



Saskatchewan
Financial Services
Commission
Securities Division

GENERAL ORDER 44-902

Order exempting issuers whose securities are listed on the Alpha Main Marketplace Operated by Alpha Exchange Inc. from certain requirements of securities Legislation

IN THE MATTER OF THE SECURITIES ACT, 1988,

and

IN THE MATTER OF ISSUERS WHOSE SECURITIES ARE LISTED ON THE ALPHA MAIN MARKETPLACE OPERATED BY ALPHA EXCHANGE INC.

ORDER (Section 160)

WHEREAS the Saskatchewan Financial Services Commission (the “Commission”) has assigned to the Director of the Securities Division (the “Director”) the power to make exemption orders under provisions of *The Securities Act, 1988* (the “Act”) including orders of general application;

AND WHEREAS the staff of the Commission have applied to the Director for an order pursuant to section 160 of the Act exempting certain issuers whose securities are listed on the Alpha Main marketplace operated by Alpha Exchange Inc. from certain requirements of securities legislation;

AND WHEREAS it has been represented to the Director that:

1. The Ontario Securities Commission issued an order recognizing each of Alpha Exchange Inc. (“Alpha Exchange”) and Alpha Trading Systems Limited Partnership (“Alpha LP”) as an exchange on December 8, 2011 (“Recognition Order”);
2. The Director issued an order on March 13, 2012 exempting Alpha Exchange and Alpha LP from the requirement to be recognized as an exchange (“Exempting Order”);
3. It is expected that the operations of Alpha ATS Limited Partnership (“Alpha ATS”) will be legally transferred to Alpha Exchange;
4. The Recognition Order will be effective as at the later of: (a) February 1, 2012; or (b) the date the operations of Alpha ATS have been legally transferred to Alpha Exchange;
5. The Exempting Order will be effective as at the date the operations of Alpha ATS have been legally transferred to Alpha Exchange;

6. Alpha Exchange intends to operate two marketplaces, referred to as “Alpha Venture Plus” and “Alpha Main”, Alpha Main having listing requirements with more rigorous standards than Alpha Venture Plus;
7. Securities legislation applicable to issuers may vary depending on which marketplace or exchange the issuers’ securities are listed or quoted on;
8. It is appropriate that issuers whose securities will be listed on the Alpha Main marketplace (individually, an “Alpha Main Issuer” and collectively the “Alpha Main Issuers”) be subject to, and benefit from, the same securities legislation as that which applies to issuers whose securities are listed on the Toronto Stock Exchange Inc. (“TSX”);
9. One of the requirements applicable to an issuer who meets the definition of *IPO venture issuer* provided in National Instrument 41-101 *General Prospectus Requirements* and in National Instrument 52-107 *Acceptable Accounting Principles and Audit Standards* is that an issuer not have any of its securities listed or quoted on the TSX, a United States of America marketplace, or a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc;
10. The definition of “short form eligible exchange” provided in National Instrument 44-101 *Short Form Prospectus Distributions* and in any other regulation where reference is made to this definition, refers to each of the TSX, Tier 1 and Tier 2 of the TSX Venture Exchange and the Canadian National Stock Exchange;
11. One of the requirements applicable to an issuer who meets the definition of “exempt issuer” provided in National Policy 46-201 *Escrow for Initial Public Offerings* (“National Policy 46-201”) is that an issuer, after its initial public offering (“IPO”), have securities listed on the TSX and be classified by the TSX as an exempt issuer;
12. One of the requirements applicable to an issuer who meets the definition of “established issuer” provided in National Policy 46-201 is that an issuer, after its IPO, have securities listed on the TSX and not be classified by the TSX as an exempt issuer or have securities listed on the TSX Venture Exchange and be a TSX Venture Tier 1 issuer;
13. One of the requirements applicable to an issuer who meets the definition of “venture issuer” provided in National Instrument 51-102 *Continuous Disclosure Obligations*, National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, National Instrument 52-110 *Audit Committees*, National Instrument 58-101 *Disclosure of Corporate Governance Practices* and in any other legislation where reference is made to this definition, is that at the applicable time, the reporting issuer not have any of its securities listed or quoted on the TSX, a United States of America marketplace, or a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the

PLUS markets operated by PLUS Markets Group plc;

