</b>	A single price calculated for a security whereby the trading volume is maximized and the trading imbalance is minimized and is within parameters defined by Alpha in the opening call.
<b>Calculated Closing Price (CCP)</b>	A single price calculated for a security whereby the trading volume is maximized and the trading imbalance is minimized, and is within parameters defined by Alpha in the closing call.
<b>Central Limit Order Book (CLOB)</b>	The electronic book containing all Board Lot orders entered for execution in a continuous manner with price and priority rankings.
<b>Clearing Corporation</b>	CDS Clearing and Depository Services Inc. and any successor corporation or entity recognized as a clearing agency.
<b>Directed Action Order (DAO)</b>	A specific order type as defined in NI 23-101 that informs a marketplace that the order can be immediately carried out without delay or regard to any other better priced orders displayed by another marketplace.
<b>Decision</b>	Any decision, direction, order, ruling, guideline or other determination of Alpha, or of the Market Regulator made in the administration of these Trading Policies.



**DMA Eligible Client** A DMA Eligible Client is a client of a Member to which it provides sponsored access and that is :

1. A client that falls within the definition of “acceptable counterparties” or “acceptable institutions” or “regulated entities” as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report.
2. A client that is registered as a portfolio manager under the Securities Act of one or more of the Provinces of Canada.
3. A client that is a foreign broker or dealer (or the equivalent registration) registered with the appropriate regulatory body in the broker’s or dealer’s home jurisdiction and that is an affiliate of a Member acting for its own account, the accounts of other Eligible Clients or the accounts of its clients.
4. A client that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the customer and falls into one of the following categories:
  - (a) An insurance company as defined in section 2(13) of the U.S. Securities Act of 1933,
  - (b) An investment company registered under the U.S. Securities Act of 1933 or any business development company as defined in section 2(a)(48) of that Act,
  - (c) A small business investment company licensed by the U.S. Small Business Administration under section 301 (c) or (d) of the U.S. Small Business Investment Act of 1958,
  - (d) plan established and maintained by a U.S. state, its political subdivisions, or any agency or instrumentality of a U.S. state or its political



- subdivisions, for the benefit of its employees,
- (e) An employee benefit plan within the meaning of Title I of the U.S. Employee Retirement Income Securities Act of 1974,
  - (f) A trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in (d) or (e) above, except trust funds that include as participants individual retirement accounts or U.S. H.R. 10 plans,
  - (g) A business development company as defined in section 202(a)(22) of the U.S. Investment Advisers Act of 1940,
  - (h) An organization described in section 501 (c)(3) of the U.S. Internal Revenue Code, corporation (other than a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933 or a savings and loan association or other institution referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933 or a foreign bank or savings and loan association or equivalent institution), partnership or Massachusetts or similar business trust, and
  - (i) An investment adviser registered under the U.S. Investment Advisers Act.
5. A client that is a dealer registered pursuant to section 15 of the U.S. Securities Exchange Act of 1934, acting for its own account or the accounts of other Eligible Clients, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.



6. A client that is an investment company registered under the U.S. Investment Company Act, acting for its own account or for the accounts of other Eligible Clients, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies and, for these purposes, “family of investment companies” means any two or more investment companies registered under the U.S. Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided, for these purposes:
  - (a) Each series of a series company (as defined in Rule 18f-2 under the U.S. Investment Company Act) shall be deemed to be a separate investment company; and
  - (b) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company’s adviser (or depositor) is a majority owned subsidiary of the other investment company’s adviser (or depositor).
7. A client, all of the equity owners of which are Eligible Clients, acting for its own account or the accounts of other Eligible Clients.
8. A client that is not an individual, with total securities under administration or management exceeding \$10 million, where the client is a resident in a Basel Accord country as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and



Report.

9. A client that is a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933, or any savings and loan institution or other institution as referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933, acting for its own account or the accounts of other Eligible Clients, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million.

<b>IIROC</b>	The Investment Industry Regulatory Organization of Canada.
<b>IIROC Rules</b>	UMIR and IIROC's dealer member rules.
<b>Intentional Cross</b>	A trade resulting from the entry by a Member or DMA Eligible Client of both the order to purchase and the order to sell a security, but does not include a trade in which the Member has entered one of the orders as a jitney order.
<b>Internal Cross</b>	An Intentional Cross between two accounts which are managed by a single firm acting as a portfolio manager with discretionary authority to manage the investment portfolio granted by each of the holders of the accounts and includes a trade in respect of which the Member or DMA Eligible Client is acting as a portfolio manager in authorizing the trade between the two accounts.
<b>Market Maker</b>	The Member or Members appointed as a market maker for a particular Alpha Listed Security.
<b>Market Maker Approved Trader</b>	The Approved Trader, given responsibility to fulfill a Market Maker's responsibilities under these Trading Policies.





<b>Market Regulator</b>	IIROC or such other person recognized by the Ontario Securities Commission as a Regulation Services Provider for the purposes of Ontario securities law and which has been retained by Alpha as an acceptable Regulation Services Provider.
<b>Member</b>	A member approved by Alpha to access the Alpha Systems, provided such access has not been terminated.
<b>Member Agreement</b>	The agreement entered into between Alpha and a Member which sets out the terms and conditions of the Member's access to the Alpha Systems.
<b>Mixed Lot</b>	An order containing at least one Board Lot and an Odd Lot.
<b>National Best Bid and Offer (NBBO)</b>	The best bid and best offer of at least a Board Lot on all visible marketplaces, but does not include special terms orders.
<b>National Cross</b>	A cross entered during the continuous trading session which at the time of entry was at or within the NBBO.
<b>National Last Sale Price (NLSP)</b>	The most recent trade of at least a Board Lot on any marketplace, other than a special terms trade.
<b>Notice</b>	A communication or document given, delivered, sent or served by Alpha.
<b>Odd Lot</b>	Any amount less than a Board Lot.
<b>Odd Lot Approved Trader</b>	The Approved Trader, given responsibility to fulfill an Odd Lot Dealer's responsibilities under these Trading Policies.
<b>Odd Lot Dealer</b>	A Member appointed as an Odd Lot Dealer for a particular security.
<b>Odd Lot Order Book (OLOB)</b>	The electronic book containing all Odd Lot orders.



**Order Protection Rule (OPR)**

NI 23-101, which sets out the requirements that ensure that all immediately accessible, visible, better-priced limit orders are executed before inferior-priced limit orders and are not traded through. OPR requires each marketplace to establish, maintain and ensure compliance with written policies and procedures that are reasonably designed to prevent trade-throughs on that marketplace.

**Other Marketplace**

An exchange, quotation and trade reporting system, or alternative trading system other than Alpha, which is subject to UMIR, on which any of the same securities as are tradable on Alpha are tradable, which has been identified as a Protected Marketplace by an applicable regulatory authority, excluding marketplaces which Alpha specifically identifies as an excepted Other Marketplace.

**Other Traded Security (OTS)**

A security listed by a stock exchange other than Alpha and traded on Alpha.

**Person**

Includes without limitation a corporation, incorporated syndicated or other incorporated organization, sole proprietorship, partnership or trust.

**Related Entity<sup>1</sup>**

A Person that is

1. an affiliated entity of a Member, or
2. a control person of a Member or of which the Member is a control person,

and that carries on as a substantial part of its business in Canada that of a broker, dealer or advisor in securities and that is not itself a Member.

**Related Person<sup>2</sup>**

A Related Person is:

---

<sup>1</sup> Note that this definition is being used for the purpose of these Trading Policies and may differ from definitions used by other parties.

<sup>2</sup> Note that this definition is being used for the purpose of these Trading Policies and may differ from definitions used by other parties



	<ol style="list-style-type: none"><li>1. A Related Entity,</li><li>2. An employee of a Member or a Related Entity,</li><li>3. Partners, directors and officers of a Member or Related Entity, and</li><li>4. Any other Person designated by Alpha.</li></ol>
<b>Retail Customer</b>	Is defined in accordance with Rule 1 of IIROC's dealer member rules.
<b>Settlement Day</b>	Any day on which trades may be settled through the facilities of the Clearing Corporation.
<b>Sponsoring Member</b>	A Member that provides a DMA Eligible Client with access to the Alpha Systems.
<b>Trading Contract</b>	Any agreement or contract: <ol style="list-style-type: none"><li>1. To buy or sell any Alpha Listed Security or OTS through Alpha's facilities; or</li><li>2. For delivery of, or payment for, any Alpha Listed Security or OTS (or security which was an Alpha Listed Security or OTS when the contract was made) arising from settlement through the Clearing Corporation.</li></ol>
<b>Trading Policies</b>	These Alpha Exchange trading policies, as they may be amended or supplemented from time to time.
<b>TTM Service</b>	The service used by Alpha to route designated orders, in part or in whole, to Other Marketplaces with the objective of complying with the Order Protection Rule (NI 23-101) to not trade through displayed better priced orders on such marketplaces.
<b>UMIR</b>	The Universal Market Integrity Rules adopted by IIROC as amended, supplemented and in effect from time to time



## **1.2. Interpretation**

- (1) A company is an affiliate of another company if one of them is a subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same Person.
- (2) The division of Alpha Requirements into separate policies, divisions, sections, subsections and clauses and the provision of a table of contents, headings and notes is for convenience of reference only and shall not affect the construction or interpretation of Alpha Requirements.
- (3) The words “hereof,” “herein,” “hereby,” “hereunder” and similar expressions mean the whole of these Trading Policies and not simply the particular section of the Trading Policies in which the term is mentioned, unless the context clearly indicates otherwise.
- (4) The word “or” is not exclusive.
- (5) The word “including,” when following any general statement or term, does not limit the meaning of the general statement or term to the specific matter immediately following the statement or term.
- (6) Unless otherwise specified, any reference to a statute includes that statute and the regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or regulation that supersedes that statute or regulation.
- (7) Unless otherwise specified, any reference to a rule, policy, blanket order or instrument includes all amendments made and in force from time to time, and to any rule, policy, blanket order or instrument that supersedes that rule, policy, blanket order or instrument.
- (8) Grammatical variations of any defined term have the same meaning.
- (9) Any word imputing gender includes the masculine, feminine and neuter genders.
- (10) Any word in the singular includes the plural and vice versa.
- (11) All references to time in Alpha Requirements are to Toronto time unless otherwise stated.
- (12) All references to currency in Alpha Requirements are to Canadian dollars unless otherwise stated.
- (13) All provisions of these Trading Policies apply to the trading of both Alpha Listed Securities and Other Traded Securities unless otherwise specified.



## **PART II. Application of Policies and Authority of Alpha**

### **2.1. Application of policies**

- (1) Members and Related Persons must comply with all applicable Alpha Requirements when trading on Alpha.
- (2) Alpha may take disciplinary action against any Member or Related Person who violates any Alpha Requirement.

### **2.2. Exercise of powers**

- (1) Unless otherwise expressly provided, whenever Alpha is given any power, right, exercise of discretion or entitlement to take action in respect of Alpha Requirements, the same may be exercised by the Board, any Committee of the Board, the appropriate officers of Alpha or any committee or person designated by the Board or the CEO of Alpha, including the Market Regulator.
- (2) Unless the subject matter or context otherwise requires, any action taken by a Person under subsection (1) is subject to the overall authority of the Board.

### **2.3. General Exemptive Relief**

- (1) Alpha may exempt any Member from the application of any Alpha Requirement, if in the opinion of Alpha, the provision of such exemption:
  - a. Would not be contrary to the provisions of the Securities Act (Ontario) and the rules and regulations thereunder or UMIR;
  - b. Would not be prejudicial to the public interest or to the maintenance of a fair and orderly market; and
  - c. Is warranted after due consideration of the circumstances.

### **2.4. No waiver of rights**

- (1) Failure by Alpha or the Market Regulator to exercise any of its rights, powers or remedies under Alpha Requirements or their delay to do so is not a waiver of those rights, powers or remedies.



- (2) The single or partial exercise of a right, power or remedy does not in any way limit the ability of Alpha or the Market Regulator to exercise that right, power or remedy.
- (3) Any waiver of a right, power or remedy must be in writing and may be general or particular in its application.

## **2.5. Anti-avoidance**

- (1) If, in the opinion of Alpha, a Member has organized its business and affairs for the purpose of avoiding the application of any Alpha Requirement, Alpha may apply such Alpha Requirement to the Member in the same manner as if such provision had directly applied to such Member.



## **PART III. Membership**

### **DIVISION 1 — APPROVAL**

#### **3.1. Qualification for becoming a Member**

- (1) An applicant must
  - (a) be a dealer member of IIROC (or any successor recognized as a self regulatory entity or comparable self-regulatory entity) in good standing;
  - (b) be a participant of the Clearing Corporation or have entered into an arrangement for the clearing and settlement of trade with a participant in the Clearing Corporation; and
  - (c) meet Alpha Requirements, including completion of a Member Agreement.
- (2) A Member is authorized to trade both Alpha Listed Securities and OTSs on Alpha.
- (3) Membership is not transferable or assignable.
- (4) Membership is solely an authorization to have access to Alpha Systems and to trade on Alpha and does not confer any ownership or shareholder rights.

#### **3.2. Application and approval**

- (1) An applicant for membership shall submit:
  - (a) a completed Member Agreement; and
  - (b) such books and records as may be reasonably required by Alpha to ascertain relevant facts bearing on the applicant's qualifications or activities on the Alpha Systems.
- (2) Alpha may:
  - (a) approve an applicant for membership without condition,
  - (b) defer approval pending receipt of further information concerning the applicant,



- (c) approve a Person as a Member subject to such terms and conditions as are appropriate or necessary to ensure compliance with Alpha Requirements, or
- (d) refuse the application for such factors it considers relevant, including
  - (i) past or present misconduct by the applicant or any Related Person,
  - (ii) the applicant or any Related Person refuses to comply with Alpha Requirements,
  - (iii) the applicant is not qualified by reason of integrity, solvency, training or experience, or
  - (iv) such approval is otherwise not in the public interest.
- (3) An applicant that is approved subject to conditions or is rejected may appeal the Decision using the procedures set out in Part 10.
- (4) Subject to the exercise of a right of appeal, a rejected applicant may not reapply for a period of six months following the date of refusal.

## **DIVISION 2 — CONTINUING REQUIREMENTS**

### **3.3. Authorized Representative**

- (1) Each Member must appoint a senior officer, director or partner as its representative who shall be named in the Member Agreement.
- (2) The representative shall:
  - (a) have authority to speak for the Member in dealings with Alpha; and
  - (b) serve as primary contact to Alpha on inquiries regarding the conduct and supervision of the Member's Approved Traders and DMA Eligible Clients.
- (3) A Member must give Alpha notice of a change of its representative at least 10 business days prior to the change unless circumstances make this impossible, in which case notice must be given as soon as possible.





### **3.4. Payment of fees, etc.**

- (1) Members must pay all fees and charges fixed by Alpha and the Market Regulator, which are due and payable as Alpha or the Market Regulator require from time to time.
- (2) Alpha may at any time, and from time to time, on not less than 30 days' Notice to Members, increase any or all fees or charges. Alpha may decrease fees by providing Members with Notice of such a change within 30 days prior to the effective date of the change.
- (3) Alpha may suspend without further notice a Member that has not paid any fees or charges within 30 days of becoming payable, and such suspension shall remain in place until all outstanding fees and charges have been paid by the Member.

### **3.5. Continuing SRO Membership**

- (1) A Member that ceases to comply with the requirements of Section 3.1(1) must notify Alpha immediately.
- (2) A Member must inform Alpha immediately if it ceases to be a member of, is being investigated by, or is subject to an enforcement action (a hearing has been scheduled) by a recognized self-regulatory organization.
- (3) If a Member ceases to be a member of IIROC (or any successor recognized as a self regulatory entity or comparable self-regulatory entity), it shall be terminated as a Member of Alpha. In such case, the Member may reapply for membership with Alpha upon becoming reinstated as a member of IIROC, by following the procedures set forth in Section 3.2.
- (4) Alpha may from time to time review the continued eligibility of a Member for membership.

### **3.6. Notifications**

- (1) A Member must give Alpha written notice of:
  - (a) a change of its name or the name under which it does business; or
  - (b) a change in the address of its head office.
- (2) The Member must give such notice at least 10 business days prior to the change.



### **3.7. Maintaining Records**

- (1) The Member shall be responsible for maintaining any required records relating to transactions sent and received by it on the Alpha Systems. For the purpose of this section records relating to transactions will include all information directly or indirectly relating to orders routed to the Alpha Systems or trades executed on the Alpha Systems.

### **3.8. Training**

- (1) The Member shall be responsible for developing and providing comprehensive training and materials with respect to applicable regulatory requirements relating to, among other things, the entry and trading of orders through Alpha and other Canadian marketplaces required to allow the Member to meet its obligations under applicable regulatory requirements, these Trading Policies and the Member Agreement.

## **DIVISION 3 — TERMINATION OF MEMBERSHIP**

### **3.9. Voluntary Surrender**

- (1) A Member may resign its membership by giving not less than 30 days' prior written notice.
- (2) Alpha may postpone the effective date of termination if the Member
  - (i) is the subject of disciplinary proceedings or is under investigation for a failure to comply with Alpha Requirements, or
  - (ii) has any trades outstanding.

### **3.10. Automatic suspension**

- (1) A Member will be suspended immediately and without prior notice if any of the following events occur:
  - (a) the Member ceases to comply with the requirements of Section 3.1(1), paragraphs (b), (c) or (d);
  - (b) the Member is for any reason unable to meet its obligations as they generally become due;



- (c) the Member has ceased paying its current obligations in the ordinary course of business as they become due;
  - (d) the aggregate of the property of the Member is not, at a fair valuation, sufficient, or if disposed of in a fairly-conducted sale under legal process, would not be sufficient to enable payment of all of its obligations due or becoming due; or
  - (e) continued access by the Member raises inappropriate risk to the operations of Alpha, financial risk to other Members, and/or market quality issues.
- (2) The Member may, at Alpha's discretion, be reinstated with or without any restrictions upon the Member demonstrating to Alpha's satisfaction that:
- (a) it now complies with all provisions of Section 3.1,
  - (b) if the Member has been suspended due to the occurrence of one or more of the events listed in paragraphs (b), (c), (d) or (e) of Section 3.10, such events have been remedied to Alpha's satisfaction; and
  - (c) it otherwise meets the criteria for membership with Alpha.

### 3.11. Discretionary Suspension

- (1) Alpha may, in its sole and absolute discretion, suspend the Member's access to the System for any period of time as Alpha believes is advisable. Alpha shall, where practical, provide prior written notification of such a suspension. Where the provision of prior written notice is impractical, Alpha shall promptly notify the Member that access has been suspended. In each case Alpha shall advise of the reasons for such suspension.

**Commentary:** Examples of situations where Alpha may exercise its discretion to suspend a Member include:

- 1. runaway algorithmic trading
  - 2. continuous breaches of price band parameters unrelated to a market event
- (2) The membership may, at Alpha's discretion, be reinstated upon the Member demonstrating to Alpha's satisfaction that the reasons for the suspension have been remedied.



### **3.12. Termination by Alpha**

- (1) Alpha may terminate a membership by giving not less than 5 days' prior written notice if Alpha has concluded after reasonable investigation that the Member has
  - (a) failed to comply or is not in compliance with Alpha Requirements; or
  - (b) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha.

### **3.13. Automatic Termination**

- (1) Alpha will terminate a membership without notice if:
  - (a) the Member has committed an act of bankruptcy as provided in the *Bankruptcy and Insolvency Act (Canada)*;
  - (b) the Member defaults in, or fails to meet or admits its inability to meet its liabilities to the Canadian Investor Protection Fund or the Clearing Corporation or another Member; or
  - (c) Section 3.5(3) applies.
- (2) A Member must give Alpha immediate notice on the occurrence of any act listed in subsection (1).

### **3.14. Effect of Suspension or Termination**

- (1) Upon suspension or termination, Alpha may at its discretion cancel all of the Member's or former Member's open orders or impose any other restrictions and/or conditions on the Member's rights until the Member has been reinstated in accordance with Section 3.14(3) or Section 3.14(4).
- (2) A Member that has been suspended or terminated or that has been deprived of some of the rights of membership under Alpha Requirements does not for that reason alone lose its rights in respect of any claims it may have against another Member unless such rights are expressly dealt with.
- (3) A Member that has been suspended may have its rights to access reinstated, at Alpha's discretion, upon providing evidence, satisfactory to Alpha in its sole discretion, that the reason for the suspension has been remedied.



- (4) A Member that has had its membership terminated may, no sooner than six months after the date of the termination of membership, reapply for membership with Alpha by following the procedures set out in Section 3.2.



## **PART IV. Access to Trading**

### **DIVISION 1 — APPROVED TRADERS**

#### **4.1. Approved Traders**

- (1) A Member must provide Alpha with the names and identifiers of all Approved Traders.
- (2) A Member must maintain a list of all Approved Traders and their identifiers for the preceding 7-year period.
- (3) A Member must give Alpha written notice of additions or terminations of Approved Traders at least 10 business days prior to the change unless circumstances make such prior notice of a termination impossible, in which case notice must be given as soon as possible.
- (4) The Member shall be responsible for all instructions entered, transmitted or received under an Approved Trader identifier, and for the trading and other consequences thereof.

