TSX Company Manual

Part I Introduction

The requirements set by the Exchange relating to listed companies are a part of a substantial body of law and custom that, over the years, has evolved to ensure a fair and orderly market for listed securities. The Manual has been designed to provide a detailed and well-indexed compendium of these requirements.

The Exchange plays an important role in assisting in the recruitment of capital and in the maintenance of an effective secondary market for relatively new enterprises, as well as for established companies. Exchange listings range from junior mining, oil, gas and industrial issues to mature international companies. To accommodate companies with such a diversity of activity and size, while at the same time ensuring that certain basic standards are met, the Exchange maintains listing requirements for the various types of companies which list on the Exchange.

Organization of the Manual

In this Manual, for the purposes of clarity and convenience, the Exchange requirements that apply to special cases, such as junior companies, have been clearly separated from the general listing requirements. The Manual also segregates, in one part, all procedures and requirements applying at the time of listing, while requirements for the maintenance of a listing are brought together in other parts of the Manual.

Company executives contemplating the possibility of listing the securities of their company on a stock exchange must inevitably weigh the advantages of such a course of action for the company and its security holders. The Exchange is frequently asked about the benefits to be derived from a listing on the TSX. Part of the reply to this question relates to the variety of the scope of services provided by the Exchange and its participating organizations.

Part III of the Manual deals with the requirements and procedures relating to a new listing. The remainder of the Manual is concerned with matters with which listed companies need to be familiar in order to maintain their listing on the Exchange.

Special Circumstances

The listing requirements of the Exchange are comprehensive, and relevant to most situations. Yet, because of rapid structural changes in business and the breadth and complexity of the activities of listed companies, circumstances could arise where explicit guidance may not be found in the Manual. In those instances where a particular corporate situation is unique, and where no specific rules relating to such a situation can be found, companies are expected to adhere to the spirit of the Exchange's listing requirements.

Interpretation

In this Manual,

"**affiliates**" has the same meaning as "affiliated companies" as found in the OSA and also includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;

"**associate**" has the same meaning as found in the OSA;

"**BEO**" means a security in book-entry-only form in CDSX, the clearing and settlement system maintained by CDS;

"**board lot**" means 100 securities having a market value of $1.00 per security or greater; 500 securities having a market value of less than $1.00 and not less than 10¢ per security; or 1,000 securities having a market value of less than 10¢ per security;

"**board of directors**" has the same meaning as in National Instrument 51-102 — Continuous Disclosure Obligations;

"**CDS**" means CDS Clearing and Depositary Services Inc.;

"**CDSX**" means the automated clearing and settlement system administered by CDS;

"**class**" includes a series of a class of shares;

"**Closed-end Fund**" has the same meaning as "non-redeemable investment fund" as found in the OSA. TSX, in its discretion, shall determine if an issuer will be considered a Closed-end Fund;

"**Common Securities**" means, for the purposes of Section 624, Residual Equity Securities that are fully franchised, in that the holder of each such security has a right to vote each security in all circumstances calling for a vote under the applicable corporate or governing legislation, irrespective of the number of securities owned, that is not less, on a per security basis, than the right to vote attaching to any other security of an outstanding class of securities of the listed issuer;

"**company**" has the same meaning as found in the OSA and also includes a trust, partnership or other form of business organization;

"**convertible security**" means a security that, by its terms, is convertible into or exchangeable for listed securities, but does not include warrants or other securities that are exercisable for, or carry a right to purchase or cause the purchase of listed securities for additional consideration;

"**CSA**" means the Canadian Securities Administrators;

"**director**" has the same meaning as in the OSA;

"**Due Bill**" means an instrument used to evidence the transfer of title to any dividend, distribution, interest, security or right to a listed security contracted for, or evidencing, the obligation of a seller to deliver such dividend, distribution, interest, security or right to a subsequent purchaser.

"**Eligible Interlisted Issuer**" means a listed issuer that is also listed on a Recognized Exchange and that had less than 25% of the overall trading volume of its listed securities occurring on all Canadian marketplaces in the 12 months immediately preceding the date of an application or notice, as applicable, pursuant to Section 401.1 or 602.1 of the Manual;

"**Eligible International Interlisted Issuer**" means an Eligible Interlisted Issuer that is incorporated or organized in a Recognized Jurisdiction;

"**equity security**" includes a participating share and, except for the purposes of Appendix F, a nonparticipating share;

"**escrowed funds**" means the funds placed in trust or escrow as required under Section 1010;

"**Exchange**" or "**TSX**" means Toronto Stock Exchange;

"**Exchange Traded Product**" or "**ETP**" means redeemable equity securities ("**Exchange Traded Fund**" or "**ETF**") or debt securities ("**Exchange Traded Note**" or "**ETN**") offered on a continuous basis under a prospectus, which give an investor exposure to the performance of specific indices, sectors, managed portfolios or commodities through a single security. TSX, in its discretion, shall determine if the securities will be considered an ETP;

"**Financial Institution**" means a financial institution regulated by the Office of the Superintendent of Financial Institution ("**OSFI**") or, if a foreign financial institution, regulated by a regulatory body equivalent to OSFI with not less than $150 million market capitalization;

"**founding securities**" means securities in the SPAC held by the founding securityholders, excluding any purchased by founding securityholders under the IPO prospectus, concurrently with the IPO prospectus on the same terms, on the secondary market or under a rights offering by the SPAC;

"**founding securityholders**" means insiders and equity securityholders of a SPAC prior to the completion of the IPO who continue to be insiders or equity securityholders, as the case may be, immediately after the IPO;

