

TSX VENTURE EXCHANGE INC.

NOTICE OF APPROVAL

AMENDMENTS TO TSX VENTURE EXCHANGE RULE BOOK AND POLICIES

Introduction

TSX Venture Exchange Inc. (“TSXV”) has adopted, and the Alberta Securities Commission and British Columbia Securities Commission (“BCSC”) have approved, amendments (the “Amendments”) to the TSXV rule book and policies (the “Rules”). The Amendments are public interest amendments to the Rules. The Amendments were published for public comment on the BCSC website in a request for comments on May 21, 2015 (“Request for Comments”).

Reasons for the Amendments

The Amendments are being made to reflect the following changes:

- The “Long Life order” will be introduced, providing priority benefits to those willing to commit their order to a minimum resting time; and
- Specialty price crosses (currently available on TSX) will be made available on TSXV.

The objective of the new Long Life order type is to enhance the quality of execution for natural investors and their dealers – both retail and institutional – by rewarding those willing to commit liquidity to the book for a minimum period of time.

By choosing to use the Long Life order type, natural investors, their dealers and other non-latency sensitive participants will be able to more effectively and confidently participate in the markets, and better achieve priority in the book without having to compete on speed.

The implementation of specialty price crosses on TSXV is part of the continued efforts to streamline functionality across TMX’s equities markets and to provide added flexibility to users of these cross types when transacting on TSXV.

Summary of Comments and Text of the Final Amendments

No comment letters in response to the Request for Comments were received.¹

No changes have been made to the Amendments since published in the Request for Comments.

¹ Five comment letters were received to a similar request for comments published for comment by TSX Inc. on the same date. A notice of approval pertaining to the TSX Inc. amendments, along with a summary of comments and responses for those five comment letters is being published by TSX Inc. concurrently with this notice.

The Amendments will be finalized in the form attached as **Appendix A**.

Effective Date

The Amendments regarding specialty price crosses became effective on November 16, 2015 and the Amendments regarding the Long Life order type become effective on November 20, 2015.

APPENDIX A

TEXT OF FINAL AMENDMENTS TO TSXV RULE BOOK

Rule A.1.00 Interpretation

Rule A.1.01 Definitions

"Basis Trade" means a transaction whereby a basket of securities or an index participation unit is transacted at a price calculated in the prescribed manner which represents the average accumulation (or distribution) price of the position, subject to an agreed upon basis spread, achieved through the execution of related exchange-traded derivative instruments, which may include listed index futures, index options and index participation units in an amount that will correspond to an equivalent market exposure.

Added November 16, 2015

"Long Life Eligible" means a security which has been designated by the Exchange as eligible for long life priority and allocation benefits under these Rules.

Added November 20, 2015

"Long Life order" means a board lot or board lot portion of a mixed lot market or limit order that is: (a) entered for a security that has been identified by the Exchange as being Long Life Eligible; (b) identified by the participant as a Long Life order upon entry in the manner specified by the Exchange; and (c) is subject to Long Life Restrictions.

Added November 20, 2015

"Long Life Restrictions" means Exchange prescribed restrictions, applicable to a Session as specified by the Exchange, which prevent the amendment or cancellation of an order for a period of time specified by the Exchange.

Added November 20, 2015

"Specialty Price Cross" means a Basis Trade or Volume-Weighted Average Price Trade, or such other trade that is designated by the Exchange from time to time, resulting from the entry by a Participating Organization of both the order to purchase and the order to sell a security.

Added November 16, 2015

"Volume-Weighted Average Price Trade" means a transaction for the purpose of executing trades at a volume-weighted average price calculated in the prescribed manner of the security traded for a continuous period on or during a trading day on the Exchange.

Added November 16, 2015

Rule C.2.01 Establishing Priority

(1) A Long Life order at a particular price shall be executed prior to an order that is not a Long Life order at that price ("long-life priority"), except in the case of an Undisclosed Order, in which case no long-life priority is provided.

