



TMX AUSTRALIA EXCHANGE

Compensation Arrangements





INTRODUCTION

There are two different compensation arrangements that may provide protection for retail investors trading on TMX Australia Exchange, which is the trading name of TMX Australia Exchange Pty Limited (company name change pending) ("TMX"):

- (a) the insurance arrangements under Division 3 of Part 7.5 of the Corporations Act (rule 11 of the Operating Rules); and
- (b) the National Guarantee Fund ("NGF") under Division 4 of Part 7.5 of the Corporations Act (rule 11A of the Operating Rules).

WHEN DO THE NGF ARRANGEMENTS APPLY?

TMX became a member of the Securities Exchanges Guarantee Corporation Limited ("SEGC"), which operates the NGF, on 26 October 2020. Accordingly, from that date, the NGF may apply in the circumstances set out in Division 4 of Part 7.5 of the Corporations Act 2001 and Corporations Regulations 2001.

For further information on the NGF and what it covers, please see the SEGC website (www.segc.com.au), refer to Division 4 of Part 7.5 of the Corporations Regulations 2001 (Cth), or contact SEGC directly.

WHEN DO THE DIVISION 3 COMPENSATION ARRANGEMENTS APPLY?

Where a retail investor suffers a loss in respect of conduct, a transaction or insolvency that occurred before 26 October 2020, that loss may be covered by the Division 3 compensation arrangements. Rule 11 of the TMX Operating Rules outlines the Division 3 compensation arrangements, including the cessation of the arrangements on 25 October 2027 and the requirement, while the arrangements are in place, to make a claim no later than six months after becoming aware of the loss to which the claim relates. Rule 11 also outlines that the losses covered by Division 3 are those resulting from defalcation or fraudulent misuse of your money, property or authority by a TMX participant.

For further information on the Division 3 compensation arrangements, please contact TMX Compliance at au.compliance@cboe.com.