"**insider**" has the same meaning as found in the OSA and also includes associates and affiliates of the insider; and "issuances to insiders" includes direct and indirect issuances to insiders; for the purposes of Section 613, TSX will consider as insiders of an issuer only those insiders who are "reporting insiders" as defined in National Instrument 55-104 - Insider Reporting Requirements and Exemptions;

"**insider participation limit**" means the number of the listed issuer's securities:

i) issued to insiders of the listed issuer, within any one year period, and

ii) issuable to insiders of the listed issuer, at any time,

under the arrangement, or when combined with all of the listed issuer's other security based compensation arrangements, which cannot exceed 10% of the listed issuer's total issued and outstanding securities, respectively;

"**International Interlisted Issuer**" means an issuer incorporated or organized outside of Canada and listed on another exchange;

"**investment fund**" has the same definition found in the OSA;

"**IPO**" means an initial public offering;

"**IPO prospectus**" means the final prospectus for the initial public offering of the SPAC;

"**IRC**" means the independent review committee of an investment fund established under National Instrument 81-107 - Independent Review Committee for Investment Funds;

"**issuer**" means a corporation, company, partnership, limited partnership, trust, income trust or investment trust or any other organized entity issuing securities;

"**listed issuer**" means any issuer having securities listed on TSX;

"**listed security**" or "**listed securities**" means a security or securities listed on TSX;

"**listing application**" means an application for the original listing on the Exchange in the form found in Appendix A of the Manual;

"**Manager**" means a person or company who is a registered investment fund manager;

"**Manual**" means the TSX Company Manual;

"**market price**" means the VWAP on TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the relevant date. In certain exceptional circumstances, the five day VWAP may not accurately reflect the securities' current market price, and TSX may adjust the VWAP based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period. Market price is as at the date: (a) provided for in the binding agreement obligating the issuer to issue the securities (either the date of the binding agreement or some future date); or (b) the date the Section 607(e) Form 11A notice is received by TSX, requesting price protection. TSX will accept a signed term sheet, engagement letter, letter of intent, agency agreement, underwriting agreement or other similar agreement as the binding agreement. lf the listed securities are suspended from trading or have not traded on TSX or another stock exchange for an extended period of time, the market price will be the fair market value of the listed securities as determined by the listed issuer's board of directors;

"**Market Surveillance**" means the Canadian Investment Regulatory Organization;

"**materially affect control**" means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances outlined above;

"**NAV**" means net asset value and has the same meaning as provided in National Instrument 81-106 - Investment Fund Continuous Disclosure;

"**NCIB**" means normal course issuer bid;

"**Non-Corporate Issuer**" means an ETP, Closed-end Fund and / or Structured Product;

"**Non-Voting Securities**" means, for the purposes of Section 624, Restricted Securities which do not carry the right to vote at security holders' meetings except for a right to vote in certain limited circumstances (e.g. to elect a limited number of directors or to vote in circumstances where the applicable corporate legislation provides the right to vote for securities which are otherwise non-voting);

"**OSA**" means the *Securities Act* of the Province of Ontario as amended from time to time, the regulations and policies thereunder and any replacement legislation;

"**OSC**" means the Ontario Securities Commission;

"**participating organization**" means any person granted access to TSX's trading system in accordance with Part 2 of TSX's trading rules provided such access has not been terminated or suspended;

"**participating security**" or "**participating share**" means a security that carries a residual right to participate in the earnings of a company and in its assets upon liquidation or winding up but, unless otherwise stated, does not include a security that only carries such residual right if converted into, or otherwise used to acquire, another security;

"**permitted investments**" means investments in the following: cash or in book based securities, negotiable instruments, investments or securities which evidence: (i) obligations issued or fully guaranteed by the Government of Canada, the Government of the United States of America or any Province of Canada or State of the United States of America; (ii) demand deposits, term deposits or certificates of deposit of banks listed Schedule I or Schedule III of the Bank Act (Canada), which have an approved credit rating by an approved credit rating organization (as defined under National Instrument 45-106 - Prospectus and Registration Exemptions); (iii) commercial paper directly issued by Schedule I or Schedule III Banks which have an approved credit rating by an approved credit rating organization (as defined under National Instrument 45-106 - Prospectus and Registration Exemptions); or (iv) call loans to and notes or bankers' acceptances issued or accepted by any depository institution described in (ii) above;

"**person**" has the same meaning as found in the OSA;

"**PR Portal**" means the Press Release Portal provided by Market Surveillance;

"**Preference Securities**" means, for the purposes of Section 624, securities to which there is attached a genuine and non-specious preference or right over any class of Residual Equity Securities of the listed issuer;

"**principal regulator**" means the issuer's principal regulator determined in accordance with Multilateral Instrument 11-102 - Passport System;

"**public holder**" of securities of a company means a security holder who is not a director or officer of the company and who does not own or control, directly or indirectly, securities carrying more than 10% of the votes attached to all of the outstanding voting securities of the company;

"**publicly held**" securities means securities held by public holders;

"**qualifying acquisition**" means the acquisition of assets or one or more businesses by a SPAC which result in the issuer meeting the Exchange's original listing requirements set out in Part III of the Manual;

"**Recognized Exchange**" includes the following exchanges and marketplaces: New York Stock Exchange, NYSE American, NASDAQ, London Stock Exchange Main Board, AIM, Australian Securities Exchange, Hong Kong Stock Exchange Main Board, Investors Exchange and others, as may be determined by TSX from time to time;

"**Recognized Jurisdiction**" includes the following: Australia, England, Hong Kong and the State of Delaware and other jurisdictions with corporate statutes substantially modelled after these jurisdictions. Other jurisdictions may also be acceptable, as may be determined by TSX from time to time. In making its determination, TSX will compare the corporate statutes of these jurisdictions against the *Canada Business Corporations Act*;

"**related party**" has the same meaning as found in the OSA;