(2) Subject to Rule C.2.01(1), a disclosed order shall be executed prior to an Undisclosed Order or any undisclosed portion of an order at the same price; an undisclosed portion of an order shall be executed prior to an Undisclosed Order at the same price; and an Undisclosed Order with a Minimum Quantity shall be executed prior to an Undisclosed Order without a Minimum Quantity at the same price.

Amended January 13, 2012 and November 20, 2015

(3) Subject to Rule C.2.01(1), Rule C.2.01(2), and Rule C.2.06, an order at a particular price shall be executed prior to any orders at that price entered subsequently, and after all orders entered previously ("time priority"), except as may be provided otherwise.

(4) An order shall lose time priority if its disclosed volume is increased and shall rank behind all other disclosed orders at that price.

Rule C.2.01 Amended March 1, 2011 and November 20, 2015

Rule C.2.06 Allocation of Trades

(1) Subject to Rule C.2.01(1) and Rule C.2.01(2) an order that is entered for execution on the Exchange may execute without interference from any order in the Book if the order is:

(d) part of an exempt related security cross, provided that the order is exempt from interference only to the extent that there are no offsetting orders entered in the Book, at least one of which is an order entered by the same Member, which can fill both the client's order for the particular security, in whole or in part, and an equivalent volume of the client's order for the related security. Orders in the Book will only be considered to be offsetting orders if the related security spread on execution of the clients' orders against orders in the Book is equal to or more beneficial than the related security spread offered by the Member for the contingent cross arrangement;

(e) entered as part of a Specialty Price Cross; or

(f) part of an intentional cross entered by a Member in order to fill a client's Special Trading Session order.

Amended December 12, 2011 and January 13, 2012 and November 16, 2015

(3) Subject to Rule C.2.01(1) and Rule C.2.01(2), a tradeable order that is entered in the Book and is not a Bypass Order (an "incoming order") shall be executed on allocation in the following sequence:

Amended January 19, 2009 and January 13, 2012 and November 16, 2015

Rule C.2.54 Special Trading Session

(2) Except as otherwise provided, the normal rules of priority and allocation, as applicable, and all other Exchange Requirements shall apply to the Special Trading Session.

Amended April 2, 2012 and November 20, 2015

Rule C.2.57 Specialty Price Crosses

(1) Execution

Specialty Price Crosses may be executed in the Regular Session and the Special Trading Session.

(2) Restriction on Setting Last Sale or Closing Price

Specialty Price Crosses shall not be used in the calculation of either a last sale price or closing price for a stock for the Regular Session or the Special Trading Session.

(3) Qualifying Basis Trades

A Basis Trade shall comprise of at least 80 percent of the component share weighting of the basket of securities or index participation unit that is the subject of the Basis Trade.

(4) Reporting of Basis Trades

Members executing Basis Trades on the Exchange shall report details of the transaction to a Market Surveillance Official at the Exchange and IIROC in the format and at the time required by the Exchange and IIROC. Such information shall include complete details relating to the calculation of the price of the Basis Trade and all relevant supporting documentation.

(5) Qualifying Volume-Weighted Average Price Trades

A Volume-Weighted Average Price Trade that is not calculated based on all trades during the Regular Session on a Trading Day shall be determined in such a manner that the time period for calculating the volume-weighted average price must commence after the receipt of the order by the Member. In addition, the types of trades to be excluded from the calculation must be determined prior to the commencement of the calculation period.

(6) Reporting of Volume-Weighted Average Price Trades

Members executing Volume-Weighted Average Price Trades on the Exchange shall report details of the transaction to a Market Surveillance Official at the Exchange and IIROC in the format and at the time required by the Exchange and IIROC. Such information shall include details of the time period used to calculate the volume-weighted average price, a description of any types of trades excluded from the volume-weighted average price calculation and all relevant supporting documentation.

Added November 16, 2015