TSX VENTURE EXCHANGE INC.

NOTICE OF APPROVAL

Market-On-Close Modernization

TSX Venture Exchange Inc. ("**TSXV**" or "**we**") will adopt, and the Alberta Securities Commission and British Columbia Securities Commission have approved, amendments to the TSX Venture Exchange Rule Book to modernize the Market-On-Close facility ("**MOC**").

Summary of the Amendments

TSXV will be amending the TSXV Rule Book and certain TSXV marketplace functionality to allow for the new MOC model (collectively, the "**Amendments**"). The Amendments will add transparency, align the MOC with similar facilities offered by other global exchanges, and provide consistency of execution.

In connection with the comments received, TSXV is making further refinements to the TSXV Rule Book. These refinements introduce an additional step to the closing allocation that allows for increased MOC executions. Currently, there may be Pegged LOC orders where the re-priced limit price to the Reference Price is less aggressive than the Calculated Closing Price ("**CCP**"), preventing that order from being executed even when the entered limit price is equal to or more aggressive than the CCP ("**Passive Pegged LOC orders**"). The additional allocation step proposed will give such Passive Pegged LOC orders a chance to be traded at the CCP, in the event that there is unfilled volume remaining at the CCP. Passive Pegged LOC orders that are repriced to be less aggressive than the CCP will never impact the CCP. For an example of this feature, please see Appendix A, Example 2 - Passive Pegged LOC orders.

At Appendix B is a blacklined version of the additional TSXV Rule Book amendments outlined above compared against the proposal published on October 15, 2020, and at Appendix C is a cumulative blacklined version of the TSXV Rule Book amendments compared against the current TSXV Rule Book.

Summary of Comments Received	TSXV Responses
discourage all participants from waiting until the last possible moment to submit their close orders, which it believed would ultimately increase liquidity in the closing auction.	

Summary of Comments Received	TSXV Responses

In addition to a suggested name change, the commenter suggested that the order matching priority be specifically delineated for these two different LOC order types, and that the matching logic reward those who put their best foot forward the earliest.

In addition to a suggested name change, the commenter suggested that (a) that these LOCs entered after the start of the MOC Freeze Period be ranked lower in priority than any LOCs entered prior to the start of the MOC Freeze Period, and (b) fill priority among LOCs entered after the start of the MOC Freeze Period be determined in a fashion which rewards their entry by the maximum number of participants. Specifically, the commenter suggested that a round-robin-style allocation (where a partial fill is offered to many individual offsetting orders) may be a more equitable approach to encouraging offsetting liquidity from a diverse range of participants near the close.

Example 1 - Pegged LOC orders:
a) Order A: Buy LOC order entered at 3:40pm @ $9.99
b) Order B: Buy Pegged LOC order entered at 3:57pm @ $10.50
c) Order C: Buy Pegged LOC order entered at 3:58pm @ $9.99

At 4:00pm, the Reference Price is $10.00 and the CCP is $9.99. Order B is re-priced to the Reference Price of $10.00. The price and allocation priority for Example 1 are:
i) Order B @ $10.00 (most aggressive price);
ii) Order A @ $9.99 (earliest time at $9.99 price level);
iii) Order C @ $9.99.
All trades will be executed at CCP of $9.99.

Example 2 - Passive Pegged LOC orders:
a) Order A: Buy LOC order entered at 3:40pm @ $9.99
b) Order B: Buy Pegged LOC order entered at 3:57pm @ $10.50
c) Order C: Buy Pegged LOC order entered at 3:58pm @ $9.99

At 4:00pm, the Reference Price is $9.98 and the CCP is at $9.99. Since Orders B and C have entered limit prices that are equal to or more aggressive than the CCP, but they are capped at a Reference Price ($9.98) that is less aggressive than the CCP ($9.99), they are designated as "Passive Pegged LOC" orders and will be last in priority.

The price and allocation priority in Example 2 are:
i) Order A @ $9.99 (LOC order);
ii) Order B (earliest passive Pegged LOC);
iii) Order C (last passive Pegged LOC)

Further detailed examples have been added to the TMX MOC Proposal – Detailed Guide for further
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APPENDIX B

RULE A. 1.00 – INTERPRETATION

A1.01 – Definitions

In these rules unless the context otherwise requires:

[…]

"ask price" means the lowest price of a committed order to sell at least one board lot of a particular security.

Added [ ], 2021

[…]

"bid price" means the highest price of a committed order to buy at least one board lot of a particular security.

Added [ ], 2021

[…]

"MOC Freeze Period" means the time period beginning at the end of the MOC Imbalance Period and ending at the Closing Call.

Added [ ], 2021

[…]

"MOC Imbalance Period " means the time period beginning at the start of the Special Trading Session and ending at the start of the MOC Freeze Period.

Added [ ], 2021

[…]

"MOC Order" means a MOC Market Order, or a MOC Limit Order.