"**Residual Equity Securities**" means, for the purposes of Section 624, securities which have a residual right to share in the earnings of the listed issuer and in its assets upon liquidation or winding up;

"**Restricted Securities**" means, for the purposes of Section 624, Residual Equity Securities which are not Common Securities;

"**Restricted Voting Securities**" means, for the purposes of Section 624, Restricted Securities which carry a right to vote which is subject to some limit or restriction on the number or percentage of securities which may be voted by a person or company or group of persons or companies (except where the restriction or limit is applicable only to persons or companies who are not Canadians or residents of Canada);

"**security**" or "**securities**" has the same meaning as found in the OSA, and is used interchangeably with "share" or "shares";

"**share**" has the same meaning as security and also includes an equity interest in a trust, partnership or other form of business organization;

"**SPAC**" means a special purpose acquisition corporation;

"**STAC**" means the Securities Transfer Association of Canada;

"**Structured Product**" means securities generally issued by a Financial Institution under a base shelf prospectus and pricing supplement where an investor's return is contingent on, or highly sensitive to, changes in the value of underlying assets, indices, interest rates or cash flows. Structured Products include securities such as non-convertible notes, principal or capital protected notes, index or equity linked notes, tracker certificates and barrier certificates. TSX, in its discretion, shall determine if the securities will be considered a Structured Product;

"**Subordinate Voting Securities**" means, for the purposes of Section 624, Restricted Securities, which carry a right to vote at security holders' meetings but another class of securities of the same listed securities carries a greater right to vote, on a per security basis;

"**Timely Disclosure Policy**" means the timely disclosure requirements of TSX in Sections 406 to 423.8 under Part IV of the Manual;

"**TMX LINX**" means TMX LINX™, the secure web-based filing system that enables listed issuers to file reporting forms and other documents to TSX;

"**TSX**" or "**Exchange**" means the Toronto Stock Exchange; and

"**VWAP**" means the volume weighted average trading price of the listed securities, calculated by dividing the total value by the total volume of securities traded for the relevant period. Where appropriate, TSX may exclude internal crosses and certain other special terms trades from the calculation.

Part II Why List on the Toronto Stock Exchange?

Part II has been repealed and deleted.

Part III Original Listing Requirements

A. General

Sec. 301.

To secure a listing of its securities on the Toronto Stock Exchange, a company that does not already have securities listed on the Exchange must complete a Listing Application form which, together with supporting data, must demonstrate that the company is able to meet the minimum listing requirements of the Exchange. The company must also sign a Listing Agreement to formally place on record the company's commitment to comply with Exchange requirements for the continuance of its listing.

Sec. 302.

Companies applying for listing on the Exchange must be able to show evidence of a successful operation, or, where the company is relatively new and its business record is limited, there must be other evidence of management experience and expertise. In all cases, the quality of management of an applicant company shall be an important factor in the consideration of a listing application.

Sec. 303.

Another important listing consideration is the distribution of a company's securities. Evidence must be supplied to the Exchange indicating that there are enough public security holders to ensure an adequate market.

Sec. 304.

The Exchange's Listings Committee is responsible for considering and approving original listing applications.

Eligibility for Listing

Sec. 305.

Prior to filing a listing application, the Exchange recommends that prospective applicants obtain a preliminary opinion as to the eligibility of the listing. The Exchange will provide a confidential opinion based on informal discussions and a review of the applicant's recent financial and business information. Please contact the Toronto Stock Exchange at (416) 947-4533 or e-mail: listedissuers@tsx.com to set up an appointment.

For general information on the Exchange as well as specific information on services provided to listed companies, please call Business Development at (416) 947-4728, (888) 873-8392, or e-mail: listedissuers@tsx.com.

B. Minimum Listing Requirements

Sec. 306.

The minimum listing requirements specifically contemplate the listing of equity securities of corporations. The Toronto Stock Exchange has historically been and continues to be a diversified

marketplace, and consideration will be given to the listing of other types of securities and/or entities on request.

The criteria have been designed as guidelines, and the Exchange reserves the right to exercise its discretion in applying them. This discretion may well take into consideration facts or situations unique to a particular applicant, resulting in the granting or denial of a listing application notwithstanding the published criteria.

The Exchange will also take into consideration an applicant's status regarding compliance with the requirements of other regulatory agencies. In addition, the Exchange must be satisfied that an applicant is in compliance with Exchange policies applicable to listed companies, including those policies described in subsequent sections of this Part III of the Manual.

Sec. 307.

Companies applying for a listing on the Exchange are placed in one of three categories: Industrial (General), Mining or Oil and Gas. All SPACs and Non-Corporate Issuers are listed under the Industrial (General) category. If the primary nature of a business cannot be distinctly categorized, the Exchange will designate the company to a listing category after a review of the company's financial statements and other documentation.

Sec. 308.

There are specific minimum listing requirements for each of the three categories of companies. These requirements are set out in the following sections:

Industrial (excluding SPACs and Non-Corporate Issuers)	Sections 309 to 313
Mining	Sections 314 to 318
Oil and Gas	Sections 319 to 323

For SPACs, the minimum listing requirements, as well as other requirements, are set out in Part X.

For Non-Corporate Issuers, the minimum listing requirements, as well as other requirements, are set out in Part XI.

The minimum listing requirements should be read in conjunction with the Exchange policy on quality of management, as set out in Section 325.

Minimum Listing Requirements for Industrial Companies

Sec. 309. Requirements for Eligibility for Listing - Non-Exempt Issuers[1]

a) Profitable Companies;
   i) net tangible assets[2] of $2,000,000[3];
   ii) earnings from ongoing operations of at least $200,000 before taxes and extraordinary items in the fiscal year immediately preceding the filing of the listing application;

iii) pre-tax cash flow of $500,000 in the fiscal year immediately preceding the filing of the listing application; and

iv) adequate working capital to carry on the business and an appropriate capital structure.

