

ALBERTA SECURITIES COMMISSION

ORDER

Citation: Re TSX Venture Exchange Inc., 2019 ABASC 55

Date: 20190321

TSX Venture Exchange Inc.

Background

1. The Alberta Securities Commission (the **Commission**) continued to recognize TSX Venture Exchange Inc. (the **Applicant**) as an exchange under section 62 of the *Securities Act* (Alberta) (the **Act**) by a Commission order cited as *Re TSX Venture Exchange Inc.*, 2012 ABASC 308 (the **Recognition Order**).
2. Pursuant to section 9(a) of the Recognition Order, the Commission continued to recognize the Applicant as an exchange for so long as: (a) the Applicant adheres to the terms and conditions set out in the Schedule to the Recognition Order (the **Revised Terms and Conditions**); and (b) certain parties (including Maple Group Acquisition Corporation (**Maple**), TMX Group Inc. (**TMX Group**) and TSX Inc. (**TSX**)) fulfil undertakings provided pursuant to section 8(a) of the Recognition Order (the **Undertakings**).
3. Section 20 of the Revised Terms and Conditions provides that persons who have currently relevant expertise in the Canadian public venture market whose expertise comes from experience acquired as prescribed under section 20(a) through 20(e) of the Revised Terms and Conditions (the **Venture Expertise**) will, at all times, comprise at least 25% of the directors of the Applicant (the **Venture Expertise Requirement**).
4. In accordance with section 8(a) of the Recognition Order, on July 31, 2012, each of Maple, TMX Group and TSX delivered to the Commission the Undertakings, including an undertaking that unless the Commission has approved the appointment of a director who does not have the Venture Expertise, the boards of directors of Maple, TMX Group and TSX will meet the Venture Expertise Requirement.
5. At the time that the Commission granted the Recognition Order, the Applicant was a wholly owned-sub subsidiary of TSX, and TSX was a wholly-owned subsidiary of TMX Group. Maple was the parent company and owned 100% of TMX Group.
6. Shortly after July 2012, Maple changed its name to TMX Group Limited.
7. As a result of an internal reorganization in 2017, TMX Group ceased to exist, but the Applicant continues to be a wholly-owned subsidiary of TSX, which in turn is a wholly-owned subsidiary of TMX Group Limited.
8. Depending on the total number of directors on the Applicant's board of directors, the Venture Expertise Requirement may require the Applicant to round up the number of directors with Venture Expertise to the nearest whole number.

9. The Applicant is currently in the process of reviewing the size of its board and its board composition and requires flexibility to balance various other requirements against the Venture Expertise Requirement.
10. The Applicant has applied to the Commission for an order under section 213 of the Act exempting the Applicant from the Venture Expertise Requirement, where the Venture Expertise Requirement arithmetically yields a fractional result, and seeks Commission approval that under such circumstances the Applicant be allowed to round down the required number of directors with Venture Expertise to the nearest whole number (the **Relief**).
11. The Applicant seeks the Relief for a two-year consecutive period, commencing with an initial request by the Applicant at its discretion to the Commission to exercise the Relief, and ending no later than four years from the date of the 2019 annual general meeting of the shareholders of TMX Group Limited (the **2019 AGM**).

Interpretation

12. Terms defined in the Act have the same meaning in this order unless otherwise defined herein.

Representations and Undertakings

13. Except to the extent that the Relief is granted within this order, and until the Applicant makes a request at its discretion to the Commission to exercise the Relief, the Applicant will continue to operate in accordance with the Revised Terms and Conditions of the Recognition Order.
14. In the event that the Applicant makes a request at its discretion to the Commission to exercise the Relief, each of TSX and TMX Group Limited will deliver an undertaking to conform to the Relief granted within this order, but each of TSX and TMX Group Limited will otherwise continue to fulfil the Undertakings.

Order

15. The Commission, considering that it would not be prejudicial to the public interest to do so, orders under section 213 of the Act that the Relief be granted, exercisable at the discretion of the Applicant, provided that the Applicant continues to adhere to the representations and undertakings of this order and the Recognition Order and the Revised Terms and Conditions, except to the extent that those Revised Terms and Conditions are not consistent with the Relief granted.
16. This order will expire on the earlier of:
 - (a) two years from the date that the Applicant makes an initial request at its discretion to the Commission to exercise the Relief; and

(b) four years from the date of the 2019 AGM.

For the Commission:

"original signed by"

Tom Cotter
Vice-Chair

"original signed by"

Kari Horn
Vice-Chair