14. Certain exemptions from the formal valuation and the minority approval requirements provided in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* apply to an issuer that does not have securities listed or quoted on the TSX, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc;
15. The above-cited definitions, requirements or exemptions currently do not refer to the marketplaces that Alpha Exchange intends to operate;
16. It may be appropriate to revise relevant securities laws to include the Alpha Main marketplace, where applicable, and until this is done, it is important that Alpha Main Issuers comply with, and benefit from, requirements that are fair and equal when compared to other issuers that have securities listed on comparable exchanges;

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make this order;

IT IS HEREBY ORDERED pursuant to section 160 of the Act that each Alpha Main Issuer is exempted from the following requirements:

- a. All provisions contained in National Instrument 41-101 *General Prospectus Requirements* that apply to an issuer whose securities will be listed on the Alpha Main marketplace (“Alpha Main Issuer”) as a result of the fact that it meets the definitions of venture issuer and “IPO Venture issuer”, within the meaning of that legislation;
- b. The requirement of subsection 2.2(e) of National Instrument 44-101 *Short Form Prospectus Distributions* (“National Instrument 44-101”) that an Alpha Main Issuer’s equity securities be listed and posted for trading on a short form eligible exchange, within the meaning of that legislation, if the Alpha Main Issuer’s equity securities are listed on the Alpha Main marketplace;
- c. The requirement of subsection 2.2(1) of National Instrument 44-102 *Shelf Distributions* that an Alpha Main Issuer be qualified under section 2.2 of National Instrument 44-101 to file a preliminary short form prospectus that is a preliminary base shelf prospectus, on the condition that the Alpha Main Issuer meet all the requirements of such provision, except for the requirement that its equity securities be listed for trading on a short form eligible exchange, within the meaning of National Instrument 44-101, if the Alpha Main Issuer’s equity securities are listed on the Alpha Main marketplace;
- d. All provisions contained in National Policy 46-201 *Escrow for Initial Public Offerings* that apply to an Alpha Main Issuer if it meets the definition of “emerging issuer”, within the meaning of that legislation;

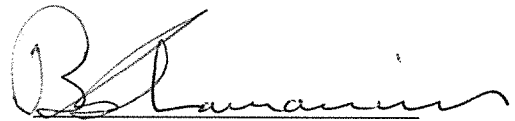
- e. All provisions contained in National Instrument 51-102 *Continuous Disclosure Obligations* (“National Instrument 51-102”) that apply to an Alpha Main Issuer as a result of the fact that it meets the definition of venture issuer, within the meaning of that legislation;
- f. The requirement of section 11.2 of National Instrument 51-102 to file a change of status report, so long as an Alpha Main Issuer remains an Alpha Main Issuer;
- g. The requirement of paragraph 4.2(1)(b) of National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“National Instrument 52-109”) to file an “annual certificate”, within the meaning of that legislation, on Form 52-109FV1 that applies to an Alpha Main Issuer as a result of the fact that it meets the definition of venture issuer, within the meaning of that legislation;
- h. If the first financial period that ends after the Alpha Main Issuer’s securities become listed on the Alpha Main marketplace is a financial year and if the Alpha Main Issuer files an annual certificate on Form 52-109F1–IPO/RTO for the first financial year that ends after the Alpha Main Issuer’s securities become listed on the Alpha Main marketplace, the requirement of subsection 4.2(1) of National Instrument 52-109 to file an annual certificate on Form 52-109F1;
- i. If the first financial period that ends after the Alpha Main Issuer’s securities become listed on the Alpha Main marketplace is an “interim period”, within the meaning of National Instrument 51-102 and if the Alpha Main Issuer files an “interim certificate”, within the meaning of National Instrument 51-102, on Form 52-109F2–IPO/RTO for the first “interim period” that ends after the Alpha Main Issuer’s securities become listed on the Alpha Main marketplace, the requirement of subsection 5.2(1) of National Instrument 52-109 to file an “interim certificate” on Form 52-109F2;
- j. The requirement of paragraph 5.2(1)(b) of National Instrument 52-109 to file an “interim certificate” on Form 52-109FV2 that applies to an Alpha Main Issuer as a result of the fact that it meets the definition of venture issuer, within the meaning of that legislation;
- k. The requirement of section 6.2 of National Instrument 52-110 respecting Audit Committees that applies to an Alpha Main Issuer as a result of the fact that it meets the definition of venture issuer, within the meaning of that legislation; and
- l. The requirement of section 2.2 of National Instrument 58-101 *Disclosure of Corporate Governance Practices* to include, in an Alpha Main Issuer’s management information circular, its AIF or annual MD&A, within the meaning of that legislation, as the case may be, the disclosure required by Form 58-101F2 that applies to an Alpha Main Issuer as a result of the fact that it meets the definition of venture issuer, within the meaning of that legislation.

on the condition the Alpha Main Issuer files with the Commission an original copy of an undertaking it signed in favor of the Commission, prior to having its securities listed on the Alpha Main

marketplace by Alpha Exchange, in the form provided for in Schedule A (the "Issuer Undertaking"), and concurrently delivers a copy thereof to Alpha Exchange.