OR

b) Companies Forecasting Profitability;

i) net tangible assets of $7,500,000[4];

ii) evidence, satisfactory to the Exchange, of earnings from ongoing operations for the current or next fiscal year of at least $200,000 before taxes and extraordinary items[5];

iii) evidence, satisfactory to the Exchange, of pre-tax cash flow for the current or next fiscal year of at least $500,000[6]; and

iv) adequate working capital to carry on the business and an appropriate capital structure.

OR

c) Technology Companies[7];

i) a minimum of $10,000,000 in the treasury, the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus;

ii) adequate funds to cover all planned development and capital expenditures, and general and administrative expenses for a period of at least one year. A projection of sources and uses of funds including related assumptions covering the period (by quarter) signed by the Chief Financial Officer must be submitted[8]. The projection must also include actual financial results for the most recently completed quarter;

iii) evidence, satisfactory to the Exchange, that the company's products or services are at an advanced stage of development or commercialization and that the company has the required management expertise and resources to develop the business[9];

iv) minimum market value of the issued securities that are to be listed of at least $50,000,000; and

v) minimum public distribution requirements as set out in Section 310, except that the minimum aggregate market value of the freely tradeable, publicly held securities to be listed should be $10,000,000.

OR

d) Research and Development Companies.

i) a minimum of $12,000,000 in the treasury, the majority of which has been raised by the issuance of securities qualified for distribution by a prospectus;

ii) adequate funds to cover all planned research and development expenditures, general and administrative expenses and capital expenditures, for a period of at least 2 years. A projection of sources and uses of funds covering the period (by quarter) signed by the Chief

Financial Officer must be submitted[10]. The projection must also include actual financial results for the most recently completed quarter;

iii) a minimum two-year operating history that includes research and development activities; and

iv) evidence, satisfactory to the Exchange, that the company has the technical expertise and resources to advance the company's research and development programme(s).[11]

Notwithstanding the above-mentioned requirements for eligibility for listing, exceptional circumstances may justify the granting of a listing to an applicant, in which case the application will be considered on its own merits. "Exceptional circumstances" for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

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[1] Section 501 requires listed companies to obtain prior Exchange acceptance for filing of all proposed material changes, including changes which do not entail an issuance of securities, as detailed in Part V of this Manual.

[2] Consideration will be given to permitting the inclusion of deferred development charges or other intangible assets in the calculation of net tangible assets if in the opinion of the Exchange, the circumstances so warrant.

[3] Companies with less than $2,000,000 in net tangible assets may qualify for listing if they meet the earnings and cash flow requirements detailed in paragraphs 309.1 b) and c).

[4] See footnote 2.

[5] As a general rule, applicants should file a complete set of forecast financial statements covering the current and/or the next fiscal year (on a quarterly basis), accompanied by an independent auditor's opinion that complies with the CICA Auditing Standards for future oriented financial information. The applicant should have at least six months of operating history, including gross revenues at commercial levels for the last six months.

[6] See footnote 5.

[7] Generally would include innovative growth companies engaged in hardware, software, telecommunications, data communications information technology and new technologies.

[8] As a general rule, the projection should exclude uncommitted payments from third parties or other contingent cash receipts.

[9] As a general rule, evidence of "being at an advanced stage of development or commercialization" will be restricted to historical revenues from the company's current main business or contracts for future sales of products or services in such business. The Exchange will also consider all relevant factors in assessing the company's ability to develop its business including:

a) affiliations or strategic partnerships with major industry enterprises;

b) commercial or technical endorsements of the company's products or services from recognized industry participants;

c) existing or potential markets for the products or services and the company's marketing infrastructure and sales support dedicated to service these markets; and

d) the background and expertise of management including its record of raising funds.

[10] As a general rule, the projection should exclude cash flows from future revenues, uncommitted payments from third parties or contingent cash receipts.

[11] The Exchange will consider all relevant factors including:

a) the stage of development of the company's products or services and prospects for commercialization;

b) commercial or technical endorsements of the company's products or services from recognized academic institutions or industry participants;

c) the existing or potential markets for the company's products or services and the marketing infrastructure and sales support necessary to service these markets;

d) the background and expertise of management including its record of raising funds to finance research and development projects and ongoing operations;

e) the existence and composition of any scientific advisors board; and

f) affiliations with major industry enterprises or strategic partners.

Sec. 309.1. Requirements for Eligibility for Listing – Exempt Issuers[12]

a) net tangible assets of $7,500,000[13];

b) earnings from ongoing operations of at least $300,000 before taxes and extraordinary items, in the fiscal year immediately preceding the filing of the listing application;

c) pre-tax cash flow of $700,000 in the fiscal year immediately preceding the filing of the listing application and an average pre-tax cash flow of $500,000 for the two fiscal years immediately preceding the filing of the listing application; and

d) adequate working capital to carry on the business and an appropriate capital structure.

Exceptional circumstances may justify the granting of a listing to an applicant on an exempt basis, in which case the application will be considered on its own merits. "Exceptional Circumstances" for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

Special Purpose Issuers.—The Exchange will generally consider the listing of special purpose issuers other than Non-Corporate Issuers on an exceptional circumstances basis. The Exchange will consider all relevant factors in assessing these applicants including objectives and strategy, nature and size of the assets, anticipated operating and financial results, track record and expertise of managers and/or advisors, and level of investor and market support.

The Exchange encourages special purpose issuers and their advisors to contact Listings to discuss their specific circumstances.

[12] See footnote 1.

[13] See footnote 2.