#### **4.2. Access**

- (1) A Member must not allow an employee to enter orders or crosses on Alpha if the person is not properly qualified in accordance with the requirements of a Market Regulator or securities regulatory authority.
- (2) Alpha may suspend an Approved Trader's access or approval without notice if it concludes after reasonable investigation that the Approved Trader is misusing the Alpha Systems or is causing a disorderly market.
- (3) Alpha may suspend an Approved Trader's access or approval by giving not less than 5 days' prior written notice if Alpha has concluded after reasonable investigation that the Approved Trader has:
  - (a) failed to comply or is not in compliance with Alpha Requirements; or
  - (b) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha.



- (4) A Member must terminate an Approved Trader's access to the Alpha Systems immediately upon receiving notice and must not reinstate access without Alpha's written approval. If the Member fails to comply with this provision, Alpha shall have the right to take such action as it considers necessary, in its sole discretion, to prevent access to the Alpha Systems by any person, including the termination of the Member's right to access the Alpha Systems in its entirety.
- (5) Upon termination of an Approved Trader, Alpha may in its sole discretion cancel all open orders entered by that trader.
- (6) A Member shall cease use of the Alpha Systems as soon as practicable after it is notified by Alpha of, or it otherwise becomes aware of or suspects, a technical failure or security breach of the Alpha Systems and shall immediately notify Alpha of such failure or breach of security in accordance with the notice provisions set out in these Trading Policies.

## **DIVISION 2 — DMA ELIGIBLE CLIENTS AND MEMBER-SPONSORED ACCESS**

### **4.3. Sponsoring Member Supervisory Responsibilities**

- (1) If a Sponsoring Member provides access to the Alpha Systems to its DMA Eligible Clients, then prior to granting such access, the Sponsoring Member shall enter into a binding legal agreement with such DMA Eligible Client which contains, at a minimum, the terms set out in Schedule 5 to the Member Agreement and shall provide to Alpha any DMA Eligible Client documentation as requested by Alpha from time to time;
- (2) A Sponsoring Member which enters into an agreement with a DMA Eligible Client to transmit orders received from the DMA Eligible Client in accordance with these Trading Policies shall exercise due diligence to ensure that each such DMA Eligible Client complies with all Alpha Requirements and shall put in place policies and procedures governing, and be responsible for, compliance with the Alpha Requirements with respect to the entry and execution of orders transmitted by DMA Eligible Clients through the Member.
- (3) The Sponsoring Member shall have the ability to receive an immediate report of the entry and execution of orders entered by the DMA Eligible Client. The Sponsoring Member shall have the capability of rejecting orders that do not fall within the designated parameters of authorized orders for a particular DMA Eligible Client.



- (4) The Sponsoring Member shall have procedures in place to ensure that DMA Eligible Clients use system interconnects and can comply with the Alpha Requirements and other applicable regulatory requirements.
- (5) The eligibility of DMA Eligible Clients using system interconnects shall be reviewed at least annually by the Sponsoring Member.
- (6) In addition to all other account documentation, the Sponsoring Member shall ensure specifically that the Sponsoring Member or Alpha has the right, at any time and for any reason, including if compelled to do so by any regulatory authority or Alpha to discontinue receiving or processing orders which will be routed to the System from any DMA Eligible Client.

#### **4.4. Contents of agreement with DMA Eligible Clients**

- (1) The agreement between the Sponsoring Member and the DMA Eligible Client must provide that:
  - (a) the DMA Eligible Client will only enter orders in compliance with Alpha Requirements and other applicable regulatory requirements respecting the entry and trading of orders;
  - (b) specific parameters defining the orders that may be entered by the DMA Eligible Client are stated, including restriction to specific securities or size of orders;
  - (c) the Sponsoring Member has the right to reject an order for any reason;
  - (d) the Sponsoring Member has the right to change or remove an order in the Alpha Systems and has the right to cancel any trade made by the DMA Eligible Client for any reason;
  - (e) the Sponsoring Member has the right to discontinue accepting orders from the DMA Eligible Client at any time without notice;
  - (f) the Sponsoring Member agrees to train the DMA Eligible Client in the Alpha Requirements dealing with the entry and trading of orders and other applicable Alpha Requirements; and
  - (g) the Sponsoring Member accepts the responsibility to ensure that revisions and updates to Alpha Requirements relating to the entry and trading of orders are promptly communicated to the DMA Eligible Client.





#### **4.5. Termination of Sponsored Access**

- (1) Alpha may suspend a DMA Eligible Client's access to Alpha Systems without notice if it concludes after reasonable investigation that the DMA Eligible Client has:
  - (a) misused the Alpha Systems or has caused a disorderly market;
  - (b) failed to comply or is not in compliance with Alpha Requirements; or
  - (c) engaged in conduct, business or affairs that is unbecoming, inconsistent with just and equitable principles of trade or detrimental to the interests of Alpha.
- (2) A Sponsoring Member must terminate a DMA Eligible Client's access to the Alpha Systems immediately upon receiving notice and must not reinstate access to Alpha Systems without Alpha's written approval.



## **PART V. Governance of Trading Sessions**

### **DIVISION 1 — GENERAL**

#### **5.1. Market Integrity and General Compliance Requirement**

Each Member and each Approved Trader on Alpha shall comply with all Alpha Requirements.

#### **5.2. Times of Sessions**

- (1) On each business day Alpha will be open for trading sessions.
- (2) Alpha will determine from time to time the opening and closing times for each session and will publish the time of the sessions by Notice to Members.
- (3) The current trading sessions are:
  - (a) System open for queries
  - (b) Pre-opening until the opening call (Pre-Open)
  - (c) Opening Call
  - (d) Continuous trading from the opening call to the closing call (Continuous Trading)
  - (e) Closing Call
  - (f) Extended closing session from the closing call to the final closing call (Extended Closing)
  - (g) Final Closing Call
  - (h) Extended Trading session

#### **5.3. Changes to Trading Sessions**

- (1) The CEO or in his or her absence any person designated by the CEO may at any time in the event of an emergency
  - (a) suspend all trading at any session or sessions or trading in any security during any session or sessions, or



- (b) close, reduce, extend or otherwise alter the time of any session or sessions.

#### **5.4. Trades or Queries Outside of Trading Session Hours**

- (1) No Member or DMA Eligible Client may make a bid, offer or transaction on Alpha or issue a commitment to trade on Alpha outside trading session hours.
- (2) Members and DMA Eligible Clients have the ability to run queries on the Alpha Systems during and outside of trading session hours.

#### **5.5. Trading Halts**

- (1) Alpha can initiate a trading halt based on certain external events at any time.
- (2) The Market Regulator may initiate a trading halt due to market conditions, or to allow for the dissemination of material information by an issuer.
- (3) Trading may be halted by Alpha or any applicable securities regulatory authority.

**Commentary:** Examples of circumstances when Alpha may halt trading include:

- (a) Halt trading of a security to permit the dissemination of material news; or
  - (b) Halt trading of a security during a trading halt imposed by another marketplace to permit the dissemination of material news; or
  - (c) Halt trading in a security when Alpha determines that extraordinary market activity in the security is occurring, such as the execution of a series of transactions for a significant dollar value at prices substantially unrelated to the current market for the security, as measured by the NBBO; or
  - (d) other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.
- (4) Alpha can initiate two types of trading halts based on certain external events.
    - (a) During a “full” halt order entry, amendment and matching are not permitted, and orders can be cancelled.
    - (b) During a “no matching” halt, new orders can be entered and existing orders can be amended or cancelled, but no matching is permitted.
  - (5) After a trading halt is lifted, the security enters a Pre-open phase allowing for order entry, amendment and cancellation, followed by an auction.



#### **5.6. Exceeding Price Band Parameters (Price Band Limits)**

- (1) Alpha may determine price band parameters which set limits based on a variance from the ALSP or any other reference price.
- (2) Alpha may change the price band parameters to adjust to changes in the markets or to events on a particular day.
- (3) Alpha will publish the establishment of a price band parameter and any changes (other than those made for a temporary period to adjust to a particular event) before implementation.
- (4) During the Continuous Trading session, if a tradable order would trade through the price band parameter or limit for a security, the order will trade up to the price band parameter and any remaining balance will be cancelled.
- (5) Price band parameters do not affect execution of crosses and Special Terms trades.

#### **5.7. General Capacity Thresholds to Achieve Performance**

- (1) Alpha may determine thresholds based on system capacity criteria.
- (2) If a Member or DMA Eligible Client, directly or indirectly, exceeds the threshold, Alpha may take action to mitigate the impact.

#### **5.8. Cancellation and Correction of Trades by Alpha**

- (1) Notwithstanding any other provision of these Trading Policies, Alpha has the right to change and/or cancel any Member order or trade that has not yet been submitted by Alpha to the clearing agency clearance and settlement process for the purposes of mitigating errors made in order execution and maintaining market quality. In situations where the Member is unaware of such a change or cancellation Alpha shall take reasonable steps to notify the Member prior to completing such a change or cancellation, where practicable, or promptly after it has occurred, where prior notice is impracticable
- (2) Cancellation or correction of trades involving orders with regulatory markers (such as insider or significant shareholder) will follow the guidelines set out by the Market Regulator.



**Commentary:**

Decisions may require consultation with the Market Regulator and/or other marketplaces and the counterparties of the trade.

**5.9. Error Corrections Requested by Member**

- (1) A Member may request to have a trade cancelled or changed.

**Commentary:**

Alpha has implemented processes for handling these requests, and has implemented price band parameters to minimize erroneous trades from occurring. Alpha will publish Information regarding the price band parameters so that Members can efficiently manage risks due to erroneous trades.

- (2) Trade Cancellations or Amendments at the Opening:

(a) *Requests by Members for cancelling trades that occurred at the opening.* Upon request of a Member, Alpha will cancel a trade with the consent of both parties to the trade or after consultation with the Market Regulator. The trader can: (i) attempt to get the consent of the party on the other side to cancel the trade, (ii) request Alpha to seek consent from the counterparty, or (iii) call the Market Regulator and request it to instruct Alpha to cancel the trade.

(b) *Requests by Members to amend or correct a trade at the opening.* Upon request by a Member, Alpha will grant a request to change the price or increase the volume of a trade with the consent of both parties to the trade and the consent of a representative of the Market Regulator, or after consultation with the Market Regulator. Alpha will grant a request to decrease the volume of a trade with the consent of both parties to the trade or upon instructions of the Market Regulator. The trader can: (i) attempt to get the consent of the party on the other side to cancel the trade, (ii) request Alpha to seek consent from the counterparty, or (iii) call the Market Regulator and request it to instruct Alpha to amend or correct the trade.

- (3) Trade Cancellations or Amendments during Continuous Session:

(a) *Requests by Members for cancelling trades that occurred during the continuous trading session.* Upon request of a Member, Alpha will cancel a trade with the consent of both parties to the trade or after consultation with the Market Regulator. The trader can: (i) attempt to get the consent of the



party on the other side to cancel the trade, (ii) request Alpha to seek consent from the counterparty, or (iii) call the Market Regulator and request it to instruct Alpha to cancel or correct the trade.

- (b) *Requests by Members to amend or correct a trade during the continuous trading session.* Upon request of a Member, Alpha will grant a request to change the price or increase the volume of a trade with the consent of both parties to the trade and the Market Regulator, or upon instructions of a representative of the Market Regulator. Alpha will grant a request to decrease the volume of a trade with the consent of both parties to the trade or upon instructions of the Market Regulator. The trader can: (i) attempt to get the consent of the party on the other side to cancel the trade, (ii) request Alpha to seek consent from the counterparty, or (iii) call the Market Regulator and request it to instruct Alpha to cancel or correct the trade.
- (4) Trade Cancellations or Amendments at the Closing Auction
- (a) *Requests by Members for cancelling trades that occurred at the closing.* Upon request of a Member, Alpha will cancel a trade with the consent of both parties to the trade or after consultation with the Market Regulator. The trader can: (i) attempt to get the consent of the party on the other side to cancel the trade, (ii) request Alpha to seek consent from the counterparty, or (iii) call the Market Regulator and request it to instruct Alpha to cancel or correct the trade.
  - (b) *Requests by Members to amend or correct a trade at the closing.* Upon request of a Member, Alpha will grant a request to change the price or increase the volume of a trade with the consent of both parties to the trade and after consultation with the Market Regulator. Alpha will grant a request to decrease the volume of a trade with the consent of both parties to the trade or upon instructions of the Market Regulator. The trader can: (i) attempt to get the consent of the party on the other side to cancel the trade, (ii) request Alpha to seek consent from the counterparty, or (iii) call the Market Regulator and request it to instruct Alpha to cancel or correct the trade.
- (5) *Requests by Members for trade cancellations or amendments on T+1 and T+2.* Members must send requests for trade cancellations or amendments on T+1 or T+2, for trades executed on T, directly to the Clearing Corporation. Alpha cannot process these requests.



**Commentary:**

*Market Regulator time limit.* It is the Member's obligation to promptly contact the Market Regulator if it wants to seek a decision from it regarding whether it will permit a cancellation or amendment. Generally the Market Regulator must be contacted within 30 minutes of the time of the trade.

**DIVISION 2 — ORDER ENTRY**

**5.10. Order Types**

<b>All or None (AON)</b>	An order that may only be executed in full. The order remains in the CLOB with original time priority until it is able to be filled.
<b>Fill or Kill (FOK)</b>	An order that is to be filled immediately in full or in part, with the unfilled quantity cancelled.
<b>Fill and Kill (FAK)</b>	An order that is to be filled immediately in full, or cancelled.
<b>Good for Day</b>	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the end of the continuous trading session
<b>Good for Extended Day</b>	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the end of the extended trading session
<b>Good till Cancel</b>	Order that remains valid until it is fully filled or is cancelled by the Member or DMA Eligible Client.
<b>Good till Date</b>	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until a specified expiry date
<b>Good till Time</b>	Order that is valid until it is fully filled or cancelled by the Member or DMA Eligible Client or until the specified expiry date and time
<b>Inside Match (IM)</b>	Order with a limit price within the NBBO specified by a percentage (between 10% and 90%, in increments of 10%) of



	the spread that trades with PII orders immediately on entry. Any unfilled balance of an IM order is cancelled. Trades may occur at smaller price increments than the minimum quotation increments contained in UMIR.
<b>Limit on Open (LOO)</b>	A Limit Order that is only available for execution at the opening call.
<b>Limit Order</b>	An order to buy or sell a security at a price equal to, or better than, the specified limit price. An unfilled Limit Order entered during the Pre-Open session will be available for trading in the Continuous Trading session
<b>Market on Close (MOC)</b>	A Market Order participating only in the closing and executing at the CCP. MOC orders do not participate in the continuous trading session. MOC orders can be entered, modified and cancelled any time between 7:00 a.m. and the closing call. Any unfilled part of the order is killed after the Closing Call Note: MOC orders are currently being rejected
<b>Market on Open (MOO)</b>	A Market Order that is only available for execution at the Opening Call. Any unfilled MOO orders will be killed when the Continuous Trading Session begins.
<b>Market Order</b>	An order to buy or sell a security at the best price available, up to a specified volume. An unfilled Market Order entered during the Pre-Open session, is booked as a Limit Order for trading in the Continuous Trading session at the COP.
<b>Mixed Lot</b>	An order for at least one Board Lot and an Odd Lot.
<b>Odd Lot</b>	An order for less than a Board Lot.
<b>On-Stop</b>	An order that becomes a Market Order or Limit Order if a specified price (the stop price) is reached, or passed.
<b>Passive Only (PO)</b>	The PO order is cancelled at the time of entry if any portion of the order is immediately tradable. PO orders are also cancelled if the order becomes active due to a price change (i.e., a price amendment or short sale price re-pegging).





<b>Price Improvement Iceberg (PII)</b>	An SI with a non-disclosed, discretionary limit price expressed in a number of ticks beyond its limit price. The PII can match with IM orders at the price of the IM order, if the price of the IM order is equal to or better than the PII discretionary price.
<b>Short Sell</b>	An order to sell a security that the seller does not own (either directly, or through an agent or trustee) at the time of the order. Short Sell orders may only be executed at a price equal to, or above the NLSP.
<b>Short Sell "exempt"</b>	A Short Sell order that is exempt from the "last sale" pricing restrictions in UMIR. Members are responsible for identifying these orders.
<b>Special Terms</b>	Orders that are not for standard settlement or that have a minimum execution condition.
<b>Standard Iceberg (SI)</b>	A Limit Order that specifies a total size and a disclosed size. Once the disclosed size is executed in full, the new quantity of the disclosed size is released with time priority corresponding to the release time.

**Commentary:**

*Price Related Orders*

A "price-related execution condition" means any restrictions that apply to the price at which an order can execute. Alpha supports the following price conditions:

(a) Market Order: Executed at multiple price levels until the volume of the order is satisfied. The unfilled part of the order is converted to a Limit Order at a price equal to the price of the last fill of the order or the ALSP.

Example:

XYZ Security

Bid		Ask	
500 shares	10.00	10.01	500 shares
300 shares	9.99	10.02	200 shares
200 shares	9.98		



A trader enters a Market Order to buy 3000 shares.

After the trades of 500 shares at \$10.01 and 200 shares at \$10.02, the remaining 2300 shares will be booked at \$10.02.

The book for XYZ would look as follows:

XYZ Security

Bid	Ask
2300 shares 10.02	
500 shares 10.00	
300 shares 9.99	
200 shares 9.98	

(b) Limit Order: Executed at the price equal to or better than the specified limit price.

(c) IM Order: Upon receipt, it will trigger PII orders for an immediate match. Any unfilled part of the IM order is killed. If there are no matching PII orders, the entire IM order is killed.

Example:

XYZ Security

Bid	Ask
200 shares (1000 reserve) 3.00 (discretionary 3.20)	4.00 200 shares
500 shares 3.00	

NBBO is 3.00 – 4.00

A trader enters a sell Inside Match order for 100 shares with a specified percentage 80%

The engine assigns a limit of \$3.20 to the IM order

The IM is matched against the PII order and 100 shares will trade at 3.20

The book for XYZ would look as follows:



### XYZ Security

Bid	Ask
100 shares (1000 reserve) 3.00 (discretionary 3.20)	4.00 200 shares
500 shares 3.00	

#### *Trade Session Related Orders*

Some orders are only valid during specific Trading Sessions: MOO, LOO, and MOC.

#### *Volume- Related Orders*

These are volume-related execution conditions: FAK orders, FOK orders, and AON orders.

Note: A Fill or Kill Order is known in other marketplaces as an Immediate or Cancel Order (IOC).

#### *Time Related Orders*

These are orders with time-related conditions, which limit the time the unfilled part of the order remains in the order book. (Note that for Good till Cancel Orders, Alpha will automatically cancel the order if it is older than a set number of days determined by Alpha. Currently, Good till Cancel orders are cancelled after 90 days.

#### *On-Stop Orders*

An On-Stop order activates once the specified trigger price is equal to or better than the ALSP. A buy On-Stop order triggers a buy order when the ALSP is greater to or equal to the stop price. A sell On-Stop order triggers a sell order when the ALSP is less than or equal to the stop price.

On-Stop orders may execute immediately after triggering but before entry in the CLOB (see example below).

The trading system will reject an On-Stop order with a Limit price that is not equal to the trigger price.

Note:



On-Stop orders processed via the Trade Through Management Service of the Alpha Router will support On-Stop Market Orders and On-Stop Limit Orders with a limit price not equal to the trigger price.

Example:

XYZ Security

Bid		Ask	
500 shares	10.00	10.04	400 shares
200 shares	9.99	10.05	500 shares
300 shares	9.98	10.06	500 shares

ALSP is 10.03.

Trader 1 enters a limit on-stop buy order for 600 shares, with trigger and limit price of 10.05.

A market buy order for 500 shares is entered and executed.

ALSP becomes 10.05 and triggers the on-stop order. The order is immediately executed 400 shares at 10.05 and the remaining 200 shares is booked into the CLOB with a limit price of 10.05

The book for XYZ would look as follows:

XYZ Security

Bid		Ask	
200 shares	10.05	10.06	500 shares
500 shares	10.00		
200 shares	9.99		
300 shares	9.98		



### *Short Sale Orders*

A Short Sell order is an order to sell a security that the seller does not own. To facilitate compliance with the short sale rule, the system generally pegs the price of short sell orders to the NLSP. However in the Pre-Open phase, short sale order prices are adjusted to the closing price of the principal market. Members are responsible for the identification of short sell orders.

A Short Sell “exempt” order is a Short Sell order that is exempt from the “last sale” pricing restrictions in UMIR. Members are responsible for identifying these orders.

