

**DESIGNATION ORDER
CNSX MARKETS INC.
(Section 187(1)(c.1)(v) of the *Securities Act*, R.S.B.C.1996, c.418)**

Background

1. Subsection 4.8(2) of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (NI 62-104) provides that an issuer bid that is made in the normal course through the facilities of a designated exchange is exempt from the requirements applicable to issuer bids set out in Part 2 of NI 62-104 (Issuer Bid Requirements) if the bid is made in accordance with the by-laws, rules, regulations, and policies of that exchange (Designated Exchange Exemption).
2. The Designated Exchange Exemption permits an issuer to repurchase securities of its own issue without having to make an offer to purchase to all security holders using an issuer bid circular prepared in accordance with the Issuer Bid Requirements (which include requirements for pro rata take up and the identical treatment of security holders), provided that the issuer bid is made in the normal course through the facilities of a designated exchange in accordance with the rules of the designated exchange (an NCIB). These rules aim to provide issuers with the ability to repurchase their securities in a cost-efficient manner that treats security holders fairly while not adversely impacting the market. Designated exchanges, through their NCIB rules, have imposed the following key purchase restrictions to ensure that issuers purchase their securities in an orderly fashion:
 - (a) limits on the number of securities an issuer can repurchase in a 12-month period to a maximum of (i) 5% of its outstanding securities, or (ii) 10% of its public float;
 - (b) prohibiting intentional crosses and pre-arranged trades, so that all security holders can participate equally in the increased liquidity provided by the normal course issuer bid; and
 - (c) restricting when an issuer can be in the market repurchasing its securities and the number of securities that it can repurchase in a given day.
3. Subsection 4.8(1) of NI 62-104 defines a “designated exchange” to mean, the Toronto Stock Exchange, the TSX Venture Exchange or other exchange recognized or designated by the securities regulatory authorities for the purposes of NI 62-104. In 2015, Aequis Neo Exchange Inc. was designated as a designated exchange in BC under BC Instrument 21-501 *Recognition of Exchanges, Self Regulatory Bodies, and Jurisdictions*. On January 1, 2024, Aequis Neo was amalgamated with other related entities into a single legal entity named Cboe Canada Inc.
4. The Ontario Securities Commission and the British Columbia Securities Commission (the Commission) approved amendments to the CSE Listing Policies and Forms (the Amendments, and such policies, the CSE Listing Policies). The Amendments became effective on April 3, 2023 and included:
 - (a) the creation of a senior tier with initial and continued listing requirements in line with that of a non-venture exchange; and
 - (b) additional listing requirements consistent with that of other Canadian exchanges, including for normal course issuer bids (the CSE NCIB Rules).
5. CNSX Markets Inc. has represented to the Commission that:

- (a) the CSE NCIB Rules are consistent with the requirements applicable to NCIBs of the other designated exchanges; and
- (b) leading up to, and following, the approval of the CSE Listing Policies including the CSE NCIB Rules, the CNSX Markets Inc. has significantly increased their staff in their Listings & Regulation department to ensure that it has the ability to oversee and enforce compliance with the CSE NCIB Rules.

Interpretation

6. Terms defined in the *Securities Act* (British Columbia) or in NI 62-104 have the same meaning if used in this decision, unless otherwise defined.

Order

7. The Commission designates CNSX Markets Inc. as a “designated exchange” for the purposes of section 4.8 of NI 62-104 pursuant to section 187(1)(c.1)(v) of the Act.

Dated April 24, 2025.

"Brenda M. Leong"

Brenda M. Leong
Chair

(This part is for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Securities Act, section 187