Sec. 310. Public Distribution

At least 1,000,000 freely tradeable shares having an aggregate market value of $4,000,000 ($10,000,000 for companies qualifying for listing under section 309(c)) must be held by at least 300 public holders, each holding one board lot or more. In circumstances where public distribution is achieved other than by way of a public offering, e.g. by way of a reverse take-over, share exchange offer, or other distribution, the Exchange may require evidence that a satisfactory market in the company's securities will develop. Prior trading on another market or sponsorship by a Participating Organization, which will assist in maintaining an orderly market, may satisfy this condition.

Sec. 311. Management

The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company's board of directors) should have adequate experience and technical expertise relevant to the company's business and industry and adequate public company experience which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two independent directors[14], chief executive officer (CEO), a chief financial officer who is not also the CEO, and a corporate secretary.

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[14] An independent director is defined as a person who:

a) is not a member of management and is free from any interest and any business or other relationship which in the opinion of the Exchange could reasonably be perceived to materially interfere with the director's ability to act in the best interest of the company; and

b) is a beneficial holder, directly or indirectly, or is a nominee or associate of a beneficial holder, collectively of 10% or less of the votes attaching to all issued and outstanding securities of the applicant.

The Exchange will consider all relevant factors in assessing the independence of the director. As a general rule. the following persons would not be considered an independent director

i) a person who is currently, or has been within the past three years, an officer, employee of or service provider to the company or any of its subsidiaries or affiliates; or
ii) a person who is an officer, employee or controlling shareholder of a company that has a material business relationship with the applicant.

Sec. 312. Sponsorship or Affiliation

Sponsorship of an applicant company by a Participating Organization of the Exchange is required for companies applying to list under the paragraphs 309(a), 309(b), 309(c) and 309(d). Sponsorship, or affiliation with an established enterprise, can be a significant factor in the determination of the suitability of the company for listing, particularly where the company only narrowly meets the prescribed minimum listing requirements. Consideration will be given to the nature of the sponsorship or affiliation. In addition to the requirements detailed in Section 326 for Sponsorship of Companies Seeking Listing on The Exchange, sponsors for industrial applicants should also be responsible for reviewing and commenting on:

a) all visits to and/or inspections of the applicant's principal facilities and/or offices;

b) any future-oriented financial information that has been provided with the application;

c) management's experience and technical expertise relevant to the company's business; and

d) all other relevant factors including those listed in footnotes 7 and 8 applicable for technology companies and 10 and 11 applicable for research and development companies.

Sec. 313. Other Factors

The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may refuse to grant an application notwithstanding that the prescribed minimum listing requirements are met.

Minimum Listing Requirements for Mining Companies

Sec. 314. Requirements for Eligibility for Listing - Non-exempt issuers[15]

a) Producing Mining Companies

   i) proven and probable reserves to provide a mine life of at least three years, as calculated by an independent qualified person[16], together with evidence satisfactory to the Exchange indicating a reasonable likelihood of future profitability supported by a feasibility study or documented historical production and financial performance;

   ii) either be in production or have made a production decision on the qualifying project or mine referred to in subparagraph 314(a)(i) above;

   iii) sufficient funds to bring the mine into commercial production, adequate working capital to fund all budgeted capital expenditures and carry on the business and an appropriate capital structure. A management-prepared 18-month projection (by quarter) of sources and uses of funds detailing all planned and required expenditures signed by the Chief Financial Officer must be submitted. The projection must also include actual financial results for the most recently completed quarter; and

   iv) net tangible assets[17] of $4,000,000.

Industrial Minerals—Industrial mineral companies (those with properties containing minerals which are not readily marketable) not currently generating revenues from production will normally be required to submit commercial contracts and meet the requirements under paragraph 314(a).

b) Mineral Exploration and Development—Stage Companies

i) an Advanced Property, detailed in a report prepared by an independent qualified person[18]. The Exchange will generally consider a property to be sufficiently advanced if continuity of mineralization is demonstrated in three dimensions at economically interesting grades;

ii) a planned work programme of exploration and/or development, of at least $750,000[19] that is satisfactory to the Exchange, will sufficiently advance the property and is recommended by an independent qualified person[20];

iii) sufficient funds to complete the planned programme of exploration and/or development on the company's properties, to meet estimated general and administrative costs, anticipated property payments and capital expenditures for at least 18 months. A management-prepared 18 month projection (by quarter) of sources and uses of funds detailing all planned and required expenditures signed by the Chief Financial Officer must be submitted;

iv) working capital of at least $2,000,000[21] and an appropriate capital structure; and

v) net tangible assets[22] of $3,000,000.

Property Ownership—A company must hold or have a right to earn and maintain at least a 50% interest in the qualifying property. Companies holding less than a 50% interest, but not less than a 30% interest, in the qualifying property may be considered on an exceptional basis, based on programme size, stage of advancement of the property and strategic alliances. Where a company has less than a 100% interest in a qualifying property, the programme expenditure amounts attributable to the company will be determined based on its percentage ownership[23].

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[15] See footnote 1

[16] Reports prepared by independent qualified persons, and the acceptability of the authors, shall conform to National Instrument 43-101 and be acceptable to the Exchange. Reports prepared in conformity with other reporting systems deemed to be the equivalent of NI 43-101 will normally be acceptable also.

[17] Net Tangible Assets—Consideration will be given to including deferred exploration expenditures on a company's currently active mineral properties in the Net Tangible Asset calculation if, in the opinion of the Exchange, the evidence provided so warrants.

[18] See footnote 16

[19] Work Programme—The Exchange will consider companies undertaking an exploration or development programme of at least $500,000 on a qualifying property if planned programme expenditures on all properties aggregate at least $750,000. The additional properties will be considered with the submission of appropriate technical documentation, conforming to National Instrument 43-101.