### *Iceberg Orders*

An SI order is a Limit Order containing a total size and a disclosed size. The CLOB displays the disclosed size. Once the displayed size is completely executed, the CLOB will display another order equal to the originally disclosed size and the undisclosed size, or reserve, will be reduced accordingly.

A PII order is an SI order with a hidden, discretionary limit price expressed as a number of ticks beyond its limit price. The PII can match with IM orders at the price of the IM order, if the price of the IM order is equal to or better than the PII discretionary price.

### *Special Terms Orders*

Special Settlement Terms: Orders with settlement terms that differ from the standard settlement terms.

### *Mixed and Odd Lot Orders*

A Mixed Lot order is a Market Order or Limit Order for a quantity that is larger than a Board Lot but is not a Board Lot.

An Odd Lot order is a Market Order or Limit Order for a quantity that is less than a Board Lot.

## **5.11. Account Types**

- (1) The Alpha Systems support order entry for
  - (a) client accounts;
  - (b) house or principal accounts; and
  - (c) non-client accounts.



### 5.12. Crosses

- (1) A Member or DMA Eligible Client may report trades made outside the CLOB.
- (2) Crosses other than Specialty Price crosses during the Continuous Trading session must be made at a price that is at or within the ABBO.
- (3) National crosses entered during the continuous trading session must be made at a price that is at or within the NBBO.
- (4) Crosses can be entered at any price during the Extended Trading session.
- (5) Bypass Crosses are only allowed on a regular Alpha cross (no BBO check), and are not allowed on SPC Contingent Cross, Internal Cross, National Cross and SST Cross. A bypass Cross is exempt from cross interference, is short sell and short exempt supported, is only allowed on round lots and mixed lots and does not update NLSP.

**Commentary:** Crosses entered during the Extended Trading session at the Closing Price can be entered by the Approved Trader through the Alpha Systems. For crosses at any other price during the Extended Trading Session, Alpha must be in receipt of a completed “Extended Trading Cross Request” Form prior to executing the cross in the Extended Session. This form must be received between 4:15 and 4:50 pm on the day the cross is to be entered. The Extended Session cross will be entered by a representative of Alpha in accordance with the submitted request and confirmed to the client by email. Alpha will confirm that the price of the cross is at or within the NBBO at the time Alpha receives the order. If the price is not at or within the NBBO, the cross will be rejected. Alpha staff will also confirm that the price of the cross would not trade outside a better priced order in the Alpha CLOB at 4 pm. If the cross would in fact trade outside a better priced order in the Alpha book, the cross will be rejected. Alpha will not be responsible for a Member’s compliance with applicable securities regulation or rules of a Market Regulator. A Bypass Cross entered in the Extended Trading Session is allowed at any price. As a result, the submission of a completed “Extended Trading Cross Request” Form is not required for crosses marked bypass.

### 5.13. Specialty Price Crosses

- (1) A Specialty Price cross is one of the following:

Basis Cross	A cross of at least 80% of the component share weighting of the basket of securities or index participation unit that is the subject of
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	<p>the basis trade. A Member shall report details of the transaction to Alpha and the Market Regulator in the format and at the time required by Alpha and the Market Regulator and such information shall include complete details relating to the calculation of the price of the basis trade and all relevant supporting documentation</p>
<p>Volume-Weighted Average Price (VWAP) Cross</p>	<p>A VWAP trade price based on all trades during the Continuous Trading session. A VWAP trade price calculated on any other basis must be determined in such a manner that the time period for calculating the volume-weighted average price commences after the receipt of the order by the Member and the types of trades to be excluded from the calculation are determined prior to the commencement of the calculation. A Member shall report details of the transaction to Alpha and the Market Regulator in the format and at the time required by Alpha and the Market Regulator.</p>

- (2) Specialty Price Crosses may be executed during the Continuous Trading session and the Extended Trading session.
- (3) Specialty Price Crosses will not be reflected in the ALSP and will not be used in the calculation of the ACP.
- (4) Specialty Price Crosses must contain the order identifier required by the Market Regulator.

**5.14. Bypass Order**

- (1) A Bypass Order must be entered as a Limit Order during the Continuous Trading or Extended Trading sessions.
- (2) The Bypass marker is only allowed on Board Lot orders.
- (3) A Bypass Order only executes against disclosed volume.

**Commentary:**

All Bypass Orders are FOK/ FAK; as a result all CFO or Cancel instructions with the bypass marker are rejected. It can be used through the Trade Through Service and updates the national last sale price (NLSP) which is the



most recent trade of at least a Board Lot on any marketplace, other than a Special Terms trade.

Example 1:

The book for XYZ would look as follows:

XYZ Security

Buy Volume	Bid	Offer	Sell Volume	Non-disclosed/Reserved Volume
500 shares	\$2.00	\$2.50	200 shares	800 shares
		\$2.51	500 shares	
		\$2.53	200 shares	1000 shares

A user enters a Bypass Limit Order to buy 1000 @2.54

The order is validated and accepted by the system

The order is checked against the order book

Three trades occur:

*200 @2.50*

*500 @2.51*

*200 @2.53*

The remaining 100 of the Bypass Order is cancelled (Bypass Order is always FOK or FAK).

ALSP updates to 2.53

Post-Trade:

XYZ Order Book

Buy Volume	Bid	Offer	Sell Volume	Non-disclosed/Reserved Volume
500 shares	\$2.00	\$2.50	200 shares	600 shares





		\$2.53	200 shares	800 shares
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**Note:** UMIR Rule 6.2 Designations and Identifiers, clarifies the responsibility of ensuring that each order in any marketplace has specific identifiers and designations upon entry.

Example 2: - Bypass Short Sell order pegged to NLSP

National Last Sale Price is \$1.90

XYZ Security

Non-disclosed/Reserve Volume	Buy Volume	Bid	Offer	Sell Volume
1000 shares	500 shares	\$2.00	\$2.50	500 shares
	400 shares	\$1.80		

Dealer A sent short sell Bypass Order for 900 at 1.80.

Order is booked as Short Sell with limit price 1.90. (Pegged to National Last Sale Price)

Alpha executes trade as 500 at 2.00

Outstanding volume of 400 is killed.

Alpha Last Sale Price updates to 2.00

Post-Trade Order Book

XYZ Security

Non-disclosed/ reserve Volume	Buy Volume	Bid	Offer	Sell Volume
500 shares	500 shares	\$2.00	\$2.50	500 shares



	400 shares	\$1.80		
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Example 3: Bypass Short Sell Exempt Order

XYZ Security

Reserve Volume	Buy Volume	Bid	Offer	Sell Volume
1000 shares	500 shares	\$2.20	\$2.50	500 shares
	400 shares	\$2.00		

Dealer A sent Short Sell Exempt Bypass Order for 600 at \$2.00.

Order is booked as Short Sell Exempt at \$2.00 (Order is NOT Pegged to National Last Sale Price)

Alpha executes 2 trades; 500 at \$2.20, 100 at \$2.00

Alpha Last Sale Price updates to \$2.00

Post-Trade Order Book

XYZ Security

Non-disclosed/Reserve Volume	Buy Volume	Bid	Offer	Sell Volume
500 shares	500 shares	\$2.20	\$2.50	500 shares
	300 shares	\$2.00		

**5.15. Cancel on Disconnect**

- (1) Orders may be marked Cancel on Disconnect. The Alpha Systems will cancel all orders that are designated Cancel on Disconnect when the user is logged out from the trading system. When the session for the user in question is either



disconnected or logged out, no matter whether it is planned or not, executed by the user or not, then any orders marked as cancel on disconnect managed through this session will be cancelled.

#### **5.16. Self Trade Management**

- (1) Alpha Self Trade Management is a designation that suppresses trades from the public feed where orders on both sides of the trade are from the same Member and contain the same “self trade key” set by the Member.
- (2) Self Trade Management applies only to unintentional trading (e.g. does not apply to intentional crosses).
- (3) The designation is only applicable in Continuous Trading.
- (4) Self trades are not disseminated on the public trade messages and do not update the last sale price, daily volume and turnover, or other trading statistics.
- (5) The designation is applicable to board lot orders and board lot portion of mixed lot orders.

Note: The unique trading key provided by the Member for Self Trade Management is intended for use only on buy and sell orders for accounts that may result in trades where there is no change in beneficial or economic ownership.

#### **5.17. Trades on a “When-Issued” Basis**

- (1) Alpha may post any security to trade on a when issued basis if such security is conditionally approved for listing as an Alpha Listed Security.
- (2) Alpha may trade any OTS on a when issued basis if it is trading on a when issued basis on the marketplace where it has been conditionally listed.
- (3) Unless otherwise specified, trades on a when issued basis are subject to all applicable Alpha Requirements relating to trading in an Alpha Listed Security or OTS, notwithstanding that the security is not listed.
- (4) All trades on a when issued basis shall be cancelled if Alpha determines that the securities subject to such trades will not be listed.

#### **5.18. Advantage Goes with Securities Sold**

- (1) Except as provided in section 5.18(2), in all trades of Alpha Listed Securities or OTSs, all entitlements to receive dividends or any other distribution made or right



given to holders of that security shall pass with the security and shall belong to the purchaser, unless otherwise provided by Alpha for Alpha Listed Securities or the listing market of the OTS, as applicable, or the parties to the trade by mutual agreement.

- (2) In all sales of listed bonds and debentures, all accrued interest shall belong to the seller unless otherwise provided by Alpha for Alpha Listed Securities or the listing market of the bonds or debentures, for OTSs, or parties to the trade by mutual agreement.
- (3) Claims for dividends, rights or any other benefits to be distributed to holders of record of listed securities on a certain date shall be made in accordance with the procedures established by the Clearing Corporation.
- (4) If subscription rights attaching to securities are not claimed by the persons entitled to those rights at least twenty-four hours before the expiration of the time within which trading in respect of such rights may take place on Alpha, a Member holding such rights may, in its discretion, sell or exercise all or any part of such rights, and shall account for such sale or exercise to the person or persons entitled to such rights, but in no case shall a Member be liable for any loss arising through failure to sell or exercise any unclaimed rights.

#### **5.19. Foreign Currency Trading**

- (1) A report of a cross trade agreed to in a foreign currency shall be converted to Canadian dollars using the mid-market spot rate or 7-day forward exchange rate in effect at the time of the trade, plus or minus 15 basis points.
- (2) If the converted price falls between two ticks, trades shall be done at each of the ticks immediately above and below the converted price for the number of shares, which yields the appropriate average price per share.
- (3) The Member making the cross shall keep a record of the exchange rate used.

#### **5.20. Unattributed Orders**

- (1) Members and DMA Eligible Clients may enter orders on an attributed or unattributed basis.



**Commentary:**

When an order is entered in an Alpha order book, the identity of the Member will be disclosed to the trading community for attributed orders and will not be disclosed for unattributed (anonymous) orders.

- (3) Orders with Special Settlement terms must be attributed.

**DIVISION 3 — TRADING AT THE OPENING**

**5.21. Display of Orders**

- (1) During the pre-opening session, Market Orders and better-priced Limit Orders will be displayed at the COP.
- (2) Between the hours of 7:00 a.m. and the Opening Call, CLOB orders will be displayed and the COP and the imbalance are disseminated. During this time the following orders can be entered, modified or cancelled:

- Market Order
- Limit Order
- Order with time conditions
- Market on Open Order
- Limit on Open Order
- Market on Close Order
- On-Stop Order
- All or None Order
- Short Sell Order
- Standard and Price Improvement Iceberg Order
- Odd Lot Order
- Mixed Lot Order
- Dark Order

**5.22. Opening Call**

- (1) The Opening Call for each security will occur at a random time between 9:30:00 a.m. and a time specified by Notice.
- (2) Each security will open at the COP.



**Commentary:**

The COP is calculated to maximize the traded volume. If there are two prices at which the same volume will trade, the COP is the price that will leave the smallest imbalance. If the imbalances are equal, the price will be the one closest to the previous day's closing price. For the purposes of determining the COP, Market Orders are assigned the worst price on the opposite side of the book, or if that price is not available, the best price of its own side.

- (3) Orders will be matched at the COP in the following priority:
- (a) Better-priced Limit and LOO orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
  - (b) Better-priced Limit and LOO orders trade with all other offsetting orders according to time priority; then
  - (c) Market and MOO Orders trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
  - (d) Market and MOO Orders trade with all other offsetting orders, according to time priority; then
  - (e) Limit and LOO Orders at the COP trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
  - (f) Remaining orders in the Opening Call trade with offsetting orders, according to time priority.

**Commentary:**

Limit Orders and LOO Orders have the same priority. Market Orders and MOO Orders have the same priority.

- (4) Market Orders that are not completely filled in the Opening Call will be booked in the CLOB as Limit Orders at the COP.
- (5) Limit Orders that are not completely filled in the Opening Call will be booked in the CLOB at the original limit price.
- (6) The unfilled balance of any LOO and MOO Order will be cancelled immediately after the opening call.



### **5.23. Delayed Openings**

- (1) Alpha may delay the opening of a security for trading on Alpha if:
  - (a) The COP differs from the previous day's ACP (adjusted to the Closing price on principal market for OTSs) by an amount greater than the price band parameters set by Alpha, or
  - (b) Alpha determines that it is appropriate due to market conditions.

## **DIVISION 4 — CONTINUOUS TRADING SESSION**

### **5.24. Establishing Price and Time Priority**

- (1) An order, other than a Special Terms order, entered in the CLOB at a particular price will be executed in priority to all orders at inferior prices.
- (2) Except as provided in section 5.21, an order at a particular price, other than a Special Terms order, will be executed prior to any orders at the same price entered subsequently in time, and after all orders at the same price entered previously ('time priority').
- (3) An undisclosed portion of an order does not have time priority until it is disclosed.
- (4) An order loses its time priority if its disclosed volume is increased
- (5) Special Terms orders have no priority in the CLOB.

### **5.25. Allocation of Trades**

- (1) Internal Crosses, unattributed Intentional Crosses and Specialty Price crosses may be entered without interference from orders in the CLOB at that price.
- (2) Intentional attributed crosses will be subject to interference only from attributed orders in the CLOB from the same Member according to time priority.
- (3) A tradable order entered in the CLOB will be executed in the following sequence:
  - (a) against offsetting orders entered in the CLOB by the same Member, according to the time of entry of the offsetting order, provided neither order is an unattributed order; then
  - (b) against offsetting orders in the CLOB according to time priority.



## DIVISION 5 — CLOSING CALL

### 5.26. Closing Call

- (1) The Closing Call for each security will occur at a random time between 4:00:00 p.m. and a time specified by Notice.

**Commentary:**

The Indicative Closing Imbalance is calculated and disseminated publicly through the Alpha broadcast feed starting at 3:40 p.m. and then every second until the Closing Call.

- (2) Orders participating in the closing call will be matched at the CCP.

**Commentary:**

The CCP is the price at which the most securities will trade. If two prices have an equal volume, the CCP will be the price that minimizes the Closing Imbalance. If the imbalances are equal, the CCP is the price that minimizes the difference from a selected parameter.

If the Calculated Closing Price for a security does not exceed the price band parameters, it is the Alpha Closing Price for the day.

- (3) Orders will be executed in the Closing Call in the following sequence:
  - (a) Better-priced Limit Orders will trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
  - (b) Better-priced Limit Orders will trade with all other offsetting orders according to time priority; then
  - (c) MOC orders will trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
  - (d) MOC orders will trade with all other offsetting orders, according to time priority; then
  - (e) Limit Orders will trade with offsetting orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then
  - (f) Remaining orders in the closing call will trade according to time priority.





**Commentary:**

Currently, All MOC orders are rejected. Under these circumstances the ACP is the LSP.

- (4) The unfilled balance of any Limit Orders, other than Good For Day Orders, will remain in the CLOB.
- (5) Any unfilled balance of a MOC Order will be cancelled immediately following the Closing Call.

**DIVISION 6 — EXTENDED CLOSING SESSION:**

**5.27. Additional Closing Call**

- (1) If the CCP for a security exceeds the price band parameters set by Alpha, an Extended Closing session for the security will follow.
- (2) During the Extended Closing session, Market Orders, Limit Orders and MOC orders may be entered, modified and cancelled.
- (3) During the Extended Closing session a new CCP will be calculated.
- (4) At the end of the Extended Closing session, a Closing call will occur at a random time between 4:10:00 p.m. and 4:10:30 p.m.

**Commentary:**

If this new Calculated Closing Price does not exceed the price band parameters, it will become the ACP.

- (5) Orders will be executed in the new Closing Call in the priority listed in section 5.23.
- (6) If the new CCP exceeds the price band parameters, Alpha may set a Closing Price within the price band parameters.

**5.28. Closing Price Adjustment**

- (1) The Alpha Closing Price for all OTSs will be adjusted overnight to reflect the closing on the principal market, which will be the listing marketplace unless otherwise identified by Notice.



**DIVISION 7 — EXTENDED TRADING SESSION:**

**5.29. Eligible Securities Trade at ACP**

- (1) All Listed Securities and OTSs shall be eligible for trading during the Extended Trading session at the Alpha Closing Price for each security.

**Commentary:**

See Section 5.12 for facilitation of Intentional Crosses at any price.



## **PART VI. Market Makers and Odd Lot Dealers**

### **DIVISION 1 — MARKET MAKERS**

#### **6.1. Appointment of Market Makers**

- (1) Alpha may appoint a Member or Members as a Market Maker for an Alpha Listed Security or OTS for the term specified in any Notice notifying the Members of the availability of the securities.
- (2) A Member wishing to be appointed as a Market Maker for a particular Alpha Listed Security or OTS must apply and agree to the terms on the designated Market Maker Application Form.
- (3) Alpha may
  - (a) approve an applicant;
  - (b) defer approval pending receipt of further information concerning the applicant's qualifications to be appointed a Market Maker; or
  - (c) refuse the application for such factors it considers relevant.
- (4) A Member whose application is refused may not make another application for a period of 90 days from the date of refusal.
- (5) A Member that is approved as a Market Maker agrees to: (i) maintain its status as a Member of Alpha; and (ii) take all commercially reasonable steps to ensure that it complies with all requirements to act as a Market Maker set out in the Alpha Requirements, as amended from time to time. Where the Market Maker does not comply with such requirements it will immediately advise Alpha of such failure in writing. Such notification will include specific information as to the nature of such failure to comply.
- (6) A Member that is approved as a Market Maker agrees that it has and will continue to have necessary resources, including trained personnel and technology, to allow it to carry out all of its obligations pursuant to the Market Maker Agreement and these Trading Policies.



- (7) Alpha may revoke the Market Maker's appointment as a Market Maker for any or all securities or attach such additional terms or conditions to the Market Maker Agreement as Alpha deems to be necessary, where:
- (a) the Market Maker fails to comply with any term of the Market Maker Agreement or these Trading Policies;
  - (b) Alpha determines, in its sole discretion, that the Market Maker or its officers, employees, directors or agents have violated any applicable regulatory requirement;
  - (c) Alpha believes, in its sole discretion, that the Market Maker cannot or may not in the future carry out its obligations as a Market Maker under these Trading Policies or the Market Maker Agreement; or
  - (d) Alpha has determined, in its sole discretion, that the Market Maker or its officers, employees, directors or agents have in any way acted in a manner that is detrimental to the interests of Alpha or the public

## **6.2. Responsibilities of Market Makers in Their Assigned Securities**

- (1) A Market Maker must trade for its own account in a sufficient degree to ensure reasonable price continuity and liquidity for the securities assigned to it.
- (2) In particular, a Market Maker must
  - (a) post bids and offers on a continuous basis at no more than the spread agreed upon with the Exchange;
  - (b) maintain a market and/or promote the fair value of the security in all trading sessions that is competitive with other marketplaces on which the security trades;
  - (c) appoint a Market Maker Approved Trader and back-up acceptable to Alpha;
  - (d) assist other Members in executing orders;
  - (e) notify Alpha and the Market Regulator of any perceived violation of Alpha Requirements;
  - (f) provide Alpha with information concerning trading in their Assigned Securities.



- (3) A Market Maker must appoint, in writing, a trading officer, director or partner of the Member as its Market Maker Contact.
- (4) The Market Maker Contact:
  - (a) serves as the primary contact with Alpha, with authority to speak for the Member concerning its activities as a Market Maker; and
  - (b) manages the Member's market making responsibilities.

### **6.3. Termination of Responsibilities**

- (1) A Market Maker's obligations with respect to a right, warrant or similar security terminate 10 business days prior to the expiry date of the security.
- (2) A Market Maker's obligations with respect to a preferred share that has been called for redemption or retraction terminate 10 business days prior to the redemption or retraction date of the security.
- (3) Alpha may suspend or terminate a Market Maker's responsibilities where a corporate action or other unusual circumstance makes it impractical for the Market Maker to carry out its responsibilities.
- (4) Alpha may suspend or terminate a Market Maker's obligation to post an offer where
  - (i) the Market Maker is not long the security; and
  - (ii) the Market Maker cannot borrow securities to cover short sales at a reasonable cost.

