

**ALPHA EXCHANGE
SIGNIFICANT TMX SHAREHOLDER
TRADING-RELATED CONFLICTS MANAGEMENT POLICY¹**

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

Alpha identifies and manages any conflicts of interest or potential conflicts of interest, real or perceived, that arise from any interactions between Alpha and a Significant TMX Shareholder, where Alpha may be exercising discretion that involves or affects the Significant TMX Shareholder either directly or indirectly.

This policy codifies the practices of TSX Markets on behalf of Alpha to manage conflicts of interest or potential conflicts of interest, real or perceived, as required by 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) “**Equities Trading Management**” means those holding the position of Vice-President and above within TSX Markets, including but not limited to the President and Group Head of Equities, the Senior Vice-President of Trading, Vice-President of Trading, and the Vice-President Business Development.
- (b) “**Member**” has the meaning given in the Alpha Trading Policies;
- (c) “**Recognition Order**” means the Ontario Securities Commission 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 Alpha, 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.

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

- (e) **“Significant TMX Shareholder”** means “significant TMX shareholder” as defined in the Recognition Order, if within the actual knowledge of Alpha.
- (f) **“Subsidiary Company”** has the same meaning ascribed to it in the *Securities Act* (Ontario).
- (g) **“Trading Applicant”** means a firm that has submitted an application for approval to become a Member of Alpha.
- (h) **“Alpha Trading Policies”** means the Alpha Trading Policies as amended from time to time.

2. **CONFLICTS**

- (a) TSX Markets staff shall identify Potential Conflict Matters (as defined in Section 3 below) that arise in the course of the performance of its functions.
- (b) Alpha shall provide instructions to Equities Trading Management and staff in TSX Markets to enable them to identify and consider Potential Conflict Matters as required in accordance with this Policy.
- (c) Trading applications and other matters subject to review under the Alpha Trading Policies (“Trading Matters”) shall include:
 - (i) any formal notice or application for approval to Alpha;
 - (ii) any other formal application made to Alpha;
 - (iii) any instances of non-compliance with the Alpha Trading Policies after having been advised of such non-compliance by Alpha;
 - (iv) any suspension or termination of a Member by Alpha; and
 - (v) any suitability matters involving a director or officer of a Member.

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

- (d) TSX Markets staff is required to apply and follow all applicable rules, policies and procedures for dealing with: (i) processing and approving applications; and (ii) responding to trading customer requests, calls, emails and issues, on a first come first serve basis, subject to prioritizing issues that may have an impact on the market as a whole.
- (e) TSX Markets staff will present Trading Matters to a minimum of two (2) members of Equities Trading Management for its review and approval if:
 - (i)

- (A) the Related TMX Shareholder is the Trading Applicant or Member directly involved in the Trading Matter, or
 - (B) TSX Markets is advised by the Trading Applicant, Member or the Related TMX Shareholder, or is otherwise aware, that the Trading Matter involves or affects a Related TMX Shareholder either directly or indirectly, and
- (ii) TSX Markets proposes to deal with the Trading 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 Markets has dealt with such matters, whether through an exercise of discretion or otherwise, for Trading Applicants or Members. In addition, all novel Trading Matters shall be considered outside the ordinary course.

3. The applicable Equities Trading Management members will consider the Potential Conflict Matter and the proposed course for dealing with the Potential Conflict Matter and form a determination regarding whether a conflict of interest exists or not, or is likely to arise or not, with respect to TSX Markets staff's proposed course for dealing with the Potential Conflict Matter. Equities Trading Management will then proceed as follows depending on the circumstances:

- (a) If Equities Trading Management determines that a conflict of interest does not exist and is unlikely to arise with respect to the proposed course for dealing with the Potential Conflict Matter, TSX Markets staff will deal with the Potential Conflict Matter in the ordinary course as proposed by TSX Markets staff.
- (b) Where Equities Trading Management has considered the Potential Conflict Matter based on the information provided to it by TSX Markets staff under section 2(e) above, and has determined that it does not agree with the recommendation of TSX Markets staff, Equities Trading Management may:
 - (i) require TSX Markets staff to reformulate its recommendation; or
 - (ii) Direct TSX Markets staff to take such other action the Equities Trading Management considers appropriate in the circumstances; or
 - (iii) escalate the matter to TMX Group Limited's Executive Committee for consideration and direction.

4. **Reporting**

- (a) On an annual basis, TSX Markets staff will prepare, for internal record-keeping purposes, a confidential report logging the Potential Conflict Matters.
- (b) On an annual basis, TSX Markets staff will prepare a confidential report, for internal record-keeping purposes, logging the Trading Matters where:

- (i) the Related TMX Shareholder is the Trading Applicant or Member directly involved in the Trading Matter, or
- (ii) TSX Markets is advised by the Trading Applicant, Member or the Related TMX Shareholder, or is otherwise aware, that the Trading 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**”).

- 5. For internal record-keeping purposes, TSX Markets staff will prepare and maintain a brief memo to file noting that the matter has been dealt with in the ordinary course, and identifying similar matters to evidence the ordinary course nature of the matter.
- 6. Upon request of Equities Trading Management, TSX Markets will provide additional information on Routine Reporting Matters.
- 7. **Oversight**

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