AND IT IS FURTHER ORDERED THAT this exemption order will come into force, become effective and apply to an Alpha Main Issuer as at the date at which all of the following conditions are met: (i) the Exempting Order has come into force and became effective; and (ii) the securities of the Alpha Main Issuer are listed on the Alpha Main marketplace.

Dated March 30, 2012

A handwritten signature in black ink, appearing to read "B. Shourounis", written over a horizontal line.

Barbara Shourounis
Director

SCHEDULE A

Form of undertaking

Saskatchewan Financial Services Commission
Securities Division
601, 1919 Saskatchewan Drive
Regina, Canada
S4P 4H2

ISSUER UNDERTAKING

_____ (the “Alpha Main Issuer”) hereby undertakes in favor of the Saskatchewan Financial Services Commission (the “Commission”) to comply with the following provisions or requirements established under legislation made under *The Securities Act*, 1988, (the “Act”):

1. All the provisions contained in National Instrument 41-101 *General Prospectus Requirements* as if the Alpha Main Issuer was neither a venture issuer nor an IPO venture issuer, within the meaning of that legislation;
2. If the Alpha Main Issuer has a market capitalization of less than \$100,000,000, as calculated in accordance with National Policy 46-201 *Escrow for Initial Public Offerings* (“National Policy 46-201”), all the provisions contained in National Policy 46-201 as if the Alpha Main Issuer was considered an established issuer, within the meaning of that legislation;
3. All the provisions contained in National Instrument 51-102 *Continuous Disclosure Obligations* (“National Instrument” 51-102”) as if the Alpha Main Issuer was not a venture issuer, within the meaning of that legislation;
4. The requirement of subsection 11.2(a) of National Instrument 51-102 to file a change of status report in the case when the Alpha Main Issuer’s securities become listed on the Alpha Venture Plus marketplace operated by Alpha Exchange Inc. or any other stock exchange considered as a venture exchange;
5. The requirements of subparagraphs 3.11(1)(f)(iv) and 3.11(6)(d)(iii) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* to prepare acquisition statements in accordance with Canadian GAAP applicable to private enterprises and include specific notes, as the case may be, as if the Alpha Main Issuer was neither a venture issuer nor an IPO venture issuer, within the meaning of that legislation;

6. All the provisions contained in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* as if the Alpha Main Issuer was a non-venture issuer, within the meaning of that legislation;
7. The requirements of Part 3 *Composition of the Audit Committee* (sections 3.1 to 3.9 inclusively) of National Instrument 52-110 *Audit Committees* (“National Instrument 52-110”), as if the Alpha Main Issuer was a not a venture issuer, within the meaning of that legislation;
8. The requirements of Part 5 *Reporting Obligations* (sections 5.1 and 5.2) of National Instrument 52-110, as if the Alpha Main Issuer was not a venture issuer, within the meaning of that legislation; and
9. The requirements of section 2.1 of National Instrument 58-101 *Disclosure of Corporate Governance Practices* to include in the Alpha Main Issuer’s management information circular, its AIF or annual MD&A, within the meaning of that legislation, as the case may be, the disclosure required by Form 58-101F1, as if the Alpha Main Issuer was not a venture issuer, within the meaning of that legislation.

Moreover, the Alpha Main Issuer undertakes that it will not invoke the benefit of the following exemptions:

1. The exemption from formal valuation requirement provided for in paragraph 4.4(1)(a) of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“Multilateral Instrument 61-101”) because it meets the criteria set forth in that paragraph;
2. The exemption from formal valuation requirement provided for in subsection 5.5(b) of Multilateral Instrument 61-101, because it meets the criteria set forth in that subsection; and
3. The exemption from minority approval requirement provided for in paragraph 5.7(1)(b) of Multilateral Instrument 61-101, because it meets the criteria set forth in that paragraph.

The undersigned acknowledges that failing to comply with the present Issuer Undertaking may result in the Commission taking steps to ensure its compliance, in accordance with section 133 of the Act

[Place, Date]

(s) _____
[Name, Function], duly authorized