### **6.4. Notification**

- (1) A Market Maker must give Alpha at least 10 days' prior notice of any change in the Market Maker Contact, the Market Maker Approved Trader or backup, unless circumstances make such prior notice impossible, in which case notice must be given as soon as possible.
- (2) A Market Maker must inform Alpha immediately if market conditions in any of its assigned securities have changed such that it is no longer possible for the Market Maker to carry out its responsibilities.



- (3) A Market Maker must give Alpha at least 60 days' prior written notice that it intends to relinquish its responsibilities in an Assigned Security, unless Alpha has consented to a shorter notice period.

## **6.5. Transition**

- (1) Alpha will provide Notice to all Members at least 30 days prior to the end of a Market Maker's term when a Market Maker has given notice under Section 6.4.
- (2) If the Market Maker has not given notice of its intention to terminate its status as a Market Maker, the assigned securities will remain with the current Market Maker for successive one year terms.
- (3) The transfer of an assignment occurs on the date of the assignment to a new Market Maker. Unless otherwise provided by Alpha and as set out in a Notice, the transfer of the assignment will occur 10 business days after Notice of the new appointment.

## **DIVISION 2 — ODD LOT DEALERS**

### **6.6. Appointment of Odd Lot Dealers**

- (1) Alpha may appoint a Member as Odd Lot Dealer for an Alpha Listed Security or OTS.
- (2) A Member wishing to be appointed as an Odd Lot Dealer must apply and shall agree to the terms of the designated Odd Lot Dealer Agreement.
- (3) A Member wishing to be appointed as an Odd Lot Dealer must act as such for at least 200 securities, unless Alpha consents to a lower number.
- (4) Alpha may
  - (a) approve an applicant;
  - (b) defer approval pending receipt of further information concerning the applicant's qualifications to be appointed an Odd Lot Dealer; or
  - (c) refuse the application for such factors it considers relevant.
- (5) A Member whose application is refused may not make another application for a period of 90 days from the date of refusal.



- (6) Alpha may revoke the Odd Lot Dealer's appointment as an Odd Lot Dealer for any or all securities or attach such additional terms or conditions to the Odd Lot Dealer Agreement as Alpha deems to be necessary, where:
- (a) the Odd Lot Dealer fails to comply with any term of the Odd Lot Dealer Agreement or these Trading Policies;
  - (b) Alpha determines, in its sole discretion, that the Odd Lot Dealer or its officers, employees, directors or agents have violated any applicable regulatory requirement;
  - (c) Alpha believes, in its sole discretion, that the Odd Lot Dealer cannot or may not in the future carry out its obligations as an Odd Lot Dealer under these Trading Policies or the Odd Lot Dealer Agreement; or
  - (d) Alpha has determined, in its sole discretion, that the Odd Lot Dealer or its officers, employees, directors or agents have in any way acted in a manner that is detrimental to the interests of Alpha or the public.
- (7) A Member that is approved as an Odd Lot Dealer agrees to: (i) maintain its status as a Member of Alpha; and (ii) take all commercially reasonable steps to ensure that it complies with all requirements to act as an Odd Lot Dealer set out in these Trading Policies, as amended from time to time. Where the Odd Lot Dealer does not comply with such requirements it will immediately advise Alpha of such failure in writing. Such notification will include specific information as to the nature of such failure to comply.
- (8) A Member that is approved as an Odd Lot Dealer agrees that it has and will continue to have necessary resources, including trained personnel and technology, to allow it to carry out all of its obligations pursuant to the Odd Lot Dealer Agreement and these Trading Policies.

#### **6.7. Assignment of Securities**

- (1) Alpha will assign securities to Odd Lot Dealers at least five business days prior to the effective date of the assignment.
- (2) Alpha may reassign a security if
  - (a) the number of Odd Lot Dealers increases;
  - (b) the Odd Lot Dealer for that security requests a reassignment.



- (c) the Odd Lot Dealer for that security has chosen not to renew its appointment; or
  - (d) Alpha withdraws its approval of the Odd Lot Dealer for that security.
- (3) Any reassignment will be made on a random basis.
- (4) If a reassignment request has been made pursuant to Rule 6.7(2)(b) and the security cannot be reassigned, the Odd Lot Dealer will continue to have responsibility for the rest of its one year term, subject to Rule 6.10(3) and (4).

#### **Commentary**

Alpha Odd Lot facilities are available to Members for all instruments other than listed or unlisted debt securities.

### **6.8. Responsibilities of Odd Lot Dealer in their Assigned Securities**

- (1) An Odd Lot Dealer must
- (a) accept and honour automatic execution of Odd Lot orders in accordance with Alpha Requirements for one year following its appointment;
  - (b) appoint an Odd Lot Approved Trader and back-up acceptable to Alpha;
  - (c) assist other Members in executing Odd Lot orders;
  - (d) notify Alpha and the Market Regulator of any perceived violation of Alpha Requirements;
  - (e) provide Alpha with information concerning Odd Lot trading in their assigned securities.
- (2) An Odd Lot Dealer must appoint, in writing, a trading officer, director or partner of the Member as its Odd Lot Dealer Contact.
- (3) The Odd Lot Dealer Contact:
- (a) serves as the primary contact with Alpha, with authority to speak for the Member concerning its activities as an Odd Lot Dealer; and
  - (b) manages the Member's Odd Lot dealing responsibilities.

### **6.9. Termination of Responsibilities**

- (1) An Odd Lot Dealer's obligations with respect to a right, warrant or similar security terminate 10 business days prior to the expiry date of the security.





- (2) An Odd Lot Dealer's obligations with respect to a preferred share that has been called for redemption or retraction terminate 10 business days prior to the redemption or retraction date of the security.
- (3) Alpha may suspend or terminate an Odd Lot Dealer's responsibilities where a corporate action or other unusual circumstance makes it impractical for the Odd Lot Dealer to carry out its responsibilities.
- (4) Alpha may suspend or terminate an Odd Lot Dealer's obligation to execute against buy orders where
  - (a) the Odd Lot Dealer is not long the security; and
  - (b) the Odd Lot Dealer cannot borrow securities to cover short sales at a reasonable cost.

#### **6.10. Notification**

- (1) An Odd Lot Dealer must give Alpha at least 10 days' prior notice of any change in the Odd Lot Dealer Contact, the Odd Lot Approved Trader or backup, unless circumstances make such prior notice impossible, in which case notice must be given as soon as possible.
- (2) An Odd Lot Dealer must inform Alpha immediately if market conditions in any of its Assigned Securities have changed such that it is no longer possible for the Odd Lot Dealer to carry out its responsibilities.
- (3) An Odd Lot Dealer must give Alpha at least 30 days' prior written notice that it will not renew its appointment, unless Alpha has consented to a shorter notice period.
- (4) Failure to give the notice required by Rule 6.10(3) will result in a renewal of the Odd Lot Dealer's responsibilities for a further one year term.

#### **6.11. Transition of an Odd Lot Book**

- (1) Alpha will provide Notice to all Members at least 30 days prior to the end of an Odd Lot Dealer's term, or when an Odd Lot Dealer has given notice under Section 6.10, so that other Members may apply to be an Odd Lot Dealer for the subsequent term.
- (2) If no new Member applies to become an Odd Lot Dealer at the end of a term of a current Odd Lot Dealer and the Odd Lot Dealer had not given notice of its



intention to terminate its status as an Odd Lot Dealer, the assigned securities will remain with the current Odd Lot Dealer until such time that a new Odd Lot Dealer is assigned those securities or that the Odd Lot Dealer gives notice under Section 6.10(3).

- (3) The transfer of an assignment occurs on the date of the assignment to a new Odd Lot Dealer. Unless otherwise provided by Alpha and as set out in a Notice, the transfer of the assignment will occur 10 business days after the new appointment.
- (4) If there is no new appointment of an Odd Lot Dealer to the securities and the Odd Lot Dealer has requested a termination of its Odd Lot Dealer status those securities will be assigned to the remaining Odd Lot Dealers. However, if for some reason there is no Odd Lot Dealer for a security, then the Odd Lot Orders or Mixed Lot Orders for the securities will be rejected upon the effective date of the termination.
- (5) Any Odd Lot Orders or Mixed Lot Orders remaining in the Central Limit Order Book or the Odd Lot Order book at the time of termination or suspension of the appointment will be cancelled if there has not been a re-assignment of securities.

#### **6.12. Sessions, Dates and Times**

- (1) Odd Lot Orders may be entered for trading during the Pre-Open Phase, Continuous Trading Session, and Extended Trading Session.
- (2) Odd Lot Orders may be executed during the Continuous Trading Session and the Extended Trading Session.

### **DIVISION 3 — TRADING IN THE ODD LOT BOOK**

#### **6.13. Continuous Trading Session.**

- (1) Incoming Odd Lot Market Orders will auto-execute at the time of order entry, at the National Best Bid and Offer price (sell orders at the best bid and buy orders at the best offer).
  - (a) If the relevant price is not available in the National Best Bid and Offer, the Odd Lot Market Order will be booked in the Odd Lot Order Book (OLOB) at the National Last Sale Price.



- (2) Incoming Odd Lot Limit Orders
  - (a) with price equal to or better than the National Best Bid and Offer will auto-execute at the time of order entry, at the National Best Bid and Offer price, and
  - (b) all other Odd Lot Limit Orders will be booked in the OLOB.
- (3) Odd Lot Limit Orders booked in the OLOB will be executed at the NBBO. Odd Lot limit sell orders will be executed at the National Best Bid price if the limit price is equal to or better than the National Best Bid and Odd Lot limit buy orders will be executed at the National Best offer price if the limit price is equal to or better than the National Best Offer.
  - (a) at each National Last Sale Price-setting trade Odd Lot limit orders booked in the OLOB will be validated against the NBBO.
  - (b) when there is an update (i.e. new order or order amend) in the Alpha CLOB Odd Lot limit orders booked in the OLOB will be validated against the NBBO.
  - (c) when the Odd Lot limit price is worse than the National Best Bid for sell orders and worse than the National Best Offer for buy orders, than the Odd Lot order will remain in the Odd Lot order book.
- (4) For Mixed Lot Orders,
  - (a) the round lot portion will trade in the CLOB using regular CLOB matching mechanism, and
  - (b) the Odd Lot portion will auto-execute when the last Board Lot of the round lot portion is executed, at the price of the last Board Lot.

**Commentary:**

Example:

XYZ Security NBBO

Bid		Ask	
200 shares	10.00	10.05	100 shares



NLSP is 10.04

Example 1:

- Incoming order to buy 50 @ market will auto-execute at 10.05 (section 6.12(1)(a))

Example 2:

- Incoming order to buy 50 @ 10.06 will auto-execute at 10.05 (section 6.12(2)(a))

Example 3:

- Incoming order to buy 50 @ 10.03 will be registered in the OLOB – no auto-execution (section 6.12(2)(b))

Example 4:

- A new order to buy 100 @ market is entered and 100 shares execute in the CLOB at 10.05. As a result there is now no current National Best Offer price.
- An order is entered to buy 50 @ 10.03 and is registered in the OLOB.
- A new sell order is entered for 500 shares at \$10.03, 200 shares subsequently execute at \$10.03. As a result the NBBO: \$10.00 - \$10.03 and NLSP: \$10.03).
- The odd lot order will auto-execute at 10.03, which is at the National Best Offer (section 6.12(3)(a)).

Example 5:

- An order is entered to buy 50 @ 10.03 and is registered in the OLOB.
- A new order to sell 200 @ 10.02 is registered in the Alpha CLOB.
- The odd lot order will auto-execute at \$10.02, since there was an update to the Alpha CLOB (section 6.12(3)(b))

Example 6:

- An order is entered to buy 250 @ 10.05.
- 1 trade will execute: 100 shares at 10.05. 100 shares are registered in the CLOB and available for trading and 50 shares hidden. ABBO is now 10.05-10.06
- An order to sell 100 @ market is entered and 100 shares execute at 10.05.
- The 50 hidden shares will now execute at 10.05, since 10.05 is the price at which the last board lot of the original mixed lot order was executed (section d.)



Example 7:

- An order is entered to buy 50 @ 10.04 and is registered in the OLOB.
- The NLSP is updated to \$10.04
- No Trade is executed (Section 6.12(3)(c)). Limit Price is outside the National Best Offer.

#### **6.14. Opening Session**

- (1) Odd Lot Orders do not participate in the opening auction.
- (2) If trades are executed in the Opening,
  - (a) Odd Lot Market Orders entered in the pre-open will auto-execute at the COP, immediately following the Opening.
  - (b) Odd Lot Limit Orders with price equal to or better than the will auto-execute at the COP, in accordance with rule 6.12(3), immediately following the Opening.
- (3) If no trades are executed in the Opening
  - (a) Odd lot market orders entered in the Pre-Open will be booked as the odd lot limit orders at the price equal to the adjusted closing price that is used in the pre-open.
- (4) If the last board lot size of a mixed lot order is executed in the Opening, the odd lot part of the mixed lot order will be executed at the COP.

#### **6.15. Closing Session**

- (1) Odd Lot orders do not participate in the Closing auction.
- (2) If trades are executed in the Closing, odd lot limit orders with price equal to or better than the Alpha Closing Price will auto-execute at the closing price, immediately following the Closing.
- (3) If the last board lot size of a mixed lot order is executed in the Closing, the odd lot part of the mixed lot order will be executed at the Alpha Closing Price.

#### **6.15 Mixed Lot Short Sale Orders**



- (1) Mixed lot Short Sale orders will be pegged to the NLSP up to the order's limit price and then executed according to 6.13, 6.14 and 6.15.

#### **6.16 Orders Booked in OLOB**

- (1) Orders booked in the OLOB are not disseminated on the public data feed.

Odd-Lot Dealer will receive an auto-execution message for each Odd-Lot trade that it participated in.

#### **Accepted Odd Lot Orders**

Market Orders  
Limit Orders  
FOK Orders  
FAK Orders  
AON Orders  
On-Stop Orders  
Short Sales (pass-through marker only, no price adjustment)  
Special Terms Orders  
Cross (Regular)  
GTx Orders

#### **Non-Accepted Odd Lot Orders**

Standard Iceberg Orders  
Price Improvement Iceberg Order  
Inside Match Order  
Specialty Price Cross  
MOO  
LOO  
MOC

## **DIVISION 4 — ASSESSMENT OF PERFORMANCE OF OLDs AND MARKET MAKERS**



### **6.17. Assessment of Performance**

- (1) From time to time and at least annually, Alpha will assess the performance of Market Makers and Odd Lot Dealers.
- (2) On completion of the assessment, the Alpha may, for such factors as it sees fit
  - (a) continue the appointment of the Member as a Market Maker or Odd Lot Dealer in any or all of its Assigned Securities;
  - (b) continue the appointment of the Member as a Market Maker or Odd Lot Dealer in any or all of its Assigned Securities and impose additional terms and conditions; or
  - (c) withdraw approval of the Member as a Market Maker or Odd Lot Dealer in any or all of its Assigned Securities.
- (3) Alpha may withdraw approval of or impose additional terms and conditions on a Market Maker, its Market Maker Contact, any Market Maker Approved Traders or backups, Odd Lot Dealer, or Odd Lot Dealer Approved Trader, if Alpha determines that any of these parties has contravened or is contravening any Alpha Requirement or IIROC rule.

## **DIVISION 5 — UNFAIR TRADING**

### **6.18. Unfair Trading in Odd Lots**

- (1) Odd Lot Dealers and Members are responsible to ensure that Odd Lot activity is in compliance with all requirements.

**Commentary:**

The following types of activity may be reviewed as an indication of unfair trading:

Unbundling Round Lots for the purpose of entering Odd Lot orders.

Entering of both buy and sell Odd Lot Limit orders in the same security before one of the orders is executed, for the purpose of capturing the spread in the stock.

Other types of trading activity that is not consistent with traditional Odd Lot investment activity.



Effecting pre-arranged wash sales in Odd Lots, which are trades in which an offer to buy is coupled with an offer to sell back at the same or advanced price (or vice versa).

Entering orders into the CLOB for the purpose of affecting the execution price of the Odd Lot trades.

- (2) If Alpha deems a Member is engaging in Odd Lot trading activity that is unfair, Alpha may restrict the Member or suspend the Approved Trader from Odd Lot activity.





## **PART VII. Clearing and Settlement**

### **7.1. Clearing and Settlement**

- (1) All trades on the Alpha Systems will be reported, confirmed and settled through the Clearing Corporation pursuant to the Clearing Corporation's rules and procedures, unless otherwise authorized or directed by Alpha.
- (2) A Member must clear and settle all of their Alpha trades by:
  - (a) self-clearing as a participant of the Clearing Corporation; or
  - (b) maintaining a clearing and settlement arrangement with a carrying broker, custodian or other institution that is a participant of the Clearing Corporation.
- (3) Except in circumstances where the transaction is settled outside Canada or where the Member and the settlement agent are not participants in the same securities depository, the client or settlement agent shall use the facilities or services of a securities depository for the affirmation and settlement of all depository eligible transactions, including both book entry settlements and certificate based settlements.
- (4) A Member shall provide a client, by electronic, facsimile or physical means, a confirmation as soon as possible on the next business day following execution, with respect to the execution of any order, in whole or in part, for the purchase or delivery of securities where payment for or delivery of the securities is to be made to or by a settlement agent of the client, and shall indicate that the trade occurred on Alpha.
- (5) Members shall obtain agreement from their clients that the client will provide instructions with respect to the receipt or delivery of the securities to the settlement agent promptly upon receipt by the client of the confirmation referred to in Section 7.1(4) and that the client will ensure that its settlement agent affirms the transaction in accordance with National Instrument 24-101.



## **7.2. Settlement of Alpha Trades**

- (1) Unless otherwise provided by the parties to the trade by mutual agreement, trades of OTSs on Alpha must settle on the date fixed for settlement by the exchange on which the security is listed.

## **7.3 Settlement of Alpha Trades of Alpha Listed Securities**

- (1) Unless otherwise provided by Alpha or the parties to the trade by mutual agreement, trades of Alpha Listed Securities on Alpha must settle on the third settlement day following the trade.

- (2) Notwithstanding Section 8.3(1), unless otherwise provided by Alpha or the parties to the trade by mutual agreement:

(a) trades on a when issued basis made on Alpha Listed Securities:

- (i) prior to the second trading day before the anticipated date of issue of the security must settle on the anticipated date of issue of such security, and
- (ii) on or after the second trading day before the anticipated date of issue of the security must settle on the third settlement day after the trade date,

provided if the security has not been issued on the date for settlement such trades shall settle on the date that the security is actually issued and provided that if the security will not be issued all trades made on a when issued basis will be cancelled;

(b) trades for rights, warrants and instalment receipts made on Alpha Listed Securities:

- (i) on the third trading day before the expiry or payment date must settle on the settlement day before the expiry or payment date;
- (ii) on the second and first trading day before the expiry or payment date, must be made as cash trades for next day settlement, and
- (iii) on expiry or payment date must be made as cash trades for immediate settlement and trading will cease at 12:00 noon (unless the expiry or payment time is set prior to the close of business, in which case trading will cease at the close of business on the trading day preceding the expiry or payment), and



- (iv) selling Members must have the securities that are being sold in their possession or credited to the selling account's position prior to such sale;
  - (c) cash trades on Alpha Listed Securities for next day delivery must be settled through the facilities of the Clearing Corporation on the first settlement cycle following the date of the trade or, if applicable, over-the-counter, by noon of the first settlement day following the trade; and
  - (d) cash trades on Alpha Listed Securities for same day settlement must be settled by over-the-counter delivery no later than 2:00 p.m. on the trade day.
- (3) Notwithstanding Section 8.3(1), a trade on Alpha may specify delayed delivery, which gives the seller the option to deliver at any time within the period specified in the contract, and, if no time is specified, delivery will be at the option of the seller within thirty days from the date of the trade.

#### **7.4. Corners**

- (1) If Alpha is of the opinion that a single interest or group has acquired such control of an Alpha Listed Security that the security cannot be obtained for delivery on existing Alpha trades except at prices and on terms arbitrarily dictated by such interest or group, Alpha may postpone the time for delivery on the trades and provide that any trade calling for delivery prior to the time established by Alpha are to be settled by the payment of a fair settlement price to the party entitled to receive such security.
- (2) If the parties to any trade on Alpha that is to be settled by payment of a fair settlement price cannot agree on the amount, Alpha may, at its discretion, fix the fair settlement price and the date of the payment after providing each party with an opportunity to be heard.

#### **7.5. When Security Disqualified, Suspended or No Fair Market**

- (1) Alpha may postpone the time for delivery on Alpha trades if:
  - (a) the security is delisted;
  - (b) trading is suspended in the security; or
  - (c) Alpha is of the opinion that there is not a fair market in the security.



- (2) If Alpha is of the opinion that a fair market in the security is not likely to exist, Alpha may provide that trades on Alpha be settled by payment of a fair settlement price and if the parties to an Trading Contract cannot agree on the amount, Alpha may at its discretion fix the fair settlement price after providing each party with an opportunity to be heard.