Amended April 8, 2019, and [ ], 2021

[…]

"MOC Passive Pegged Limit Orders" means a MOC Limit Order that is entered during the MOC Freeze Period, where (i) the entered limit price is more aggressive than the MOC Reference Price that causes it to be re-priced to the MOC Reference Price; (ii) the MOC Reference Price is less aggressive than the

calculated closing price; and (iii) the entered limit price is equal to or more aggressive than the calculated closing price.

Added [ ], 2021

[…]

"MOC Reference Price" means the mid-point between the bid price and the ask price on the Exchange.

Added [ ], 2021

[…]

C.2.55 - Market-On-Close

[…]

(2) MOC Order Entry

(a)   MOC Market Orders and MOC Limit Orders may be entered, cancelled and modified in the MOC Book on each Trading Day from 7:00 a.m. until the time the first MOC Imbalance is broadcast.

(b)   The MOC Imbalance is calculated and broadcast on each Trading Day at the start of the MOC Imbalance Period until the Closing Call at set time intervals as determined by the Exchange and again in the event of a delay of the Closing Call as specified by the Exchange.

(c)   During the MOC Imbalance Period,

     (i)   only MOC Market Orders, and MOC Limit Orders may be entered in the MOC Book.

     (ii)   MOC Market Orders entered cannot be cancelled or modified.

     (iii)   MOC Limit Orders entered cannot be cancelled, and the price of the MOC Limit Orders may only be modified to a more aggressive buy price or sell price, as the case may be.

(d)   During the MOC Freeze Period,

     (i)   only MOC Limit Orders may be entered in the MOC Book.

     (ii)   MOC Limit Orders cannot be cancelled or modified.

     (iii)   if the buy price or sell price, as the case may be, of the MOC Limit Order is more aggressive than the Reference Price, such aggressive price will be deemed to be the Reference Price for purposes of determining the Calculated Closing Price.

(e)   In the event of a delay of the Closing Call for a MOC Security, MOC Limit Orders may be

Imbalance for a set period of time specified by the Exchange.

Amended November 14, 2014, November 21, 2016, April 8, 2019, and [   ], 2021

(3) Closing Call

[…]

(c) Orders shall execute in the Closing Call in the following sequence:

(i)   MOC Market Orders shall trade with offsetting MOC Market Orders entered by the same Member, according to time priority, provided that neither order is an unattributed order; then

(ii)   MOC Market Orders shall trade with offsetting MOC Market Orders, according to time priority; then

(iii)   MOC Market Orders shall trade with offsetting limit orders in the Closing Call entered by the same Member, according to time priority, provided that neither order is an unattributed order; then

(iv)   MOC Market Orders shall trade with offsetting limit orders in the Closing Call, according to time priority; then

(v)   limit orders in the Closing Call shall trade with offsetting limit orders in the Closing Call entered by the same Participating Organization. Limit orders are prioritized by MOC Limit Orders and displayed limit orders, then dark limit orders, then MOC Passive Pegged Limit Orders. Within those categories they are then matched, according to time priority, provided that neither order is an unattributed order; then

(vi)   remaining orders in the Closing Call shall trade according to time priority.

Amended [   ], 2021

RULE A. 1.00 – INTERPRETATION

A1.01 – Definitions

"MOC Passive Pegged Limit Orders" means a MOC Limit Order that is entered during the MOC Freeze Period, where (i) the entered limit price is more aggressive than the MOC Reference Price that causes it to be re-priced to the MOC Reference Price; (ii) the MOC Reference Price is less aggressive than the calculated closing price; and (iii) the entered limit price is equal to or more aggressive than the calculated closing price.

Added [   ], 2021

[…]

"MOC Reference Price" means the mid-point between the bid price and the ask price on the Exchange.

Added [   ], 2021

[…]

C.2.55 - Market-On-Close

[…]

(2) MOC Order Entry

(a)   MOC Market Orders and MOC Limit Orders may be entered, cancelled and modified in the MOC Book on each Trading Day from 7:00 a.m. until the time the first MOC Imbalance is broadcast. MOC Closing Offset Orders may be entered, cancelled and modified in the MOC Book on each Trading Day from 7:00 a.m. until the Closing Call. MOC Market Orders and MOC Limit Orders that are included in any MOC Imbalance broadcast may not be cancelled or modified after that MOC Imbalance is broadcast.

(b)   The MOC Imbalance is calculated and broadcast on each Trading Day at twenty minutesbefore the closing timethe start of the MOC Imbalance Period until the Closing Call at set time intervals as determined by the Exchange and again in the event of a delay of the Closing Call as specified by the Exchange.

(c)   FollowingDuring the broadcast of a MOC Imbalance Period,

(i)   only MOC Market Orders, and MOC Limit Orders may be entered in the MOC Book on the contra side of the MOC Imbalance. .

(ii)   MOC Market Orders entered cannot be cancelled or modified.

(iii)   MOC Limit Orders not included aspart of thatentered cannot be cancelled, and the price of the MOC Imbalance broadcast may be cancelled subject to established timeconstraintsLimit Orders may only be modified to a more aggressive buy price or sell price, as specified by the Exchange.case may be.

(d)   During the MOC Freeze Period,

(i)