

**TORONTO STOCK EXCHANGE
SIGNIFICANT TMX SHAREHOLDER
CONFLICTS MANAGEMENT POLICY FOR LISTINGS¹**

Toronto Stock Exchange (“**TSX**”) follows established policies and procedures to identify and manage any potential conflicts of interest, real or perceived.

In accordance with section 23(b) of Schedule 4 of the Recognition Order, TSX must identify and manage any conflicts of interest or potential conflicts of interest arising from the listing of the shares of any Significant TMX Shareholder or an affiliate of a Significant TMX Shareholder on TSX.

This policy codifies TSX’s practices to manage conflicts of interest or potential conflicts of interest, real or perceived, as required by these sections of the Recognition Order. The policy creates a continuum for conflict management that balances the degree of the conflict, whether real or perceived, with the importance of effective and efficient exchange operations to the overall market.

1. DEFINITIONS AND INTERPRETATION

For the purposes of this Policy:

- (a) “**Conflicts Committee**” means the committee established pursuant to the *Provisions Respecting Conflict of Interest and Competitors of TMX Group Limited*.
- (b) “**OSC**” means the Ontario Securities Commission.
- (c) “**Recognition Order**” means the OSC recognition order recognizing each of TMX Group Limited, TSX Inc. and Alpha Exchange Inc. as an exchange, as amended from time to time.
- (d) “**Related TMX Shareholder**” means a Significant TMX Shareholder and, if within the actual knowledge of TSX, an issuer which is a Subsidiary Company of a Significant TMX Shareholder and an issuer for whom a Significant TMX Shareholder is a Subsidiary Company.
- (e) “**Significant TMX Shareholder**” means “significant TMX shareholder” as defined in the Recognition Order, if within the actual knowledge of TSX.
- (f) “**Subsidiary Company**” has the same meaning ascribed to it in the *Securities Act* (Ontario).

2. CONFLICTS

- (a) TSX shall identify Potential Conflict Matters (as defined in 2(d) below) that arise in the course of the performance of its functions. TSX shall provide instructions to

¹ This policy is intended to address listing related matters. Separate policies will address other business lines as necessary.

relevant TSX officers and staff to enable them to identify Potential Conflict Matters and to advise the Conflicts Committee as required in accordance with this Policy.

- (b) An application for the original listing of shares on TSX of a Related TMX Shareholder shall be considered a Potential Conflict Matter and shall be presented to the Conflicts Committee for its review.
- (c) Listings applications and other matters subject to review under TSX Company Manual, other than original listing applications, ("**Listing Matters**") shall include:
 - (i) matters relating to initiating a continued listing review or a delisting;
 - (ii) any formal application for exemptive relief or formal notice or application for approval to TSX;
 - (iii) any other formal application made to TSX;
 - (iv) any instances of non-compliance with applicable TSX Company Manual requirements after having been advised of such non-compliance by TSX; and
 - (v) any suitability matters involving a nominee or appointee of a director or officer of a listed issuer.

For greater certainty, filings and notices made to TSX for informational, procedural or operational purposes where TSX is not required to exercise any discretion or regulation function shall not be considered Listing Matters.

- (d) TSX will present Listing Matters to the Conflicts Committee for its review, where:
 - (i)
 - (A) the Related TMX Shareholder is the listed issuer directly involved in the Listing Matter, or
 - (B) TSX is advised by the listed issuer or the Related TMX Shareholder or is otherwise aware that the Listing Matter involves or affects a Related TMX Shareholder either directly or indirectly, and
 - (ii) TSX proposes to deal with the Listing Matter outside of the ordinary course (each, a "**Potential Conflict Matter**").

For greater certainty, outside the ordinary course shall mean other than the manner in which TSX has dealt with such matters, whether through an exercise of discretion or otherwise, for issuers listed or applying to list on TSX. In addition, all novel Listing Matters shall be considered outside the ordinary course.

This policy shall not apply to (i) matters where a Related TMX Shareholder is indirectly affected only as a result of being an underwriter or financial advisor to a listed issuer and (ii) matters where a Related TMX Shareholder may be indirectly

affected only as a result of being an administrator or a manager of a listed investment fund, exchange traded fund or other structured product.

3. The Conflicts Committee will consider the facts and form a determination regarding whether a conflict of interest exists or not, or is likely to arise or not, with respect to TSX's proposed course for dealing with the Potential Conflict Matter. The Conflicts Committee will then proceed as follows depending on the circumstances:
 - (a) If the Conflicts Committee determines that a conflict of interest relating to TSX's proposed course for dealing with the Potential Conflict Matter does not exist and is unlikely to arise, TSX will deal with the matter in the ordinary course as proposed. A brief written record of such determination shall be prepared by TSX, including details of the analysis undertaken, and the manner in which the matter was disposed of, and provided to the OSC's Director, Market Regulation as soon as practicable.
 - (b) Where the Conflicts Committee has considered the Potential Conflict Matter based on the information provided to it by TSX under section 2(d) above, and has determined that it does not agree with the recommendation of TSX, the Conflicts Committee may:
 - (i) Require TSX to reformulate its recommendation; or
 - (ii) Direct TSX to take such other action the Conflicts Committee considers appropriate in the circumstances.
4. Where the Conflicts Committee has considered the Potential Conflict Matter based on the information provided to it by TSX under section 2(b) or 2(d) above, TSX shall promptly provide to the Conflicts Committee any relevant information in its possession, including a memo summarizing the matter, the applicable TSX rules, and precedents, if any, and, if requested by the Conflicts Committee, any other information in its possession, in order for the Conflicts Committee to review or, if appropriate, make a determination regarding the matter, including any notes, reports or information of TSX regarding the issue, any relevant internal guidelines of TSX. TSX must provide its services to assist the matter, if so requested by the Conflicts Committee.

5. **ANNUAL REPORTING OF ROUTINE MATTERS**

On an annual basis, TSX will prepare and submit a confidential report to the Conflicts Committee logging the Listing Matters where:

- (a) the Related TMX Shareholder is the listed issuer directly involved in the Listing Matter, or
- (b) TSX is advised by the listed issuer or the Related TMX Shareholder that the Listing Matter involves or affects a Related TMX Shareholder either directly or indirectly,

and that were of a routine nature and dealt with in the ordinary course (each, a "**Routine Reporting Matter**").

6. For internal record-keeping purposes, TSX will prepare and maintain a brief memo to file noting that the matter has been dealt with in the ordinary course, and identifying similar transactions to evidence the ordinary course nature of the matter.
7. Upon request by the Conflicts Committee, TSX will provide additional information on Routine Reporting Matters.

8. **Amendments**

In accordance with section 23(b) of Schedule 4 of the Recognition Order, any amendments to this policy shall not be implemented without prior approval of the OSC.

9. **Oversight**

In accordance with the Recognition Order, this policy is subject to the oversight of the Regulatory Oversight Committee.