#### **7.6. Failed Trades in Rights, Warrants and Instalment Receipts**

- (1) Should fail positions in rights, warrants or instalment receipts exist on the expiry or payment date, purchasing Members have the option of demanding delivery of the securities into which the rights, warrants or instalment receipts are exercisable, any additional subscription privilege, and any subscription fee payable to a Member, that may be available, such demand shall be made before 4:00 p.m. on the expiry date.
- (2) Where a demand has been made in accordance with Section 8.6(1), payment by purchasing Members for:
  - (a) the rights, warrants or instalment receipts shall be in accordance with normal settlement procedures, but delivery of the rights, warrants or instalment receipts, as the case may be, is not required; and
  - (b) the securities into which the rights, warrants or instalment receipts are exercisable and payment for any additional subscription privilege shall be made upon delivery of the securities.
- (3) Where a demand has not been made in accordance with Section 8.6(1), settlement shall be in accordance with normal settlement procedures, but delivery of the rights, warrants or instalment receipts, as the case may be, is not required.

#### **7.7. Defaulters**

- (1) If a Member against which an Alpha trade is closed out under the Clearing Corporation's rules and procedures fails to make payment of the money difference between the contract price and the buy-in price within the time specified, the Member concerned shall become a defaulter, and Notice of such default shall be provided by Alpha to each Member.
- (2) A Member failing to make delivery to the Clearing Corporation of securities and/or a certified cheque within the time limited by the rules governing the Clearing Corporation may be adjudged a defaulter.



### **7.8. Delivering Member Responsible for Good Delivery Form**

- (1) The delivering Member is responsible for the genuineness and complete regularity of the Alpha Listed Security, and a certificate that is not in proper negotiable form shall be replaced forthwith by one which is valid and in prior negotiable form, or by a certified cheque in lieu thereof, if a replacement certificate is not available.
- (2) A Member that has received delivery of a certificate that is not acceptable as good transfer by the transfer agent shall return it to the delivering Member, which shall make delivery of a certificate that is good delivery or of a certified cheque in lieu thereof.

### **7.9 Delisted Securities**

- (1) Any open orders on an Alpha Listed Security or an OTS that will no longer be listed on its applicable exchange will be cancelled after the end of the Extended Trading Session on the day preceding the delisting.



## **Part VIII. Order Protection**

### **8.1 Implementation of the Order Protection Rule (OPR)**

Alpha will use the Alpha Order Router's Trade Through Management Service to comply with the Order Protection Rule.

### **8.2 The Trade Through Management (TTM) Service**

The TTM Service routes designated orders, in part or in whole, to all Other Marketplaces to meet Alpha marketplace obligations under the Order Protection Rule (NI 23-101) to not trade through visible, immediately accessible better-priced limit orders on any Canadian marketplace.

### **8.3 Directed Action Order (DAO)**

An order sent to Alpha that is not designated as TTM will be treated as a DAO.

### **8.4 Participation and Connectivity in Other Marketplaces**

#### **(1) Access to Marketplaces**

- (a) In addition to being a Member of Alpha, the Member must be a subscriber or a participant of Other Marketplaces which have been designated as protected marketplaces.
- (b) If the Member has direct access to the Other Marketplace, orders routed away to Other Marketplaces will include the Member's firm ID and trader ID. If the Member does not have direct access to the Other Marketplace, it must have an acceptable arrangement with another Member or participant of the Other Marketplace through which they can place orders.
- (c) If the Member/trader ID in Alpha is different from the Other Marketplace, the Member/trader ID on the Other Marketplace must be provided to Alpha. It is assumed that the Member will provide Alpha with any updates to keep this information correct and up-to-date. Similarly, if the Member is using a Sponsored DMA or other acceptable arrangement, then up-to-date



details of the arrangement and IDs of both parties shall be made available to Alpha upon request.

(2) **Order Routing When a Service is Not Available**

When the TTM Service has been shut down for any reason during continuous trading, the incoming TTM orders will be rejected back to the Client as Alpha will not be able to route to Other Marketplaces. A notice will be sent to all Members, regulation service providers, Other Marketplaces and any information processor indicating that Alpha will not be routing to Other Marketplaces.

(3) **Trading Halts**

Alpha may disallow the use of its routing services for the routing of an order if a trading halt has been initiated by a regulator (“Regulatory Halt”) or a Marketplace (“Non-Regulatory Halt”).

In circumstances in which Alpha deems it necessary or in other unusual conditions or circumstances impacting the Alpha Order Router Services, Alpha may suspend all routing.

When the routing is not suspended, the TTM Service will facilitate order entry during Regulatory Halts and Non-Regulatory Halts on Alpha and/or one or more Other Marketplaces, and will continue to route orders in accordance with its standard functionality outlined in this document; however the following matters should be considered:

- (a) The routed order will be processed in accordance with the rules or policies of the Other Marketplace to which it has been routed. This may result in:
  - (i) The generation of a “rejection” notice where trading is halted on the Other Marketplace to which the order is routed where such Marketplace will not accept orders;
  - (ii) The generation of a “time out” event where the order is routed to an Other Marketplace which accepts and queues orders received and does not acknowledge the order within the “time out” duration. Such queued orders cannot be cancelled or amended utilizing the Order Router.
- (b) The entry of cancellations is permitted during both Regulatory Halts and Non-Regulatory Halts and will be routed to the Marketplace where the



order is booked, for action in accordance with that Marketplace's standard operational processes.

**(4) Exclusion of a Marketplace and Self Help**

**(a) Automatic Exclusion of a Marketplace**

Alpha will cease routing to an Other Marketplace where (i) the Other Marketplace's continuous trading session is not operating (ii) and/or no data on orders in its CLOB are available.

**(b) Manual Exclusion of a Marketplace and Self Help**

A specific Other Marketplace may be excluded based on the following criteria:

- (i) The Other Marketplace is not disseminating order information, is not distributing data in relation to its CLOB in a timely manner or Alpha considers, in its discretion, that such data is not reliable. This covers the case when a system failure or degradation of service occurs at an Other Marketplace during continuous trading at that Other Marketplace.
- (ii) The connectivity to the Other Marketplace is lost.
- (iii) An Other Marketplace is not responding to orders sent by the Order Router (system failures, slowdowns, etc.). This may include circumstances where the response time to orders routed by Alpha from the Other Marketplaces is too long for it to be practically considered reliable.

Alpha may declare self help in the above instances. Alpha will notify the affected Other Marketplace, Members, any information processors and regulators (i.e. IIROC and the OSC) that it has done so and has excluded such Other Marketplace from the TTM Service. After the issue is resolved, Alpha will send out another notification stating self help has been revoked.

**(c) Impact of Exclusions**

- (i) Once an Other Marketplace is excluded manually or automatically from the Order Router Services, no further orders will to be routed to





that Marketplace. Any remaining “in-flight” orders (where an order sent by the Order Router has not received an acknowledgment from the Other Marketplace) will be processed in the same manner as they would have been if the exclusion had not occurred.

- (ii) Once the event precipitating the Other Marketplace exclusion has ended, Alpha may commence routing to the previously excluded Other Marketplace at its discretion.

## 8.5 TTM Service

### (1) Member’s Choice

- (a) A Member relying on Alpha to comply with the OPR will designate each order as a TTM order. Any order that is designated as a TTM order will be eligible for trade-through protection through the TTM Service.
- (b) Any order that is not designated as a TTM order will be treated by Alpha as a Directed Action order (DAO) to immediately execute or book on Alpha without checking for better-priced orders on Other Marketplaces. For DAO orders, any requirements regarding order protection under NI 23-101 will be the responsibility of the Member.

### (2) TTM Routing Strategy

The TTM Service simultaneously routes portions of the order to all Other Marketplaces with better priced orders, up to the original order’s limit price. Any residual is sent to Alpha.

The TTM Service will:

- (a) Receive the depth of book (to 10 price levels) made available by each marketplace, then
- (b) Create a Consolidated Market Feed of the aggregate bid or ask order volume for each price level, then
- (c) Identify the marketplace which has the best priced order(s) for a particular security and will route the order based on the following criteria: (1) price and (2) volume of shares available. If the same price is available on Alpha and another marketplace, priority is given to Alpha, then



- (d) Send orders to Other Marketplaces as Fill or Kill (FOK) Bypass Limit orders and will be treated as DAO:
  - (i) If the order is tradable upon receipt by the Other Marketplace, it is immediately executed and any unfilled portion will be killed at the Other Marketplace and sent to Alpha.
  - (ii) If the order is not tradable upon receipt by the Other Marketplace, the whole order will be killed at the Other Marketplace and sent to Alpha.

## **8.6 Executions**

- (1) If an order is routed to an Other Marketplace, Alpha may receive an execution response from the Other Marketplace. In the case of an execution (full or partial), an execution message will be sent back by Alpha to the originator of the order.
- (2) An incoming order may result in two different types of executions; those at Alpha and those at Other Marketplaces:
  - (a) The executions at Alpha will be sent to the appropriate clearing agency from Alpha and they will reflect the clearing identifier of the Member for the applicable order.
  - (b) The executions at the Other Marketplaces will be sent to the clearing agency from the Other Marketplace on which the execution occurred and they will reflect the clearing identifier of the originator of the order or its designated clearing agent.
- (3) In both cases, it is assumed that the Member originating the order is able to clear its trades (either directly or through an agent) and the reconciliation is done directly between the Member and the appropriate clearing agency.



## **PART IX. Application of UMIR**

### **9.1 Application**

- (1) The provisions of UMIR as amended from time to time apply to trading on the Alpha Systems and form part of Alpha Requirements.
- (2) Any investigations and enforcement actions concerning a violation of a provision of UMIR will be conducted by the Market Regulator following the procedures set out in UMIR.



## PART X. Appeals

### 10.1 Appeals of Decision

- (1) A Member or any other person adversely affected by a Decision, other than a Decision of the Market Regulator, may appeal such Decision to Alpha's Regulatory Oversight Committee.

**Commentary:** Appeals shall be conducted according to the procedures established by the Regulatory Oversight Committee.

- (2) A Member or other person who has appealed a decision pursuant to Subsection (1) may appeal the decision of the Regulatory Oversight Committee by following the arbitration procedures set out in the Member Agreement and/or by appeal to the securities regulatory authority. A Member may not appeal the same issue by both arbitration and appeal to the securities regulatory authority; however, a Member may appeal different issues separately by arbitration and to the securities regulatory authority. Once an issue has been decided upon, whether by arbitration or by the securities regulatory authority, that same issue cannot be pursued to the alternative forum so that the same issue is being reviewed by both arbitration and appeal to the regulatory authority.
- (3) A Member or any other person adversely affected by a Decision of the Market Regulator may appeal such Decision pursuant to the provisions of UMIR.



## **PART XI. Administration**

### **11.1 Method of Notifications**

- (1) Unless otherwise specifically provided in any Alpha Requirement, Notice shall be sufficiently given and be reasonably expected to come to the attention of such person if:
  - (a) delivered to the person to whom it is to be given;
  - (b) delivered to the last address of such Person as recorded by Alpha or any recognized self-regulatory organization; or
  - (c) mailed or sent electronically, including e-mail, to such person.
- (2) Alpha may change the address of any person on the records of Alpha in accordance with any information believed by Alpha to be reliable.
- (3) A Notice delivered in accordance with this policy shall be deemed to have been given when it is sent.
- (4) Alpha will provide Notice of updates to this Trading Policies within 30 days prior to the change and provide the link to the updated or newly added section.

### **11.2 Computation of Time**

- (1) In computing the time when a Notice must be given for the doing of anything or taking any proceeding under any provision of an Alpha Requirement, the date of giving of the Notice or of such event shall be excluded and the date of the meeting, hearing, doing of the act or taking of the proceedings shall be included.
- (2) Where the time limited for a proceeding or the doing of anything under any provision of an Alpha policy or requirement expires, the time so limited extends to and the thing may be done on the next day following.

### **11.3 Waiver of Notice**

- (1) Any Person referred to in Section 11.1 may waive any Notice required to be given to such person and such waiver, whether given before or after the meeting, hearing or other event of which Notice is required to be given, shall cure any default in giving such Notice.



#### **11.4 Omission or Errors in Giving Notice**

- (1) The accidental omission to give any Notice to any person or the non-receipt of any Notice by any person or any error in any Notice not affecting the substance thereof shall not invalidate any action or proceeding founded thereon or taken at any hearing held pursuant thereto.

#### **11.5 Withdrawal of Approval and Changes in Alpha Requirements**

- (1) Any Alpha Approval and any Alpha Requirement may at any time be changed, suspended, withdrawn or revoked by Alpha, with 30 days' Notice unless otherwise provided in these Trading Policies, agreements or as required by circumstance.
- (2) Each Member and each Approved Trader will comply with such change, suspension, withdrawal or revocation and any Decisions made by Alpha.

#### **11.6 Contact Information**

For information on Member and Market Services please contact:

Manager, Alpha Client Services and Business Operations

Alpha Exchange Inc.

70 York Street, Suite 1501

Toronto ON, M5J 1S9

[clientservices@alpha-group.ca](mailto:clientservices@alpha-group.ca)

## ANNEXE D



**MEMBER AGREEMENT**

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This agreement is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between:

<p><b>Alpha Exchange Inc.</b> 70 York Street, Suite 1501 Toronto, Ontario M5J 1S9 <b>(Called the "Exchange")</b></p>
----------------------------------------------------------------------------------------------------------------------------------

- AND -

<p>Full Corporate Name</p>
<p>Head Office Address</p>
<p><b>(Called the "Member")</b></p>





**MEMBER INFORMATION FORM**

<b>MEMBER</b>			
Full Corporate Name			
Principal Business		Sponsored DMA Clients <input type="checkbox"/> YES <input type="checkbox"/> NO	
Head Office Address:		Business Continuity Address	
Telephone	Fax	Website	
Broker Number	CUID(clearing broker)	Sub ID	
Will Member apply to be an Odd Lot Dealer? <input type="checkbox"/> YES <input type="checkbox"/> NO		Algorithmic Trading <input type="checkbox"/> YES <input type="checkbox"/> NO	Program Trading <input type="checkbox"/> YES <input type="checkbox"/> NO
Independent Software Vendor (if more than 1, please provide list)		Will Member apply to be a Market Maker? <input type="checkbox"/> YES <input type="checkbox"/> NO	
Data Vendor (if more than 1, please provide list)		Connectivity Provider(s)	
<b>ALPHA MEMBER REPRESENTATIVE</b> (appointed Senior Officer, Director or Partner)		<b>HEAD OF TRADING</b> (if more than one please attach list)	
Name and Title		Name and Title	
E-mail	Phone	E-mail	Phone
<b>CHIEF COMPLIANCE OFFICER</b>		<b>TECHNICAL CONTACT</b>	
Name and Title		Name and Title	
E-mail	Phone	E-mail	Phone
Back Up Contact	Phone	Back Up Contact	Phone
<b>BACK OFFICE CONTACT</b>		<b>BILLING CONTACT</b>	
Name and Title		Name and Title	



E-mail	Phone	E-mail	Phone
Back Up Contact	Phone	Back Up Contact	Phone

**INCIDENT NOTIFICATION CONTACTS**

Name and Title		Name and Title	
E-mail	Phone	E-mail	Phone
Back Up Contact	Phone	Back Up Contact	Phone

**SUBSCRIBER NOTICE SUBSCRIPTIONS**

Notification	Notification No.	Opt-in
Alpha Market Data	AMD1	
Alpha Newsletter	STK1	
Alpha Press Releases	STK2	
Alpha Opening Data	STK3	
Alpha Daily Statistics	STK4	
Alpha Weekly Statistics	STK5	
Alpha Market Operations	SUB1	
Corporate Actions	SUB2	
Alpha Product Updates	SUB3	

**AUTHORIZED MEMBER TRADER IDS**

(please list as indicated or provide a list)

NOTE: If the address of any of these Authorized Persons is different from the Head Office address provided, please include the addresses as an attachment. Also if you are connecting through more than one ISV, please provide the Trader IDs for each ISV separately.

Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address



Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax

**AUTHORIZED MEMBER DMA TRADER IDS**

(please list as indicated or provide a list)

NOTE: If the address of any of these Authorized Persons is different from the Head Office address provided, please include the addresses as an attachment. Also if you are connecting through more than one ISV, please provide the Trader IDs for each ISV separately.

Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax
Trader ID	Name	Trader ID	Name
Phone	E-mail Address	Phone	E-mail Address
Trading Division	Fax	Trading Division	Fax



## FEE PAYMENT OPTIONS

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OPTIONS for PAYMENT of TRADING FEES (please select one method)	
Payment through CDS direct payment (CDS member)	<input type="checkbox"/> (please complete Schedule 4 Part A)
Payment through CDS Carrying Broker (CDS member)	<input type="checkbox"/> (please complete Schedule 4 Part B)
Payment directly to Exchange	<input type="checkbox"/>

**NOTE:** All billing will be sent to the Billing Contact information provided on the Member Information Form.

## ADDITIONAL SERVICES

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Please indicate below which additional services the Member would be interested in receiving information on:

ADDITIONAL SERVICES		
Purchasing of Market Data	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Order Router	<input type="checkbox"/> YES	<input type="checkbox"/> NO
Managed Network Services	<input type="checkbox"/> YES	<input type="checkbox"/> NO

Exchange will provide additional information and applicable documentation on the services that have been indicated above to the Member Representative.



## MEMBER AGREEMENT

### 1. EXCHANGE MEMBER ACCESS

- (a) Trading System Access. We, Alpha Exchange Inc. (“**Exchange**” or “we, “us” and like terms), operate an electronic marketplace and facilitate trading in specified financial instruments. We agree to provide you (the “**Member**”, or “you” and like terms) with access to the Exchange trading system (“**System**”) for the purpose of facilitating trades in specified financial instruments, in accordance with the terms of this agreement (including all Exchange documents: Member Information Form, Schedules 1, 2, 3, 4 and 5 that are incorporated by reference herein, the “**Agreement**”). For greater certainty, this Agreement does not grant the Member a license or comparable right to utilize the System software. Access to the System is subject to compliance with the Trading Policies (as defined in Section 5(a)) and the Exchange’s rights pursuant to those Trading Policies.
- (b) Application for access. The Member has supplied Exchange with all the information requested in the ‘Member Information Form’ and such information is complete and accurate. The Member agrees to provide such further documents and information as may be requested by Exchange from time to time concerning the Member and its use of the System in connection with its regulatory status or obligations as reasonably deemed necessary by Exchange. All information provided by the Member shall be considered to be Confidential Information pursuant to Section 8 of this Agreement.
- (c) System Availability. Exchange may, in its sole and absolute discretion, suspend or terminate the operation of the System in the event of (i) any failures, malfunctions, faults or errors within the System, (ii) any external events or circumstances affecting the use of the System which are material to the System’s integrity, capacity or security or (iii) a request or requirement by any government, regulatory authority or applicable securities regulatory authority with authority over Exchange or trading related activity conducted on the System (“**Regulatory Authority**”). Exchange shall give advance notice to the Member of any such suspension or termination where reasonably practicable, and in each case, shall provide prompt notice to the Member after such termination or suspension is imposed.
- (d) Maintenance of System connectivity. If the Member uses a proprietary connection or is connected to Alpha through a third party vendor, the Member, not Alpha is responsible for providing and maintaining all necessary electronic communications with Alpha and

connectivity to the System, including wiring, computer hardware, software, communication line access, and networking devices external to the System. Regardless of whether the Member uses a proprietary execution management system or that of a third-party vendor, the Member is solely responsible for all orders submitted to Exchange by the Member or under any authorized trader number assigned to the Member or any of the Member’s officers, employees or agents, and agrees to accept and honor all orders submitted by such means, whether or not the orders are in error.

### 2. MEMBER REPRESENTATIONS

- (a) Investment Industry Regulatory Organization of Canada (IIROC) Dealer Membership. The Member represents that it: (i) is a dealer member in good standing of IIROC or any successor recognized as a self regulatory entity or comparable self-regulatory entity, (ii) has the authority, pursuant to all applicable Alpha Requirements (as defined in the Trading Policies), to engage in the activities contemplated herein, and (iii) will promptly notify Exchange in writing if it ceases to be so qualified.
- (b) Regulated by IIROC. The Member will be regulated by IIROC or any successor entity recognized as a regulation service provider.
- (c) Alpha Requirements. All rights granted to and all obligations assumed by the Member pursuant to this Agreement, whether on its own behalf or on behalf of its clients to which it provides sponsored access (“**DMA Eligible Clients**”), are subject to all Alpha Requirements and nothing in this Agreement shall diminish or reduce in any way the obligations of the Member that are established by the Alpha Requirements. The Member and its DMA Eligible Clients’ use of the System may be monitored by any securities or other regulatory authority having jurisdiction over the Exchange and any such authority may enforce the Member’s compliance with Alpha Requirements.
- (d) Appropriate Resources and Settlement Capacity. The Member has appropriate resources, policies and procedures in place to ensure compliance with all applicable Alpha Requirements and the requirements of any clearing agency utilized by the Exchange when undertaking any activity on the System in furtherance of a trade and has the capacity to settle all trades executed on or through the use of the System.



