



British Columbia Securities Commission

Citation: 2019 BCSECCOM 100

## Exemption Order

TSX Venture Exchange Inc.

Section 33 of the *Securities Act*, R.S.B.C 1996

### Background

1. The British Columbia Securities Commission (the Commission) continued to recognize TSX Venture Exchange Inc. (the Applicant) as an exchange under section 24 of the *Securities Act* (British Columbia) (the Act) by Commission Order *TSX Venture Exchange Inc., Re.*, 2012 BCSECCOM 273 (the Recognition Order).
2. The Commission continued to recognize the Applicant as an exchange so long as the Applicant adheres to the terms and conditions set out in the Schedule to the Recognition Order (the Revised Terms and Conditions) and Maple Group Acquisition Corporation (Maple), TMX Group Inc. (TMX Group), and TSX Inc. (TSX) fulfill their undertakings, as defined under and provided pursuant to the Recognition Order.
3. Section 20 of the Revised Terms and Conditions provides that at least 25% of the directors of the Applicant, at all times, will be persons who have relevant expertise in the Canadian public venture market whose expertise comes from experience acquired as prescribed under subsections 20(a) to (e) of the Revised Terms and Conditions (the Venture Expertise).
4. To satisfy the Recognition Order, on July 31, 2012, each of TSX, Maple, and TMX Group delivered to the Commission certain undertakings (the Undertakings), including an undertaking that unless the Commission has approved the appointment of a director who does not meet the criteria set out in subsections 20(a) to (e) of the Revised Terms and Conditions, at least 25% of the directors of TSX, Maple, and TMX Group will have Venture Expertise.
5. At the time that the Commission granted the Recognition Order, the Applicant was a wholly owned 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 requirement under section 20 of the Revised Terms and Conditions that at least 25% of them have Venture Expertise may require the Applicant to round-up to the nearest whole number of directors with Venture Expertise.
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 expertise requirements against ensuring that enough directors, as required by section 20 of the Revised Terms and Conditions, have Venture Expertise.
10. The Applicant has applied to the Commission for an order pursuant to section 33 of the Act exempting the Applicant from the requirement under section 20 of the Revised Terms and Conditions, where the requirement that at least 25% of the directors of the Applicant, at all times, be persons with Venture Expertise, arithmetically yields a fractional result, and seeks Commission approval that under such circumstances it 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 (the **2019 AGM**) of TMX Group Limited.

### **Interpretation**

12. Terms defined in National Instrument 14-101 *Definitions* or 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 otherwise, each of TSX and TMX Group Limited will continue to fulfill the Undertakings.

**Order**

15. The Commission, considering that it would not be prejudicial to the public interest to do so, orders under section 33 of the Act that the Relief be granted, provided that, and for so long as the Applicant continues to adhere to the representations and undertakings of this order and the Recognition Order and the Revised Terms and Conditions of the Recognition Order, 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 of TMX Group Limited.

March 18, 2019

Nigel Cave  
Vice Chair