

**B.11.2 Marketplaces**

**B.11.2.1 Neo Exchange Inc. – Notice of Housekeeping Rule Amendments to the Trading Policies**

**NEO EXCHANGE INC.**

**NOTICE OF HOUSEKEEPING RULE AMENDMENTS TO THE TRADING POLICIES**

**Introduction**

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto*, Neo Exchange Inc. has adopted housekeeping rule changes (the “**Housekeeping Rule Amendments**”). The Ontario Securities Commission has not disagreed with the housekeeping categorization. The Housekeeping Rule Amendments comprise the following changes:

**Housekeeping Rule Amendments and Rationale for Classification**

The Housekeeping Rule Amendments are administrative changes to correct a clerical error in the definition of “Market Maker Volume Allocation” or “MMVA” under section 1.01 *Definitions* and each of section 6.07(2)(a) *Continuous Trading Session in NEO-L* and section 8.04(3)(a) *Continuous Trading Session in NEO-N* of the Trading Policies, as outlined below. Additionally, the Trading Policies were amended to reflect the name change of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) to the Canadian Investment Regulatory Organization (“**CIRO**”) by replacing references to IIROC with references to CIRO. The Housekeeping Rule Amendments do not have a significant impact on the exchange, its market structure, members, issuers, investors or the Canadian capital markets, and are consistent with changes as described in subsection 6.1(5) of Companion Policy 21-101CP to NI 21-101.

Trading Policies Section	Amendment	Rationale
<p><b>Part I. Definitions and Interpretations</b></p> <p>1.01 Definitions</p>	<p>“Market Maker Volume Allocation” or “MMVA” means the system of allocation of priority to DMM resting orders in NEO-L and NEO-N, whereby a resting DMM order for an Assigned Security will receive queue priority <u>over other LST orders</u>, unless the cumulative volume of executed orders that have been given priority has exceeded the Market Maker Volume Allocation Percentage for the security for that trading day (or such other period as may be set out by the Exchange and published by Notice to Members).</p>	<p>To more clearly articulate a nuance that is somewhat ambiguously stated in the existing Trading Policies.</p>
<p><b>Part VI. Trading in NEO-L</b></p> <p>6.07 Continuous Trading Session in NEO-L</p>	<p>(1) An order, other than a Special Terms Order, resting in NEO-L at a particular price will be executed in priority to all orders at inferior prices.</p> <p>(2) An order, other than a Special Terms Order, resting in NEO-L at a particular price will be executed prior to or after any orders at the same price in accordance with the following allocation rules:</p> <p>(a) A tradable order entered in NEO-L, <u>subject to MMVA</u>, will be executed in the following sequence:</p> <p>(i) against an offsetting order entered in NEO-L by the same Member (if there is more than one, then against offsetting NEO Trader<sup>TM</sup> orders by the same Member according to the time priority of the offsetting order, then all other offsetting orders by the same Member, according to the time priority of the offsetting order, provided none of the orders is an anonymous or jitney order); then</p>	<p>To more clearly articulate a nuance that is somewhat ambiguously stated in the existing Trading Policies.</p>

Trading Policies Section	Amendment	Rationale
	<ul style="list-style-type: none"> <li>(ii) against offsetting NEO Trader™ orders in NEO-L, according to the time priority of the offsetting order; then</li> <li>(iii) <del>subject to MMVA,</del> against offsetting orders in NEO-L according to time priority.</li> <li>(b) A visible order has priority over a non-visible order at the same price at the time of execution;</li> <li>(c) An order loses its time priority if its visible volume is increased; and</li> <li>(d) No type of intentional cross will be accepted in NEO-L.</li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b><u>Commentary</u></b>  <u>A DMM can only receive MMVA priority over LST orders, including in certain circumstances when the LST order is from the same Member as the incoming order.</u></p> </div>	
<p><b>Part VIII. Trading in NEO-N</b></p> <p>8.04 Continuous Trading Session in NEO-N</p>	<ul style="list-style-type: none"> <li>(1) Only Liquidity Taking Orders entered in NEO-N may interact with Liquidity Providing Orders resting in NEO-N to remove liquidity during the Continuous Trading Session. A Liquidity Taking Order originating from an LST account will be subject to delay as determined by the Exchange and published by Notice to Members.</li> <li>(2) A Liquidity Providing Order resting in NEO-N at a particular price will be executed in priority to all orders at inferior prices.</li> <li>(3) A Liquidity Providing Order resting in NEO-N at a particular price will be executed prior to or after any orders at the same price in accordance with the following priority rules: <ul style="list-style-type: none"> <li>(a) A tradable order entered in NEO-N, <u>subject to MMVA,</u> will be executed in the following sequence: <ul style="list-style-type: none"> <li>(i) against an offsetting order entered in NEO-N by the same Member (if there is more than one, then against offsetting NEO Trader™ orders by the same Member according to Size-Time priority of the offsetting order, then all other offsetting orders by the same Member, according to Size-Time priority of the offsetting order, provided none of the orders is an anonymous or jitney order); then</li> <li>(ii) against offsetting NEO Trader™ orders in NEO-N, according to Size-Time priority of the offsetting order; then;</li> </ul> </li> </ul> </li> </ul>	<p>To more clearly articulate a nuance that is somewhat ambiguously stated in the existing Trading Policies.</p>

**B.11: CIRO, Marketplaces, Clearing Agencies and Trade Repositories**

Trading Policies Section	Amendment	Rationale
	<p>(iii) <del>subject to MMVA</del>, against offsetting orders in NEO-N according to Size-Time priority;</p> <p>(b) a visible order has priority over a non-visible order at the same price at the time of execution; and</p> <p>(c) an order loses its time priority if its visible volume is increased.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b><u>Commentary</u></b>  <i>A DMM can only receive MMVA priority over LST orders, including in certain circumstances when the LST order is from the same Member as the incoming order.</i></p> </div>	
<p><b>Various Parts</b></p> <p>1.01(1)(c)</p> <p>1.01 -- definitions for "IIROC" and "IIROC Rules" (now "CIRO" and "CIRO Rules", respectively), "Market Regulator", "Retail Customer", and "UMIR"</p> <p>3.01(1)(a) Qualification for Becoming a Member</p> <p>3.06(1)(b) and (c) Notifications</p> <p>5.04(1), (3), (4), (5), (6), and (7) Exceeding Price Band Parameters (Price Band Limits)</p>	<p>Replace "IIROC" with "CIRO" throughout.</p>	<p>Necessary to conform to applicable regulatory or other legal requirements.</p>

The Trading Policies can be viewed at:

<https://www.cboe.ca/en/resources>

The Housekeeping Rule Amendments are effective as of the date hereof.