- (e) National Instrument 24-101. The Member confirms that it has established, maintains and enforces policies and procedures designed to achieve trade matching in accordance with National Instrument 24-101-Trade Matching and Settlement.
- (f) Capacity. The Member has the power and capacity to enter into this Agreement and perform its obligations under this Agreement. The execution and delivery of this Agreement and the performance of the obligations hereunder have been duly authorized by all necessary corporate or other legal action on the part of the Member.
- (g) Valid Agreement. This Agreement constitutes a valid and binding obligation of the Member, enforceable against it in accordance with its terms, subject however to limitations with respect to enforcement imposed by laws in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- 3. EXCHANGE REPRESENTATIONS AND DISCLOSURE**
- (a) Regulation of Exchange. Exchange is a marketplace that will be regulated in accordance with all applicable regulatory requirements.
- (b) Capacity. Exchange has the power and capacity to enter into this Agreement and perform its obligations under this Agreement. The execution and delivery of this Agreement and the performance of the obligations hereunder have been duly authorized by all necessary legal action on the part of Exchange.
- (c) Valid Agreement. This Agreement constitutes a valid and binding obligation of Exchange, enforceable against it in accordance with its terms, subject however to limitations with respect to enforcement imposed by laws in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- (d) Related Registrants. Individuals who are members of the Board of Directors of the Exchange may be employees, officers, partners, or directors of other registered entities. Exchange has developed policies and procedures to address potential conflicts of interest arising as a result of any conflicts of interest or potential conflicts of interest that may arise as a result of such relationships.
- 4. FEES AND ACCESS**
- (a) Fees and access. Exchange shall provide the Member with access to the System and shall facilitate trades in specified financial instruments against payment by the Member of the fees and charges as set out by Exchange in **Schedule 1**, as amended from time to time. Exchange may at any time, and from time to time, on not less than 30 days' written notice, increase any or all such fees or charges. All fees are net of all taxes and duties. A Member may choose to change its selected services with 30 days written notice. For greater certainty, Exchange will be entitled to decrease fees and charges by providing the Member with written notification of such a change within 30 days prior to the effective date of the change.
- (b) Termination of access for failure to pay fees. All fees and charges shall become due and payable to Exchange at such time or times and in such a manner as Exchange shall require in writing. If the Member has not paid any fees or charges within 30 days of becoming due and payable, Exchange may, without notice and without incurring liability to the Member, suspend the Member's access to the System until all outstanding fees have been paid by the Member.
- (c) Third-party payments. In all cases, the Member shall pay all fees and charges to Exchange in full, without any right of set-off or deduction. The Member shall pay when due all amounts payable to third parties arising from the Member's use of the System, if any, including fees or charges payable to any government, regulatory authority or self regulatory organization in connection with use of the System.
- (d) Collection of Fees. The Member will be entitled to elect a method of payment of fees pursuant to the Fee Payment Options section of the Member Application document attached hereto as **Schedule 4**. Where the Member does not complete **Schedule 4**, Exchange shall collect such fees from the Member directly.
- (e) Sponsored Access of DMA Eligible Clients. If the Member provides access to the System to its DMA Eligible Clients in accordance with Exchange's policies relating to such access, then prior to granting such Sponsored Access, the Member shall execute with each DMA Eligible Client a binding legal agreement containing, among other things, the terms specified in Schedule 5 to this Agreement and provide Exchange with any other required DMA Eligible Client documentation as requested by Exchange from time to time. Member shall comply with the provisions of the Trading Policies regarding DMA Eligible Clients.
- 5. COMPLIANCE WITH EXCHANGE TRADING POLICIES**
- (a) Trading Policies. Exchange has adopted specific rules and policies defining how the Exchange marketplace operates to facilitate trades in specified financial instruments, as made available by Exchange and as amended from time to time ("**Trading Policies**"), which Trading Policies are incorporated by reference into and form a part of this Agreement as if such Trading Policies were set out in their entirety herein. The Member shall comply with such Trading Policies as they may be amended from time to time. By signing this Agreement, the Member acknowledges that it has reviewed all such Trading Policies and warrants that it shall take all reasonable efforts to ensure that it has



procedures to monitor subsequent changes to such Trading Policies. Failure by Exchange to exercise any of its rights, powers or remedies under the Trading Policies or its delay to do so will not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power, or remedy will not prevent its subsequent exercise or the exercise of any other right, power or remedy. Exchange will not be deemed to have waived the exercise of any right, power or remedy unless such waiver is made in writing and delivered to the person to whom such waiver applies, if such waiver applies generally. Any waiver may be general or particular in its application, as determined by Exchange.

- (b) Responsibility for transactions. Exchange shall not be, directly or indirectly, a party to any transaction posted to, or consummated on, the System, and Exchange shall not be responsible for or otherwise guarantee, any transaction effected by the Member through the System with any other party. The Member is solely responsible for confirming the accuracy, completeness and integrity of information used by it and any resulting transaction. The Member shall proceed solely against the counterparty to collect or recover any amounts owing to it or enforce any of its rights in connection with or as a result of transactions entered into with such third party through the System. All Exchange trades are executed directly between Members. Exchange does not act as counterparty to any Exchange trades and does not guarantee settlement.
- (c) Maintaining records. The Member shall be responsible for maintaining any records required relating to transactions sent and received by it on the System. For the purpose of this section records relating to transactions will include all information directly or indirectly relating to orders routed to the System or trades executed on the System.
- (d) Market Makers. Where the Member wishes to act in the role of a "Market Maker", the Member shall execute an agreement in the form of the Market Maker Agreement attached here to as **Schedule 2**.
- (e) Odd-Lot Dealers. Where the Member wishes to act in the role of an "Odd-Lot Dealer" the Member shall execute an agreement in the form of the Odd-Lot Dealer Agreement attached hereto as **Schedule 3**.

## 6. COMPLIANCE WITH ALPHA REQUIREMENTS AND AUTHORIZED ACCESS

- (a) Member Obligations. Notwithstanding any other provision of this Agreement, as between Exchange and the Member, it is the sole responsibility of the Member to ensure compliance with all Alpha Requirements pertaining to trading related activity of the Member, its officers, employees, directors and agents and all clients or other persons for whom the Member provides access to the System. The liability of the Member under this Agreement shall not, in any

circumstance, be limited or mitigated by any failure of Exchange to provide training, training material or updates, or notice of change to the applicable Alpha Requirements relating to the entry and trading of orders.

- (b) Authorized Use. The Member shall implement security systems and policies to prevent unauthorized use or misuse of the System and data available by use of the System by persons accessing the System. The Member shall take reasonable steps to ensure each authorized employee is fully aware of the Member's obligations under this Agreement and ensure that all employees comply with such obligations and all Alpha Requirements. The Member shall be responsible for all instructions entered, transmitted or received under an authorized trader identification, and for the trading and other consequences thereof. If Exchange reasonably believes that a Member's employee or agent is breaching System security or is otherwise misusing the System, the Member shall, upon notice from Exchange, promptly terminate such access to the System. If the Member fails to do so, Exchange shall have the right to take such action as it considers necessary, in its sole discretion, to prevent access to the System by any person, including the termination of the Member's right to access the System in its entirety.
- (c) Technical failure or security breach. The Member shall cease use of the System as soon as practicable after it is notified by Exchange, or it otherwise becomes aware of or suspects, a technical failure or security breach of the System and immediately notify Exchange of such failure or breach of security in accordance with the notice provisions set out in the Trading Policies or other Exchange documentation.
- (d) Monitoring and Surveillance. The Member acknowledges that it is not the intention of the parties, as a result of the execution of this Agreement, to delegate to Exchange any responsibilities for compliance with any Alpha Requirements, including but not limited to applicable privacy legislation and applicable anti-money laundering legislation. For greater certainty, Exchange will have no verification requirements pursuant to applicable anti-money laundering legislation.
- (e) Information Privacy. By executing this Agreement, the Member confirms that it has obtained the necessary consent to disclose the information provided to Alpha in the Member Application. The Exchange will maintain and use such information in accordance with its Privacy Policy which will be posted on the Exchange website or otherwise communicated to the Member, as amended from time to time.

## 7. USE OF TRADING DATA

- (a) Access to data. Pre-trade order data and post-trade transaction data pertaining to the Member's trading related activity on Exchange ("**Private Data**") may be





obtained through Exchange either directly or through the services of information vendors, including any information processor, with connectivity to the Exchange. The Member agrees that receipt of pre-trade order data and post-trade transaction data pertaining to all other trading related activity on Exchange (“**Public Data**” and, together with Private Data, “**Exchange Trading Data**”) shall be governed by, and the receipt and use thereof shall be subject to the terms and conditions of, other agreements between the Member and Exchange, including without limitation a data use agreement and/or a data distribution agreement.

- (b) Use of Exchange Trading Data. The Member shall be permitted to use the Public Data for internal trading activity purposes only. The Member shall not retransmit, disseminate, sell, lease, license, distribute, publish, broadcast, circulate or commercially exploit Public Data or assign their rights in relation to such Public Data without Exchange’s express prior written consent, and the Member shall comply with any limitations imposed on the use of Public Data (whether such limitations are imposed directly by Alpha or communicated by a third party information processor or information vendor). For greater certainty the Member shall be entitled to provide Public Data to its clients to confirm execution of trades, facilitate clearing and settlement, and comply with applicable Alpha Requirements. All Public Data is protected by copyright and we reserve all intellectual property rights therein.
- (c) No warranties. Neither the Exchange nor any partner, associate, related party or affiliate makes any warranty, representation or guarantee as to the sequence, accuracy, completeness or timeliness of Exchange Trading Data. Without limiting the foregoing, all express or implied, direct or indirect, representations, warranties and conditions in respect of Exchange Trading Data arising or implied by statute, common law, custom, usage of trade, course of performance, course of dealing or otherwise, including but not limited to any representations or warranties or conditions of merchantable quality and/or fitness for a particular purpose, are expressly excluded.
- (d) Rights to resell. Exchange and its affiliates may, in Exchange’s sole discretion, resell, distribute, market or license any or all Exchange Trading Data to any other person, or otherwise use any or all such data as Exchange or its affiliates see fit and is entitled to keep all compensation provided, however, that neither Exchange nor its affiliates shall identify the Member in connection with any Exchange Trading Data, except:
- i. if the Member uses Exchange functionality that provides order and/or trade attribution;

- ii. for reporting to CDS or any clearing and settlement agent for clearing and settlement purposes;
- iii. as required pursuant to applicable Alpha Requirements;
- iv. for dispute resolution purposes with the Member;
- v. to legal or accounting advisers on a confidential basis; or
- vi. as otherwise expressly set forth in this Agreement.

- (e) The provisions of this Part 7 shall survive the termination of this Agreement.

## 8. PERSONAL AND CONFIDENTIAL INFORMATION

- (a) Personal information regarding the Member’s directors, officers and employees. Exchange will not release personal information relating to the Member’s directors, officers, employees, contractors or clients unless:
- i. the individual in question has consented in writing to the release of the information;
  - ii. the release of the information is required by an Alpha Requirement or pursuant to a regulatory purpose; or
  - iii. the information has been publicly disclosed by another person or company and the disclosure was lawful.

The Member represents that they have obtained or shall obtain, as applicable, all necessary consents to allow the Member to disclose the information relating to its directors, officers, employees, contractors and clients referenced above as required under this Agreement.

- (b) Definition of Confidential Information. “Confidential Information” shall mean information about the disclosing party’s (or any of its clients’) business activities that is proprietary and confidential, which will include all business, financial and technical and other information including:
- i. information expressly marked or disclosed or implicitly disclosed as confidential or proprietary, including, without limitation, all forms and types of financial, business, scientific, technical, economic, competitively sensitive or engineering information including, but not limited to, patterns, plans, compilations, program devices, discoveries, ideas, concept, know-how, techniques, formulas, blueprints, designs, prototypes, methods, processes, procedures, codes, unpatented inventions, marketing plans, financial plans, business plans, or names of customers or suppliers, whether tangible or intangible, and whether or how stored, compiled, or memorialized





- physically, electronically, graphically, photographically, or in writing;
  - ii. all proprietary software programs, and proprietary computer software designs and architecture, in whatever form, regardless of whether marked or designated as confidential or proprietary;
  - iii. information commonly recognized as proprietary trade secrets; and
  - iv. all copies of any of the foregoing or any analyses, studies or reports that contain, are based on, or reflect any of the foregoing.
- Confidential Information shall not include any information that the receiving party can show:
- i. was in receiving party's possession free of any obligation of confidence prior to receipt from the disclosing party;
  - ii. is independently developed by the receiving party without access to or unauthorized use or disclosure of Confidential Information;
  - iii. is in the public domain or becomes available to the public through no breach of this Agreement by the receiving party;
  - iv. was communicated by the disclosing party to a third party free of obligation of confidence; or
  - v. is received by the receiving party independently from a third party free to disclose such information to the receiving party.
- (c) Treatment of Confidential Information. The receiving party shall treat the Confidential Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature, but no less than a reasonable degree of care under the circumstances and shall not disclose, duplicate, copy, transmit or otherwise disseminate in any manner whatsoever, Confidential Information provided to the receiving party by reason of the relationship established by this Agreement, or learned by the receiving party by reason of this Agreement, except to the receiving party's regular employees, including the employees of the receiving party's corporate parent (if any) and those of its direct subsidiaries and of the subsidiaries of its corporate parent, and, subject to the provisions below, to the agents, partners, limited partners, contractors, advisers, and consultants of the receiving party.
- (d) Need to know. All such persons receiving Confidential Information shall:
- i. have a need to know such Confidential Information for performance of duties or obligations related to the purpose of this Agreement;
  - ii. have been informed of the confidential nature of the Confidential Information; and
  - iii. be bound, by terms of their employment, to maintain the confidentiality of confidential information in their possession.
- (e) Notice of request by a third party. In the event that the receiving party is requested or required (by the order of a court of competent jurisdiction or other governmental or regulatory body exercising legitimate authority, civil investigative demand or similar process) to disclose any Confidential Information of the disclosing party, that the receiving party will, to the extent permitted by law, provide the disclosing party with prompt notice of such request or requirement so that the disclosing party may seek an appropriate protective order or waive compliance by the receiving party with the provisions of this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, the receiving party is nonetheless, in the opinion of the receiving party's counsel, legally required to disclose such Confidential Information forwarded by the disclosing party or else stand liable for contempt or suffer other censure or penalty, the receiving party may disclose such information without liability hereunder, provided, however, that the receiving party shall disclose only that portion of such Confidential Information which it is legally required to disclose.
- (f) The provisions of this Part 8 shall survive the termination of this Agreement.

## 9. SETTLEMENT OF DISPUTES AND ARBITRATION

- (a) Disputes between the Member and Exchange. In the event of any dispute arising between the Member and Exchange which has not been resolved, the Member may appeal to the Regulatory Oversight Committee of the Exchange (the "ROC") in accordance with the procedures set forth in the Trading Policies. If the Member wishes to appeal any decision of the ROC, the Member may appeal the decision by following the arbitration procedures set out below and/or by appeal to the securities regulatory authority. A Member may not appeal the same issue by both arbitration and appeal to the securities regulatory authority; however, a Member may appeal different issues separately by arbitration and to the securities regulatory authority. Once an issue has been decided upon, whether by arbitration or by the securities regulatory authority, that same issue cannot be pursued to the alternative forum so that the same issue is being reviewed by both arbitration and appeal to the regulatory authority. If the Member chooses arbitration, the issue shall be submitted to the decision of a single arbitrator, who shall be qualified and independent of the parties to the dispute, selected as hereinafter provided, and the decision of such an arbitrator shall be final and binding on all parties. In



addition, the electronic records of the Exchange will govern in the event that facts relating to any of the Member's orders or transactions executed through the Exchange are disputed, unless there is clear proof of an error in such electronic records of orders or transactions. The nomination of the arbitrator shall be as follows:

- i. The independent arbitrator shall be agreed upon by the Member and Exchange, or if they cannot agree on an arbitrator, either party may apply to the Ontario courts to have an independent arbitrator appointed (the "**Arbitrator**"). The Arbitrator shall act as the sole arbitrator in respect of all matters, including procedural matters including scheduling, production of documents and giving directions.
  - ii. Within ten days following the appointment of the Arbitrator, the Member shall deliver to Exchange and the Arbitrator a statement of dispute concisely setting for the facts and law upon which it relies. Ten days following delivery of this statement of dispute, Exchange shall deliver to the Member and the Arbitrator a statement of response responding to the statement of dispute and concisely setting for the facts and law upon which it relies. Where the Arbitrator has not been appointed during such time periods, the statement of dispute and response to the statement of dispute shall be delivered to the Arbitrator promptly following the date of the Arbitrator's appointment.
- (b) Notice. The Arbitrator shall forthwith give written notice to the parties of the time and place of its first sitting, which shall be held promptly and if at all possible within ten Business Days after the appointment of the Arbitrator, and shall require them to be present and to produce any records, books, documents or paper respecting the matter at issue, and at such time and place, or at any other time and place to which they shall give written notice to the Member and Exchange, the Arbitrator shall hear each of the parties, shall make such inquiries and receive such evidence as they may deem necessary, and shall decide the subject matter in dispute and fix the costs of arbitration and shall make its award and forward the same in writing to all parties concerned. The Arbitrator shall be instructed that time is of the essence and requested to make its judgment as soon as possible and if at all within ten Business Days of the completion of the hearing.
- (c) The Arbitration Act. The *Arbitration Act, 1991* (Ontario) shall apply to the arbitration. The arbitration shall take place in Toronto, Ontario, shall be governed in all respects by the substantive law of

Ontario (and the federal laws of Canada applicable therein), and shall be kept confidential (both to its existence and all proceedings and documents related thereto) except as required by applicable law (including disclosure and reporting obligations attendant on public companies) or self-regulatory organization requirements or for enforcement purposes.

- (d) Disputes between Members. Any dispute arising between Members relating to trading related activity conducted utilizing the System will be carried on in the same manner as a contractual dispute pursuant to Section 9(a). Even where the Exchange is not a party to any dispute, it shall be entitled, but not required, to be present and state its position. The Exchange shall provide such electronic records as the parties to the dispute may request relating to the dispute, however where such information is Confidential Information the provisions of Part 8 shall take precedence.
- (e) Interest on awards. The award shall bear interest from the date of award at 12% per annum payable and calculated monthly, and shall bear pre-award interest as determined by the arbitrators.
- (f) Award enforceable. The award may be enforced in court.
- (g) Award final. The award of such arbitration shall be final and not subject to review or appeal, and shall be binding upon all parties concerned. Section 9 of the Agreement shall survive any termination of the Agreement.
- (h) Exclusive Remedy. Section 9 shall be the exclusive remedy under the Agreement, but without prejudice to any other rights or remedies expressly provided for in the Agreement.

## 10. GENERAL PROVISIONS

- (a) Notices. All notices hereunder shall be given in writing and shall be deemed to have been duly given upon receipt, by delivery in person, by confirmed facsimile, by registered or certified mail, by overnight delivery (postage prepaid) to the respective party, or by electronic mail sent to the Member at its address, electronic mail address or facsimile number indicated on the **Member Information Form** hereof, and to Exchange at:

Alpha Exchange Inc.  
70 York Street, Suite 1501  
Toronto, Ontario, M5J 1S9  
Attention: Head of Legal  
Fax: 416-642-2120  
E-mail: [legal@alpha-group.ca](mailto:legal@alpha-group.ca)

or, in each case, to such other address or facsimile number subsequently provided in writing by such party to the other. Any such notice shall be effective upon the receipt thereof by the party to whom sent.