[20] See footnote 16

[21] Working Capital—Consideration may be given to companies with less than $2,000,000 in working capital if all or part of the company's minimum work programme expenditure requirement will be funded by a substantial industry partner, such that an equivalent working capital amount would be recognized.

[22] See footnote 17

[23] See footnote 19

Sec. 314.1. Requirements for Eligibility for Listing exempt from Section 501[24]

a) net tangible assets[25] of $7,500,000;

b) pre-tax profitability from ongoing operations in the fiscal year immediately preceding the filing of the listing application;

c) pre-lax cash flow of $700,000 in the fiscal year immediately preceding the filing of the listing application and an average pre-tax cash flow of $500,000 for the two fiscal years immediately preceding the filing of the listing application;

d) proven and probable reserves to provide a mine life of at least 3 years, calculated by an independent qualified person[26] and

e) adequate working capital to carry on the business and an appropriate capital structure.

Exceptional circumstances may justify the granting of an exemption from Section 501, in which case the application will be considered on its own merits. "Exceptional circumstances" for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

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[24] See footnote 1

[25] See footnote 17

[26] See footnote 16

Sec. 315. Public Distribution

At least 1,000,000 freely tradeable shares having an aggregate market value of $4,000,000 must be held by at least 300 public holders, each holding one board lot or more. In circumstances where public distribution is achieved other than by way of a public offering, e.g., by way of a reverse take-over, share exchange offer, or other distribution, the Exchange may require evidence that a satisfactory market in the company's securities will develop. Prior trading on another market or sponsorship by a Participating Organization, which will assist in maintaining an orderly market, may satisfy this condition.

Sec. 316. Management

The management of an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company's board of directors) should have adequate experience and technical expertise relevant to a

company's mining projects and adequate public company experience, which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two independent directors[27], a chief executive officer (CEO), a chief financial officer who is not also the CEO, and a corporate secretary.

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[27] See footnote 14

Sec. 317. Sponsorship or Affiliation

Sponsorship of an applicant company by a Participating Organization of the Exchange is required for companies applying to list under the paragraphs 314(a) and 314(b). Sponsorship, or affiliation with an established enterprise, can be a significant factor in the determination of the suitability of the company for listing, particularly where the company only narrowly meets the prescribed minimum listing requirements. Consideration will be given to the nature of the sponsorship or affiliation. In addition to the requirements detailed in Section 326 for Sponsorship Of Companies Seeking Listing On The Exchange, sponsors for mining applicants should also be responsible for reviewing and commenting on:

a) the company's management-prepared 18 month projection of sources and uses of funds to ensure that it reflects all of the company's planned and anticipated exploration and development programmes, general and administrative costs, property payments and other capital expenditures;

b) any site visits to the applicant's properties by the Sponsor;

c) issues and material agreements relating to land tenure for the company's principal properties, including the political risk, legal system, ability to mine, terms for maintaining mineral rights, legal impediments and any impediments to maintaining or securing the property: and

d) management's experience and technical expertise relevant to the company's mining projects.

Sec. 318. Other Factors

The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may refuse to grant an application notwithstanding that the prescribed minimum listing requirements are met.

Minimum Listing Requirements for Oil and Gas Companies

Sec. 319. Requirements for Eligibility for Listing Non-Exempt Issuers[28]

(a) Producing Oil & Gas Companies

(i) proved developed reserves[29] of $3,000,000[30]:

(ii) a clearly defined programme, satisfactory to the Exchange, which can reasonably be expected to increase reserves;

(iii) adequate funds to execute the programme and cover all other capital expenditures as well as general, administrative and debt service expenses, for a period of 18 months with an

allowance for contingencies. A management-prepared 18-month projection (by quarter) of sources and uses of funds detailing all planned and required expenditures signed by the Chief Financial Officer must be submitted. The projection must also include actual financial results for the most recently completed quarter; and,

(iv) an appropriate capital structure.

(b) Oil & Gas Development Stage Companies[30C]

(i) contingent resources[30A] of $500,000,000[30B];

(ii) a minimum market value of the issued securities that are to be listed of at least $200,000,000;

(iii) a clearly defined development plan, satisfactory to the Exchange, which can reasonably be expected to advance the property;

(iv) adequate funds to either: (A) execute the development plan and cover all other capital expenditures as well as general, administrative and debt service expenses, for a period of 18 months with an allowance for contingencies; or (B) bring the property into commercial production, and adequate working capital to fund all budgeted capital expenditures and carry on the business. A management-prepared 18-month projection (by quarter) of sources and uses of funds detailing all planned and required expenditures signed by the Chief Financial Officer must be submitted. The projection must also include actual financial results for the most recently completed quarter; and

(v) an appropriate capital structure.

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[28] See footnote 1

[29] "Proved developed reserves" are defined as those reserves that are expected to be recovered from existing wells and installed facilities, or, if facilities have not been installed, that would involve a low expenditure, when compared to the cost of drilling a well, to put those reserves on production.

[30] The Company must submit a technical report prepared by an independent technical consultant that conforms to National Instrument 51-101 and be acceptable to the Exchange. Reports prepared in conformity with other reporting systems deemed by the Exchange to be equivalent of National Instrument 51-101 will normally be acceptable also. The value of reserves should be calculated as the net present value of future cash flows before income taxes, prepared on a forecast basis, and discounted at a rate of 10%. The Exchange may, at its discretion, also require the provision of a price sensitivity analysis.

[30A] "contingent resources" are defined in accordance with Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101, however the Exchange in its discretion may exclude certain resources classified as contingent resources after taking into consideration the nature of the contingency. The Exchange will use the best-case estimate for contingent resources, prepared in accordance with National Instrument 51-101.