- (b) Termination. Subject to other specific provisions herein, either party shall be entitled to terminate this



- Agreement by providing the other party with not less than twenty (20) business days notice, in writing.
- (c) Effective Date. This Agreement will take effect immediately upon execution by both the Member and Exchange, and will remain in force until terminated in accordance with the terms hereof. If either party terminates this Agreement, immediately following the effective date of such termination the Member shall permit Exchange to immediately remove the Member's access to the System and shall return or destroy all materials provided by Exchange pursuant to this Agreement relating to the System except where the retention of such materials is required by statute or pursuant to Alpha Requirement. Termination of this Agreement shall not affect any liability, including trading fees, that has accrued as of the date of termination.
- (d) Laws governing. This Agreement shall be governed by the laws of the Province of Ontario and both parties unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario.
- (e) Amendments. Exchange may make amendments to this Agreement and the Trading Policies by providing thirty (30) days' written notice to Members.
- (f) Assignment of rights. Neither party may transfer or assign its rights and obligations under this Agreement without the prior written consent of the other party. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Notwithstanding the above, Exchange shall be entitled to assign its rights and obligations hereunder to any party (i) controlling Exchange; (ii) controlled by Exchange; or (iii) that shares a common controlling entity as Exchange, by providing the Member with notification of such assignment.
- (g) Execution in counterparts. This Agreement may be executed in counterparts. Each executed counterpart may be delivered to the other party by facsimile and/or electronic file, and copies bearing the signature of a party will constitute a valid and binding execution and delivery of this Agreement.
- (h) Whole or partial invalidity. The whole or partial invalidity of any provision of this Agreement shall not affect the validity of any other provision of this Agreement. If any provisions or conditions of this Agreement shall be held to be unenforceable by a court, or regulatory or Self-Regulatory Organization, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein. To the extent permitted by law, the parties waive any provision of law that renders any provision of this Agreement invalid or unenforceable in any respect.
- (i) Natural Disasters. Notwithstanding any other term or condition of this Agreement, neither Exchange nor the Member shall be obligated to perform or observe its obligations undertaken in the Agreement (except for obligations to make payments hereunder and regulatory obligations) if prevented or hindered from doing so by any circumstance found to be beyond its control, including industrial disputes of any nature, acts of nature, acts of a public enemy, acts of government, failure of telecommunications, software or hardware, sabotage, terrorism, lightning or electromagnetic disturbances, earthquake, flood, fire or other casualty and the other party will likewise be excused from performance of its obligations (other than timely payment of fees) to the extent such party's obligations relate to the performance so interfered with; provided that the party so affected uses its reasonable efforts to avoid or remove such causes of non-performance and shall resume performance hereunder with dispatch whenever such causes are removed.
- (j) Language. The parties confirm their express wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en la langue anglaise seulement.
- (k) Effect of Termination. Termination of the Agreement shall not terminate or negate any obligations of the Member to complete or implement any transaction entered into prior to such termination or arising from or accruing from authorized activities of Member up to the effective time of termination.
- (l) System provided "as is". THE SYSTEM IS PROVIDED "AS IS". NONE OF EXCHANGE, ITS RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION OR AS TO RESULTS TO BE ATTAINED BY MEMBER OR ANYONE ELSE FROM THE USE OF THE SYSTEM. EXCEPT AS OTHERWISE STATED IN THIS AGREEMENT, EXCHANGE, ITS RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER DISCLAIM ALL WARRANTIES, CONDITIONS, GUARANTIES OR REPRESENTATIONS, WHETHER EXPRESS OR IMPLIED, IN LAW OR IN FACT, ORAL OR IN WRITING, OR THAT ARISE FROM STATUTE OR FROM A COURSE OF DEALING, USAGE OR TRADE INCLUDING WITHOUT LIMITATION ANY WARRANTIES, CONDITIONS, GUARANTIES OR REPRESENTATIONS OF FITNESS FOR PURPOSE, MERCHANTABILITY OR MERCHANTABILITY OR SATISFACTORY QUALITY, OR NON-INFRINGEMENT. NONE OF EXCHANGE, ITS



RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER SHALL HAVE ANY RESPONSIBILITY TO MAINTAIN THE SYSTEM OR TO SUPPLY ANY CORRECTIONS, UPDATES OR RELEASES IN CONNECTION THEREWITH. NONE OF EXCHANGE, RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER IS SOLICITING ANY ACTIVITY BASED UPON THE USE OF THE SYSTEM. NONE OF EXCHANGE, RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER WILL BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, HOWEVER CAUSED, INCLUDING ANY TRADING LOSSES OR FAILURE TO SUCCESSFULLY IMPLEMENT ANY INVESTMENT STRATEGY REGARDLESS OF WHETHER EXCHANGE, ANY OF ITS RELATED PARTIES, SUBSIDIARIES, AFFILIATES, AGENTS, PARTNERS OR ANY THIRD PARTY PROVIDER HAS BEEN ADVISED OR IS OTHERWISE AWARE OF THE POSSIBILITY OF SUCH LOSSES. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(m) Liability.

- i. Except for Exchange's indemnity obligations hereunder or breaches of its obligations pursuant to Section 8(a) of this Agreement, Exchange's entire aggregate liability arising from or related to this Agreement shall not exceed the fees charged by Exchange to the Member in the six (6) months preceding the date that the first cause of action arose, even if such cause of action is continuing.
- ii. In no event shall any of Exchange's related parties, affiliates, partners or any third party providers of any of Exchange's or such other entities officers, directors, employees or agents have any liability to the Member under or related to this Agreement.
- iii. This Section shall not exclude or restrict Exchange's liability for death or personal injury arising from either the negligence of Exchange or its officers, employees, agents, or partners, including where they are acting in the ordinary course of their duties. Such liability shall in no event exceed the sum of one million dollars (\$1,000,000).
- iv. Money damages may both be incalculable and an insufficient remedy for any breach of the Agreement by such party or its employees, agents or representatives and that any such breach would cause the other party irreparable harm. In the event of any such breach or threatened breach of the Agreement, the other party shall be entitled to seek equitable relief,

including by way of injunction and specific performance.

- v. Neither Exchange nor the Member shall be liable under any circumstances for any indirect, incidental, reliance, special, punitive or consequential damages including, but not limited to: lost profits, lost opportunities, even if the applicable party has been advised of the possibility of such damages.

- (n) Disclaimers. All disclaimers and limitation herein shall apply regardless of the nature of any cause of action or demand (including, but not limited to breach of contract, breach of warranty, negligence, strict liability, tort or any other cause of action) and shall survive a fundamental breach or breaches and/or failure of the essential purpose of this Agreement or any remedy contained herein.

- (o) Ownership. The components of the System include but are not limited to: operating systems software, database software, applications software, hardware and firmware. Exchange retains ownership of the System and all rights, title and interest therein including all patents copyrights, trade secrets and other intellectual property rights in and to the System. This Agreement does not grant or give the Member any right, title or interest of any type in the System or in any patents, copyrights, trade secrets or other intellectual property rights associated with the System. For greater certainty, this Agreement does not convey to the Member, or any other person, a license or right, either express or implied to use any software incorporated into the System. Except as specifically set out herein, the Member shall not use any of the trademarks or trade names of or used by Exchange in connection with the System or any other intellectual property associated with the System without the prior written consent of Exchange.

(p) Indemnifications.

- i. Exchange agrees to indemnify and hold harmless, either on its own behalf, or on behalf of a third party provider, subject to the limitations herein set forth, any losses, damages or expenses incurred by the Member arising from any claim, suit or proceeding commenced by a third party alleging that there has been an infringement of any such third party's intellectual property rights resulting from the execution of this Agreement or use of the System ("Infringement Claim"). The Member agrees that Exchange shall be relieved of the foregoing obligations unless the Member notifies Exchange promptly in writing of such claim, suit or proceeding and gives Exchange authority to defend and settle such proceeding as contemplated herein, and, at Exchange and/or third party's expense, as applicable, gives Exchange and/or third party provider proper and full information and assistance to settle and/or defend any such claim, suit or proceeding but





- such relief will only apply to the extent that such delay or failure to provide such notification compromises Exchange's ability to defend such claim, suit or proceeding or cause Exchange to incur additional costs. Neither Exchange nor third party providers shall be liable for any costs or expenses incurred without their prior written authorization. Claims resulting from the modification of the System by the Member or any third party or the use or combination of the System with any hardware, software, data or products of any other person (including any entity) other than Exchange are not Infringement Claims and therefore are excluded from this indemnity. In the event of any Infringement Claim, Exchange may at its sole option and discretion (i) obtain a license to enable Exchange to continue to use the System as contemplated hereunder, (ii) replace or modify the subject matter of the Infringement Claim to make it non-infringing, or (iii) immediately terminate this Agreement by notice to the Member. Exchange's obligation to indemnify the Member under this Section shall be limited, in the aggregate, to the total amount actually paid by the Member to Alpha under this Agreement.
- ii. The Member will indemnify, defend, and hold Exchange, its related parties, subsidiaries, affiliates, partners, officers, directors and employees harmless of and from any demands, losses, claims, judgment, liabilities, actions, proceedings, penalties, damages, costs or suits (other than for Infringement Claims) that arise out of or relate to the use, or inability to use, or defects or deficiencies with the System including any claims related to the Member's or DMA Eligible Client's use or misuse, or inability to use, the System or defects or deficiencies arising from or related to such use or inability to use the System. The Member shall pay on demand all amounts due under this section. Exchange agrees that the Member shall be relieved of the foregoing obligations unless the Member notifies Exchange promptly in writing of such claim, suit or proceeding and gives Exchange authority to defend and settle such proceeding as contemplated herein, and, at Exchange and/or third party's expense, as applicable, gives Exchange and/or third party provider proper and full information and assistance to settle and/or defend any such claim, suit or proceeding but such relief will only apply to the extent that such delay or failure to provide such notification compromises Exchange's ability to defend such claim, suit or proceeding or cause Exchange to incur additional costs.
- iii. The indemnities set out in this Section 10(p) shall survive the termination of this Agreement.
- (q) Further Documents. Each of Exchange and the Member shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of the Agreement.
- (r) Currency. Unless otherwise expressly specified, all amounts referred to herein shall be denominated in Canadian dollars.
- (s) Time of the Essence. Time shall be the essence of the Agreement.
- (t) Complete Agreement. This Agreement, and the schedules as amended from time to time in accordance with the Agreement and any other agreements executed by the parties for additional services, contains the entire Agreement between the parties with respect to trading on the System. This Agreement may be modified only by a writing signed by all parties to this Agreement and any such modification shall not be deemed to be a cancellation of this Agreement.

## MEMBER AUTHORIZATION AND DECLARATION



The Member hereby certifies that the information is provided by the Member for the purpose of accessing the Exchange is correct. The undersigned is a signing officer with authority to bind the Member to the terms of the Agreement.	
Member	
Name of Signing Officer	Title
Signature	Date

<b>Alpha Exchange Inc.</b>	
Name of Signing Officer	Title
Signature	Date



SCHEDULE 1

**Exchange Fee Schedule  
Effective March 1, 2011**

**Trading Services**

<b>Access Fees</b>	
<b>Trading Service</b>	<b>Fee</b>
Initial Application	\$3,000
Monthly Access	\$1,250

<b>Transactional Fees</b>	
<b>Equity Trades</b>	<b>Fee/Share</b>
Auction (Open, Close or Halt)	
Trade Price/Share < \$1	\$0.0000
Trade Price/Share >=\$1 &<\$5	\$0.0000
Trade Price/Share >= \$5	\$0.0000
Continuous Active - Exchange Traded Funds	
Trade Price/Share < \$1	\$0.0003
Trade Price/Share >=\$1	\$0.0025
Continuous Active - Other	
Trade Price/Share < \$1	\$0.0003
Trade Price/Share >=\$1 &<\$5	\$0.0025
Trade Price/Share >= \$5	\$0.0035
Continuous Passive – Exchange Traded Funds	
Trade Price/Share < \$1	-\$0.0002
Trade Price/Share >=\$1	-\$0.0021
Continuous Passive - Other	
Trade Price/Share < \$1	-\$0.0002
Trade Price/Share >=\$1 &<\$5	-\$0.0021
Trade Price/Share >= \$5	-\$0.0031
Continuous Unintentional Crosses	
Trade Price/Share <\$1	\$0.0001 (net)
Trade Price/Share >=\$1 &<\$5	\$0.0004 (net)
Trade Price/Share >=\$5	\$0.0004 (net)
Printing Facility	
Intentional Crosses	\$0.0000
Odd Lot Trades - Exchange Traded Funds	
Trade Price/Share < \$1	\$0.0003
Trade Price/Share >=\$1	\$0.0025
Odd Lot Trades - Other	
Trade Price/Share < \$1	\$0.0003
Trade Price/Share >=\$1 &<\$5	\$0.0025



Trade Price/Share >= \$5	\$0.0035
<b>Note/Debenture Trades</b>	<b>Fee/\$1,000 par value</b>
Auction (Open, Close or Halt)	\$0.0000
Continuous Active	\$0.0900
Continuous Passive	-\$0.0800
Continuous Unintentional Crosses	\$0.0100 (net)
Printing Facility	
Intentional Crosses	\$0.0000
Odd Lot Trades	\$0.0900
<b>Specialty Trades</b>	<b>Fee/Share</b>
All or None Orders	See note 5
Iceberg Orders	See note 6

### Notes

- 1) All fees quoted are in Canadian dollars.
- 2) Transactional Fees are GST/HST-exempt. GST/HST is charged only on Access Fees.
- 3) Fees relating to "Odd Lot Trades" do not pertain to trades executed by "Odd Lot Dealers" relating to their obligations as an "Odd Lot Dealer". Such fees are set out in the Odd Lot Dealer Agreement.
- 4) Continuous unintentional crosses will be charged on a net basis. For invoicing purposes, unless using the Alpha Billing Facility, the active side and the passive side of the trade will be charged the amount equal to the corresponding Continuous Active and Continuous Passive fees. Subscribers using the Alpha Billing Facility can select different fees for the active side and for the passive side of the trade while respecting the net fee.
- 5) "All or Non Orders" will be charged the corresponding Active fees.
- 6) "Iceberg Orders" will be credited the corresponding Passive rebate for executed transactions.





SCHEDULE 2

MARKET MAKER APPLICATION FORM AND AGREEMENT

Member: \_\_\_\_\_

Security requested: \_\_\_\_\_

	January – March 201_	April – June 201_	July – September 201_	October – December 201_
Minimum Size Commitment (shares)				
Average Time Weighted Spread (cents)				

*Note: The same size commitment is required for both the bid and offer. The size and spread set in the fourth quarter of this agreement will remain in effect unless the Market Maker receives approval from Alpha Exchange Inc. to change its commitment.*

Market Maker Approved Trader: \_\_\_\_\_

Back-up Trader: \_\_\_\_\_

Is the Member, the Market Maker Approved Trader or the Back-up Trader an insider (as defined in section 1.1 of the *Securities Act* (Ontario) of the issuer of the security that is the subject of this application?

If yes, provide details:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



## 1. MARKET MAKER RESPONSIBILITIES

- (a) Appointment of Market Makers. Upon execution of this Agreement, \_\_\_\_\_ (“the Market Maker”) agrees to act as a Market Maker in accordance with the Trading Policies of Alpha Exchange Inc. (“Alpha”) provided to the Market Maker (“Policies”), as amended from time to time. Alpha shall be entitled to appoint the Market Maker as the Market Maker and assign responsibility for specific securities in accordance with the terms of the Policies or in such other manner as Alpha may deem appropriate, in its sole discretion.
- (b) Status as a Member. The Market Maker agrees to: (i) maintain its status as a Member of Alpha; and (ii) take all commercially reasonable steps to ensure that it complies with all requirements to act as a Market Maker set out in the Policies, as amended from time to time. Where the Market Maker does not comply with such requirements it will immediately advise Alpha of such failure in writing. Such notification will include specific information as to the nature of such failure to comply.
- (c) Obligations of Market Makers. The Market Maker will carry out all obligations of a Market Maker as set out in Policies or as otherwise directed by Alpha and will at all times carry out all obligations in compliance with the Alpha Requirements, as defined in the Member agreement entered into by the Market Maker and Alpha, as amended from time to time (the “Member Agreement”).
- (d) Resources. The Market Maker represents and warrants that it has and will continue to have necessary resources, including trained personnel and technology, to allow it to carry out all its obligations pursuant to this agreement and the Policies.
- (e) Market Maker Policies. The Market Maker shall implement policies and procedures to monitor the conduct for compliance with the Policies applicable to Market Maker and changes to such policies.
- (f) Term. The Market Maker agrees to act as a Market Maker for all securities assigned by Alpha for a period of one (1) year, with an automatic renewal for addition one year terms, subject to each party’s right to terminate in accordance with the specific provisions of this agreement (the “Term”). All terms shall expire on the anniversary of each year.

## 2. ALPHA RESPONSIBILITIES

- (a) Access to Information. Alpha shall take reasonable steps to provide the Market Maker with access to data and information to allow the Market Maker to undertake its obligations hereunder.
- (b) Changes to Policies. Where practical to do so, Alpha shall take reasonable steps to notify the Market Maker of proposed changes to the Policies not less than 30 days prior to the implementation of such a change. Notwithstanding this obligation, Alpha may implement any change in Policies without such notification where Alpha deems the immediate implementation of such change is necessary or desirable, in its absolute discretion. Nothing in this section shall be construed to affect the Market Maker’s responsibility to comply with Section 1(e) herein.

## 3. TERMINATION OF RESPONSIBILITIES

- (a) Breach of Obligations. Alpha shall be entitled to revoke the Market Maker’s appointment as a Market Maker for any or all securities or attach such additional terms or conditions to this agreement as Alpha deems to be necessary, where:
  - (i) the Market Maker fails to comply with any term of this agreement or the Policies;
  - (ii) Alpha determines, in its sole discretion, that the Market Maker or its officers, employees, directors or agents have violated any Alpha Requirement;
  - (iii) Alpha believes, in its sole discretion, that the Market Maker cannot or may not in the future carry out its obligations as a Market Maker under the Policies or this agreement; or
  - (iv) Alpha has determined, in its sole discretion that the Market Maker or its officers, employees, directors or agents have in any way acted in a manner that is detrimental to the interests of Alpha or the public.
- (b) Termination for Convenience. The Market Maker shall be entitled, during the Term, to terminate its responsibilities hereunder, in relation to all securities for which it acts as a Market Maker by providing not less than sixty (60) days written notice of its intention to do so.
- (c) Transition. The Market Maker agrees to comply with all provisions of the Trading Policies relating to the transition responsibilities as a Market Maker wherever its responsibilities have been terminated or suspended hereunder. The Market Maker has appropriate resources, policies and procedures in place to ensure compliance with all applicable Alpha



Requirements when undertaking any activity on the System in furtherance of a trade, and has the capacity to settle all trades executed on or through the use of the System.

#### 4. FEES AND CREDITS

- (a) Fees. The Market Maker shall be obliged to pay fees and entitled to receive credits in accordance with **Attachment A** of this Market Maker Agreement.
- (b) Invoicing. Alpha shall, as an element of the invoice provided pursuant to the Member Agreement, invoice the Market Maker for all fees payable, or where applicable credits payable by Alpha, under this Market Maker Agreement. All fees payable, or credits earned hereunder will be aggregated with fees payable under the Member Agreement in a single invoice payable monthly.

#### 5. GENERAL

- (a) All capitalized terms not otherwise defined herein shall have the definition assigned for that term in the Member Agreement.
- (b) Notices. All notices hereunder shall be provided herein in the same manner as described in the Member Agreement.
- (c) Laws governing. This agreement shall be governed by the laws of the Province of Ontario and both parties unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario.
- (d) Amendments in writing. No amendment to this agreement shall be valid unless made in writing and signed by Alpha and the Market Maker.
- (e) Assignment of rights. The Market Maker may not transfer or assign its rights and obligations hereunder without the prior written consent of Alpha. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- (f) Execution in counterparts. This agreement may be executed in counterparts. Each executed counterpart may be delivered to the other party by facsimile and/or electronic file, and copies bearing the signature of a party will constitute a valid and binding execution and delivery of this agreement.
- (g) Whole or partial invalidity. The whole or partial invalidity of any provision of this agreement shall not affect the validity of any other provision of this agreement. If any provisions or conditions of this agreement shall be held to be unenforceable by a court, or regulatory or self-regulatory authority, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected thereby and this agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein. To the extent permitted by law, the parties waive any provision of law that renders any provision of this agreement invalid or unenforceable in any respect.
- (h) Natural Disasters. Notwithstanding any other term or condition of this agreement, neither Alpha nor the Market Maker Dealer shall be obligated to perform or observe its obligations undertaken in the agreement (except for obligations to make payments hereunder and regulatory obligations) if prevented or hindered from doing so by any circumstance found to be beyond its control, including industrial disputes of any nature, acts of nature, acts of a public enemy, acts of government, failure of telecommunications, software or hardware, sabotage, terrorism, lightning or electromagnetic disturbances, earthquake, flood, fire or other casualty and the other party will likewise be excused from performance of its obligations (other than timely payment of fees) to the extent such party's obligations relate to the performance so interfered with; provided that the party so affected uses its reasonable efforts to avoid or remove such causes of non-performance and shall resume performance hereunder with dispatch whenever such causes are removed.
- (i) Language. The parties confirm their express wish that this agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en la langue anglaise seulement.
- (j) Effect of Termination. Termination of the agreement or the appointment of any Member as an Market Maker shall not terminate or negate any obligations of the Market Maker to complete or implement any transaction entered into prior to such termination or arising from or accruing from authorized activities of the Market Maker up to the effective time of termination.



(k) Liability.