[30B] The Company must submit a technical report prepared by an independent technical consultant that conforms to National Instrument 51-101 and be acceptable to the Exchange. Reports prepared in conformity with other reporting systems deemed by the Exchange to be the equivalent of National Instrument 51-101 will normally be acceptable also. The value of the resources should be calculated as the best case scenario of the net present value of future cash flows before income taxes, prepared on a forecast basis, and discounted at a rate of 10%. The Exchange may, at its discretion, also require the provision of a price sensitivity analysis.

[30C] The Exchange strongly recommends pre-consultation with the Exchange for any applicant applying under this listing category. Generally, this category will be limited to issuers with unconventional oil & gas assets, such as oil sands.

Sec. 319.1. Requirements for Eligibility for Listing-Exempt Issuers[31]

(a) proved developed reserves[32] of $7,500,000[33];

(b) pre-tax profitability from ongoing operations in the fiscal year preceding the filing of the listing application;

(c) pre-tax cash flow of $700,000 in the fiscal year preceding the filing of the listing application and an average annual pre-tax cash flow of $500,000 for the two fiscal years preceding the filing of the listing application; and

(d) adequate working capital[34] to carry on the business and an appropriate capital structure.

Exceptional circumstances may justify the granting of an exemption from Section 501, in which case the application will be considered on its own merits. "Exceptional circumstances" for this purpose will normally be confined to an affiliation with a substantial established enterprise and/or an exceptionally strong financial position.

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[31] See footnote 1

[32] "Proved developed reserves" are defined as those reserves that are expected to be recovered from existing wells and installed facilities, or, of facilities have not been installed, that would involve a low expenditure, when compared to the cost of drilling a well, to put the reserves on production.

[33] See footnote 30

[34] In assessing the adequacy of funds, credit facilities with recognized financial institutions will be considered.

Sec. 320. Public Distribution

At least 1,000,000 freely tradeable shares having an aggregate market value of $4,000,000 must be held by at least 300 public holders, each holding one board lot or more. In circumstances where public distribution is achieved other than by way of a public offering, e.g., by way of a reverse take-over, share exchange offer, or other distribution, the Exchange may require evidence that a satisfactory market in

the company's securities will develop. Prior trading on another market or sponsorship by a Participating Organization, which will assist in maintaining an orderly market, may satisfy this condition.

Sec. 321. Management

The management of' an applicant company shall be an important factor in the consideration of a listing application. In addition to the factors set out in Section 325, the Exchange will consider the background and expertise of management in the context of the business of the company. Management (including the company's board of directors) should have adequate experience and technical expertise relevant to a company's oil and gas projects and adequate public company experience, which demonstrates that they are able to satisfy all of their reporting and public company obligations. Companies will be required to have at least two independent directors[35], a chief executive officer (CEO), a chief financial officer who is not also the CEO, and a corporate secretary.

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[35] See footnote 14

Sec. 322. Sponsorship or Affiliation

Sponsorship of an applicant company by a Participating Organization of the Exchange is required unless the company meets the requirements for listing under Section 319.1. Sponsorship, or affiliation with an established enterprise, can be a significant factor in the determination of the suitability of the company for listing, particularly where the company only narrowly meets the prescribed minimum listing requirements. Consideration will be given to the nature of the sponsorship or affiliation. In addition to the requirements detailed in Section 326 for Sponsorship of Companies Seeking Listing on The Exchange, sponsors for oil and gas applicants should also be responsible for reviewing and commenting on:

a) the common issues specific to oil and gas companies;

b) the company's management-prepared 18-month projection of sources and uses of funds to ensure that it reflects all of the company's planned and anticipated general, administrative and capital expenditures, as well as debt service;

c) the company's price sensitivity analysis, if required;

d) any site visits to the applicant's properties by the sponsor; and

e) management's experience and technical expertise relevant to the company's oil and gas projects.

Sec. 323. Other Factors

The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may refuse to grant an application notwithstanding that the prescribed minimum listing requirements are met.

Minimum Listing Requirements for International Interlisted Issuers

Sec. 324.

There are no unique requirements for the management or the financial requirements for International Interlisted Issuers. However, these issuers are generally required to have some presence in Canada and must be able to demonstrate, as with all issuers, that they are able to satisfy all of their reporting and public company obligations in Canada. This may be satisfied by having a member of the board of directors or management, an employee or a consultant of the issuer situated in Canada.

Exemptions may be available from requirements set out in Parts IV, V and VI of the Manual to certain International Interlisted Issuers as provided in Section 401.1, Section 602.1 and TSX Staff Notice 2015-0002.

C. Management of Listed Companies

Sec. 325. Management

The Exchange seeks to provide the general public and its listed companies with a well-regulated, orderly, continuous auction market.

The Exchange reserves the right to exercise discretion in considering all factors related to the management of a company in order to determine the acceptability of that company for original listing and thereafter for continued listing. The Exchange's discretion will be exercised at all times in a manner, which is reasonable and consistent with regulatory and statutory requirements.

Without in any way limiting the generality of the foregoing, the Exchange, in pursuit of its goal of public protection and to promote integrity and honesty in the capital markets:

1. shall require that any document submitted to the Exchange constitutes full, true and plain disclosure; and
2. may review the conduct of an officer, director, promoter, major shareholder or any other person or company or a combination of any of the above who in the Exchange's opinion holds sufficient of the company's securities to materially affect control, in order to satisfy itself that:
    a) the business of the company is and will be conducted with integrity and the best interests of its security holders and the investing public; and
    b) the rules and regulations of the Exchange and all other regulatory bodies having jurisdiction are and will be complied with.