- i. Except for Alpha's indemnity obligations hereunder, Alpha's entire aggregate liability arising from or related to this agreement shall not exceed the sum of ten thousand dollars (\$10,000), even if such cause of action is continuing.
- ii. In no event shall any of Alpha's related parties, affiliates, partners or any third party providers of any of Alpha's or such other entities officers, directors, employees or agents have any liability to the Market Maker under or related to this agreement.
- iii. This Section shall not exclude or restrict Alpha's liability for death or personal injury arising from either the negligence of Alpha or its officers, employees, agents, or partners, including where they are acting in the ordinary course of their duties. Such liability shall in no event exceed the sum of one million dollars (\$1,000,000).
- iv. Money damages may both be incalculable and an insufficient remedy for any breach of the agreement by such party or its employees, agents or representatives and that any such breach would cause the other party irreparable harm. In the event of any such breach or threatened breach of the agreement, the other party shall be entitled to seek equitable relief, including by way of injunction and specific performance.
- v. Neither Alpha or the Market Maker shall be liable, under any circumstances, for any indirect, incidental, reliance, special, punitive or consequential damages including, but not limited to, lost profits, lost opportunities, even if the applicable party has been advised of the possibility of such damages.

(l) Disclaimers. All disclaimers and limitation herein shall apply regardless of the nature of any cause of action or demand (including, but not limited to breach of contract, breach of warranty, negligence, strict liability, tort or any other cause of action) and shall survive a fundamental breach or breaches and/or failure of the essential purpose of this agreement or any remedy contained herein.

(m) Indemnifications.

- i. Alpha agrees to pay, either on its own behalf, or on behalf of a third party provider, subject to the limitations herein set forth, any losses, damages or expenses incurred by the Market Maker arising from any claim, suit or proceeding commenced by a third party alleging that there has been an infringement of any such third party's intellectual property rights resulting from the execution of this agreement ("Infringement Claim"). The Market Maker agrees that Alpha shall be relieved of the foregoing obligations unless the Market Maker notifies Alpha promptly in writing of such claim, suit or proceeding and gives Alpha authority to defend and settle such proceeding as contemplated herein, and, at Alpha and/or third party's expense, as applicable, gives Alpha and/or third party provider proper and full information and assistance to settle and/or defend any such claim, suit or proceeding. Neither Alpha nor third party providers shall be liable for any costs or expenses incurred without their prior written authorization.
- ii. The Market Maker will indemnify, defend, and hold Alpha, its related parties, subsidiaries, affiliates, partners, officers, directors and employees harmless of and from any demands, losses, claims, judgment, liabilities, actions, proceedings, penalties, damages, costs or suits (other than for Infringement Claims) that arise out of or relate to the violation of the terms of this agreement by the Market Maker or its officers, employees, directors or agents. The Market Maker shall pay on demand all amounts due under this section.

(n) Currency. Unless otherwise expressly specified, all amounts referred to herein shall be denominated in Canadian dollars.

(o) Time of the Essence. Time shall be the essence of the agreement.

<b>MARKET MAKER AUTHORIZATION AND DECLARATION</b>	
Market Maker	
Name of Signing Officer	Title
Signature	Date



Alpha Exchange Inc.	
Name of Signing Officer	Title
Signature	Date



**ATTACHMENT A  
TO THE  
MARKET MAKER AGREEMENT**

**(CONTENT TO DETERMINED AND INCLUDED AT A LATER DATE)**

March 16, 2011

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## SCHEDULE 3

### ODD-LOT DEALER AGREEMENT

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#### ODD-LOT DEALER AGREEMENT

##### 1. ODD-LOT DEALER RESPONSIBILITIES

- (a) Appointment of Odd-Lot Dealers. Upon execution of this Agreement, \_\_\_\_\_ (“the Odd-Lot Dealer”) agrees to act as an odd-lot dealer in accordance with the Trading Policies of Alpha ATS LP (“Alpha”) provided to the Odd-Lot Dealer, as amended from time to time (“Trading Policies”). Alpha shall be entitled to appoint the Odd-Lot Dealer as the odd-lot dealer and assign responsibility for specific securities in accordance with the terms of the Policies or in such other manner as Alpha may deem appropriate, in its sole discretion.
- (b) Status as a Member. The Odd-Lot Dealer agrees to: (i) maintain its status as a Member of Alpha ATS; and (ii) take all commercially reasonable steps to ensure that it complies with all Alpha Requirements to act as an odd-lot dealer. Where the Odd-Lot Dealer does not comply with such Alpha Requirements it will immediately advise Alpha of such failure in writing. Such notification will include specific information as to the nature of such failure to comply.
- (c) Obligations of Odd-Lot Dealers. The Odd-Lot Dealer will carry out all obligations of an odd-lot dealer as set out in Trading Policies or as otherwise directed by Alpha and will at all times carry out all obligations in compliance with the Alpha Requirements, as defined in the Trading Policies (which have been incorporated by reference into and form a part of the Member Agreement) entered into by the Odd-Lot Dealer and Alpha, as amended from time to time (the “Member Agreement”).
- (d) Resources. The Odd-Lot Dealer represents and warrants that it has and will continue to have necessary resources, including trained personnel and technology, to allow it to carry out all of its obligations pursuant to this Agreement and the Trading Policies.
- (e) Odd-Lot Dealer Policies. The Odd-Lot Dealer shall implement policies and procedures to monitor the conduct for compliance with the Trading Policies applicable to odd-lot dealers and changes to such policies.
- (f) Term. The Odd-Lot Dealer agrees to act as an odd-lot dealer for all securities assigned by Alpha for a period of one (1) year, with an automatic renewal for additional one year terms, subject to each party’s right to terminate in accordance with the specific provisions of this Agreement (the “Term”). All Terms shall expire on November 6 of each year.

##### 2. ALPHA RESPONSIBILITIES

- (a) Access to Information. Alpha shall take reasonable steps to provide the Odd-Lot Dealer with access to data and information to allow the Odd-Lot Dealer to undertake its obligations hereunder.

##### 3. TERMINATION OF RESPONSIBILITIES

- (a) Breach of Obligations. Alpha shall be entitled to revoke the Odd-Lot Dealer’s appointment as an odd-lot dealer for any or all securities or attach such additional terms or conditions to this Agreement as Alpha deems to be necessary, where:
  - (i) the Odd-Lot Dealer fails to comply with any term of this Agreement or the Trading Policies;
  - (ii) Alpha determines, in its sole discretion, that the Odd-Lot Dealer or its officers, employees, directors or agents have violated any Alpha Requirement;
  - (iii) Alpha believes, in its sole discretion, that the Odd-Lot Dealer cannot or may not in the future carry out its obligations as an odd-lot dealer under the Policies or this Agreement; or
  - (iv) Alpha has determined, in its sole discretion, that the Odd-Lot Dealer or its officers, employees, directors or agents have in any way acted in a manner that is detrimental to the interests of Alpha or the public.

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- (b) Termination for Convenience. The Odd-Lot Dealer shall be entitled, during the Term, to terminate its responsibilities hereunder, in relation to all securities for which it acts as an odd-lot dealer by providing not less than thirty (30) days written notice of its intention to do so.
- (c) Transition. The Odd-Lot Dealer agrees to comply with all provisions of the Trading Policies relating to the transition responsibilities as an odd-lot dealer wherever its responsibilities have been terminated or suspended hereunder. The Odd-Lot Dealer has appropriate resources, policies and procedures in place to ensure compliance with all applicable Alpha Requirements when undertaking any activity on the System in furtherance of a trade, and has the capacity to settle all trades executed on or through the use of the System.

#### 4. FEES AND CREDITS

- (a) Fees. The Odd-Lot Dealer shall be obliged to pay fees and entitled to receive credits and/or cost offsets in accordance with Attachment A of this Agreement.
- (b) Invoicing. Alpha shall, as an element of the invoice provided pursuant to the Member Agreement, invoice the Odd-Lot Dealer for all fees payable, or where applicable credits and/or cost offsets payable by Alpha, under this Odd Lot Dealer Agreement. All fees payable, or credits earned hereunder will be aggregated with fees payable under the Member Agreement in a single invoice payable monthly. Any cost offsets payable shall be invoiced and paid separately on a monthly basis.

#### 5. GENERAL

- (a) Defined Terms. All capitalized terms not otherwise defined herein shall have the definition assigned for that term in the Member Agreement or the Trading Policies, as applicable.
- (b) Notices. All notices hereunder shall be provided herein in the same manner as described in the Member Agreement.
- (c) Laws governing. This Agreement shall be governed by the laws of the Province of Ontario and both parties unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario.
- (d) Assignment of rights. The Odd-Lot Dealer may not transfer or assign its rights and obligations hereunder without the prior written consent of Alpha. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- (e) Execution in counterparts. This Agreement may be executed in counterparts. Each executed counterpart may be delivered to the other party by facsimile and/or electronic file, and copies bearing the signature of a party will constitute a valid and binding execution and delivery of this Agreement.
- (f) Whole or partial invalidity. The whole or partial invalidity of any provision of this Agreement shall not affect the validity of any other provision of this Agreement. If any provisions or conditions of this Agreement shall be held to be unenforceable by a court, or regulatory or self-regulatory authority, such invalidity or unenforceability shall attach only to such provision or condition. The validity of the remaining provisions and conditions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein. To the extent permitted by law, the parties waive any provision of law that renders any provision of this Agreement invalid or unenforceable in any respect.
- (g) Natural Disasters. Notwithstanding any other term or condition of this Agreement, neither Alpha nor the Odd-Lot Dealer shall be obligated to perform or observe its obligations undertaken in this Agreement (except for obligations to make payments hereunder and regulatory obligations) if prevented or hindered from doing so by any circumstance found to be beyond its control, including industrial disputes of any nature, acts of nature, acts of a public enemy, acts of government, failure of telecommunications, software or hardware, sabotage, terrorism, lightning or electromagnetic disturbances, earthquake, flood, fire or other casualty and the other party will likewise be excused from performance of its obligations (other than timely payment of fees) to the extent such party's obligations relate to the performance so interfered with; provided that the party so affected uses its reasonable efforts to avoid or remove such causes of non-performance and shall resume performance hereunder with dispatch whenever such causes are removed.
- (h) Language. The parties confirm their express wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en la langue anglaise seulement.

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- (i) Effect of Termination. Termination of this Agreement or the appointment of any Member as an Odd-Lot Dealer shall not terminate or negate any obligations of the Odd-Lot Dealer to complete or implement any transaction entered into prior to such termination or arising from or accruing from authorized activities of the Odd-Lot Dealer up to the effective time of termination.
- (j) Liability.
- i. Except for Alpha's indemnity obligations hereunder, Alpha's entire aggregate liability arising from or related to this Agreement shall not exceed the sum of ten thousand dollars (\$10,000), even if such cause of action is continuing.
  - ii. In no event shall any of Alpha's related parties, affiliates, partners or any third party providers of any of Alpha's or such other entities officers, directors, employees or agents have any liability to the Odd-Lot Dealer under or related to this Agreement.
  - iii. This Section shall not exclude or restrict Alpha's liability for death or personal injury arising from either the negligence of Alpha or its officers, employees, agents, or partners, including where they are acting in the ordinary course of their duties. Such liability shall in no event exceed the sum of one million dollars (\$1,000,000).
  - iv. Money damages may both be incalculable and an insufficient remedy for any breach of this Agreement by either party or its employees, agents or representatives and any such breach may cause the other party irreparable harm. In the event of any such breach or threatened breach of this Agreement, the other party shall be entitled to seek equitable relief, including by way of injunction and specific performance.
  - v. Neither Alpha nor the Odd-Lot Dealer shall be liable, under any circumstances, for any indirect, incidental, reliance, special, punitive or consequential damages including, but not limited to, lost profits or lost opportunities, even if the applicable party has been advised of the possibility of such damages.
- (k) Disclaimers. All disclaimers and limitations herein shall apply regardless of the nature of any cause of action or demand (including but not limited to breach of contract, breach of warranty, negligence, strict liability, tort or any other cause of action) and shall survive a fundamental breach or breaches and/or failure of the essential purpose of this Agreement or any remedy contained herein.
- (l) Indemnifications.
- iii. Alpha agrees to pay, either on its own behalf, or on behalf of a third party provider, subject to the limitations herein set forth, any losses, damages or expenses incurred by the Odd-Lot Dealer arising from any claim, suit or proceeding commenced by a third party alleging that there has been an infringement of any such third party's intellectual property rights resulting from the execution of this Agreement ("Infringement Claim"). The Odd-Lot Dealer agrees that Alpha shall be relieved of the foregoing obligations unless the Odd-Lot Dealer notifies Alpha promptly in writing of such claim, suit or proceeding and gives Alpha authority to defend and settle such proceeding as contemplated herein, and, at Alpha and/or any such third party's expense, as applicable, gives Alpha and/or such third party provider proper and full information and assistance to settle and/or defend any such claim, suit or proceeding. Neither Alpha nor any third party providers shall be liable for any costs or expenses incurred without their prior written authorization.
  - iv. The Odd-Lot Dealer will indemnify, defend, and hold Alpha, its related parties, subsidiaries, affiliates, partners, officers, directors and employees harmless of and from any demands, losses, claims, judgments, liabilities, actions, proceedings, penalties, damages, costs or suits (other than for Infringement Claims) that arise out of or relate to the violation of the terms of this Agreement by the Odd-Lot Dealer or its officers, employees, directors or agents. The Odd-Lot Dealer shall pay on demand all amounts due under this section.
- (n) Currency. Unless otherwise expressly specified, all amounts referred to herein shall be denominated in Canadian dollars.
- (o) Time of the Essence. Time shall be the essence of the Agreement.

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ODD-LOT DEALER AUTHORIZATION AND DECLARATION	
Odd-Lot Dealer	
Name of Signing Officer	Title
Signature	Date

Alpha Exchange Inc.	
Name of Signing Officer	Title
Signature	Date



**ATTACHMENT A**  
**TO THE**  
**ODD LOT DEALER AGREEMENT**

<b>Transactional Fees</b>	
<b>Equity Trades</b>	<b>Fee/Share</b>
Auction (Open, Close or Halt)	
Trade Price/Share < \$1	\$0.0000
Trade Price/Share >=\$1 &<\$5	\$0.0000
Trade Price/Share >= \$5	\$0.0000
Continuous Active - Exchange Traded Funds	
Trade Price/Share < \$1	\$0.0003
Trade Price/Share >=\$1	\$0.0025
Continuous Active - Other	
Trade Price/Share < \$1	\$0.0003
Trade Price/Share >=\$1 &<\$5	\$0.0025
Trade Price/Share >= \$5	\$0.0035
Continuous Passive – Exchange Traded Funds	
Trade Price/Share < \$1	-\$0.0002
Trade Price/Share >=\$1	-\$0.0021
Continuous Passive - Other	
Trade Price/Share < \$1	-\$0.0002
Trade Price/Share >=\$1 &<\$5	-\$0.0021
Trade Price/Share >= \$5	-\$0.0031
Autoexecution - Exchange Traded Funds	
Trade Price/Share < \$1	-\$0.0002
Trade Price/Share >=\$1	-\$0.0021
Autoexecution - Other	
Trade Price/Share < \$1	-\$0.0002
Trade Price/Share >=\$1 &<\$5	-\$0.0021
Trade Price/Share >= \$5	-\$0.0031
<b>Note/Debenture Trades</b>	<b>Fee/\$1,000 par value</b>
Auction (Open, Close or Halt)	
Continuous Active	\$0.0900
Continuous Passive	-\$0.0800
Autoexecution	-\$0.00031
Printing Facility	
Intentional Crosses	\$0.0000
Odd Lot Trades	\$0.0900

**Notes**

- 1) All fees quoted are in Canadian dollars.
- 2) Transactional Fees are GST/HST-exempt.

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- 3) Fees relating to "Odd Lot Trades" do not pertain to trades executed by "Odd Lot Dealers" relating to their obligations as an "Odd Lot Dealer". Such fees are set out in the Odd Lot Dealer Agreement.
- 4) These fees are only payable in relation to trading activity conducted utilizing the specific trader identification (Trader ID) utilized for odd lot trading activity.
- 5) The fees (credits) relating to "Continuous Active" and "Continuous Passive" relate to the execution of trades to unwind or cover positions resulting from the execution of odd lot trades in relation to the securities which the Odd-Lot Dealer is acting as odd lot dealer but do not relate to the "autoexecution" of odd lot trades. The fees (credits) in relation to the "autoexecution" of trades by an Odd Lot Dealer will be as set out under the "autoexecution" sections.
- 6) These fees do not apply to any trading activity of the Odd-Lot Dealer except as referenced in Item #3 above.
- 7) The terms utilized in this Attachment shall have the meanings assigned to them in this Odd Lot Dealer Agreement, or if not defined in the Odd Lot Dealer Agreement in the Alpha ATS L.P Policies.
- 8) The fees payable or credits receivable pursuant to the Odd Lot Dealer Agreement shall be payable in accordance with the terms of the Member Agreement. All amounts payable or credit earned hereunder shall be netted with all amount payable under the Member Agreement.
- 9) For the purposes of this Attachment, each \$1,000 par value of Debentures/Bonds traded will be treated as one Share (i.e. a \$100 par value autoexecute will entitle the Odd-Lot Dealer to a credit of \$0.00031).
- 10) Each Odd-Lot Dealer who completes odd-lot executions of TSX-V listed securities will be entitled to a cost offset per month equal to the amount determined by the following formula:

$$(A/B) \times C = \text{Cost Credit}$$

Where:

A = the number of odd-lot trades of all TSX-V listed securities completed by that Odd-Lot Dealer in that month

B = the total number of odd-lot trades of all TSX-V listed securities completed by all odd-lot dealers in that month

C = \$5000



**SCHEDULE 4**

**CDS FEE COLLECTION AUTHORIZATION and INFORMATION FORM**

**In order for fees to be collected by Exchange through CDS Clearing and Depository Services Inc., a Member must a) be a CDS participant with a valid CUID or b) have established a introducing carrying broker relationship with a CDS participant with a valid CUID.**

Part A

Exchange shall provide CDS with instructions to detailing the total amount to be collected from \_\_\_\_\_ (the Member) for each monthly collection cycle. Instructions will be provided to CDS on or before the fourth business day of each month. Fees shall be remitted to Exchange from CDS on behalf of \_\_\_\_\_ (the Member) on the 10<sup>th</sup> business day of every month.

<b>MEMBER AUTHORIZATION TO COLLECT FEES THROUGH CDS</b>	
The Member hereby certifies that the information is provided by the Member for the purpose of fee collection through CDS is correct. The undersigned is a signing officer with authority to bind the Member to the terms of the Agreement.	
Member and CUID	
Name of Signing Officer	Title
Signature	Date

Part B

Exchange shall provide CDS with instructions to detailing the total amount to be collected from \_\_\_\_\_ (the Member's carrying broker) for each monthly collection cycle. Instructions will be provided to CDS on or before the fourth business day of each month. Fees shall be remitted to Exchange from CDS on behalf of \_\_\_\_\_ (the Member) on the 10<sup>th</sup> business day of every month.

<b>MEMBER AUTHORIZATION TO COLLECT FEES THROUGH CDS VIA CARRYING BROKER</b>	
The Member hereby certifies that the information is provided by the Member for the purpose of fee collection through CDS via their carrying broker is correct. The undersigned is a signing officer with authority to bind the Member to the terms of the Agreement.	
Member	
Name of Signing Officer	Title
	Date



Signature	
<b>CARRYING BROKER AUTHORIZATION TO COLLECT FEES THROUGH CDS on BEHALF of a MEMBER</b>	
The Carrying Broker hereby certifies that the information is provided by for the purpose of fee collection through CDS is correct. The undersigned is a signing officer with authority to bind the Member to the terms of the Agreement.	
Carrying Broker and CUID	
Name of Signing Officer	Title
Signature	Date



## SCHEDULE 5

### DMA ELIGIBLE CLIENT AGREEMENT TERMS

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The Member shall execute with each DMA Eligible Client (the "Client") a binding legal agreement containing, at a minimum, the following terms and conditions:

1. The Client agrees that the Member may, at any time and for any reason, including if compelled to do so by any regulatory authority or Exchange, discontinue the Client's direct marketplace access and ensure that the Client is not able to enter orders on the System.
2. The System is being provided on an "as is" basis and that none of Exchange, its related parties, subsidiaries, affiliates, partners, officers, directors and employees or Member makes any warranty (whether express or implied) as to the operation of the System or its fitness for purpose. In no event shall Exchange, its related parties, subsidiaries, affiliates, partners, officers, directors and employees have any liability to Clients under, or related to, the agreement.
3. The Client shall enter all orders in compliance with applicable regulatory requirements.
4. The Member has the right to reject any order entered, or cancel any trade executed, by the Client for any reason.
5. That only individuals with adequate training and knowledge of applicable regulatory requirements will be provided with access to the System.
6. The Member agrees to inform the Client that although Exchange is registered as a dealer under securities legislation, Exchange is a marketplace and therefore does not ensure best execution. Exchange does not provide advice with respect to, or recommend, trades in particular securities, nor is Exchange responsible for determining whether any trade executed on Exchange is suitable for the Client.
7. All disclaimers or other limitations set out herein shall apply irrespective of the nature of the loss or of the cause of action (including but not limited to breach of contract, breach of warranty, negligence, strict liability, tort) and shall survive a fundamental breach or breaches of the agreement.