D. Sponsorship of Companies Seeking Listing on the Exchange

Sec. 326. Sponsorship

A company seeking listing on the Exchange must meet certain financial requirements. Management of the company is also important in the evaluation of a listing application by the Exchange. Sponsorship by a Participating Organization of the Exchange, as well as being a significant factor in the consideration of an applicant, is mandatory for all companies that are applying to list under the criteria for non-exempt companies.

The weight attached to sponsorship in any particular case depends upon the financial and managerial strength of an applicant. It may be a determining factor in some instances. While the terms of any

sponsorship are to be a matter of negotiation between the sponsor and the applicant company, in the view of the Exchange, the sponsor is responsible for reviewing and providing comments in writing on the following, as applicable:

a) the company's qualifications for meeting all relevant listing criteria;

b) the listing application together with all supporting documentation filed with the application for adequacy and completeness;

c) all matters related to the applicant company and the adequacy of disclosure made to the Exchange;

d) the company, its financial position and history, its business plan, its managerial expertise, any material transactions and all business affiliations or partnerships, and the likelihood of future profitability or viability of any exploration programme;

e) any forecasts, projections, capital expenditure budgets, and independent technical reports, including the assumptions used in their development, submitted in support of the company's listing application;

f) the company's press releases and financial disclosures during at least the past twelve months to assess whether the company has complied with appropriate disclosure standards;

g) the past conduct of officers, directors, promoters and major shareholders of the company with a view' to ensuring that the business of the company will be conducted with integrity, in the best interests of its security holders and the investing public, and in compliance with the rules and regulations of the Exchange and all other regulatory bodies having jurisdiction. The sponsor should satisfy itself in particular, that:

    i) the company can be expected to prepare and publish all information required by the Exchange's policy on timely disclosure;

    ii) the company's directors appreciate the nature of the responsibilities they will be undertaking as directors of a listed company; and

    iii) the directors, officers, employees and insiders of the company appreciate the "insider trading" rules set out in the OSA;

h) matters applicable specifically to industrial, mining and oil and gas companies as detailed in Sections 312, 317 and 322; and

i) all other factors deemed relevant by the sponsor.

The Exchange also considers the sponsor's responsibilities to include acting as a source of information for the company's security holders, providing advisory assistance to the applicant company, and assisting in maintaining active and orderly trading in the market for the company's securities.

The Exchange considers sponsorship to involve a relationship between the Participating Organization and its client applicant company for the first part and the Exchange for the second part. The terms of a sponsorship must, therefore, be confirmed by letter notice to the Exchange from the sponsoring Participating Organization, as part of a listing application. The weight attached to a particular

sponsorship by the Exchange in reviewing a listing application will depend upon the nature of the sponsorship.

E. Escrow Requirements

Sec. 327.

Reference should be made to Appendix C for the Exchange's requirements respecting securities issued by applicant companies prior to their first public distribution of securities.

F. Restricted Shares

Sec. 328.

Where a company applies to list a class of participating shares, which are:

a) non-voting;

b) voting, but the company has another class of voting shares; or

c) voting, but there is a restriction on the power of the holders of a majority of the shares to elect a majority of the company's directors (except where the restriction is applicable only to persons who are not Canadians or residents of Canada),

reference should be made to Section 624 and applicable securities laws.

G. Outstanding Options, Incentive Plans and Dividend / Distribution Reinvestment Plans

Sec. 329.

(a) Stock options, stock option plans and stock purchase plans, which are in effect at the time a company is first listed on the Exchange, must be in compliance with the Exchange's requirements applicable to listed companies (but need not be approved by shareholders). See Section 613regarding share compensation and incentive arrangements for employees and other persons who provide services for listed companies on an ongoing basis.

(b) DRIPs which are in effect at the time a company is first listed on the Exchange must be in compliance with the Exchange's requirements applicable to DRIPs as set out in Section 617.1.

H. Granting of Charitable Options or Warrants

Introduction

Sec. 330.

An issuer seeking a listing on the Exchange that has filed a preliminary prospectus for an IPO of its securities and has received conditional approval from the Exchange for the listing of such securities may be authorized to grant a charitable option and to list securities issuable upon its exercise. Listing approval will be conditional upon any such charitable options being in compliance with the Exchange's general requirements applicable to charitable options granted by listed companies as detailed in Section 612, as modified by the requirements set out below.

Sec. 331.

Charitable options granted by an issuer seeking a listing, other than with a concurrent IPO of its securities, must be in compliance with the Exchange's general requirements applicable to charitable options granted by listed companies as detailed in Section 612 (but need not be approved by shareholders).

Definitions

Sec. 332.

For the purposes of Sections 333 to 335:

"**Eligible Issuer**" means a company, corporation, trust or limited partnership which (a) is an Unlisted Issuer, (b) has filed a preliminary prospectus for its IPO, and (c) has received conditional approval from the Exchange for the listing of Eligible Securities.

"**Eligible Securities**" means securities issuable from the treasury of (a) an Eligible Issuer that are securities of the class or series being offered for sale to the public pursuant to the IPO Final Prospectus; or (b) a listed issuer that *are* securities of a listed class or series.

"**IPO**" means initial public offering of securities of the Eligible Issuer.

"**IPO Closing**" means the first date upon which any securities are issued or distributed pursuant to the IPO Final Prospectus.

"**IPO Final Prospectus**" means the Eligible Issuer's IPO (final) prospectus for which a receipt has been issued by the relevant Canadian securities regulatory authority.

"**IPO Price**" means the price to the public per security sold or distributed pursuant to the IPO Final Prospectus.

"**Unlisted Issuer**" means a company, corporation, trust or limited partnership which has no securities listed or quoted on any stock exchange nor has outstanding securities for which trading is reported to or through a stock exchange or public market.

Requirements

Sec. 333.

An Eligible Issuer may grant Charitable Options at any time before the IPO Closing and, prior to the IPO closing, must apply to the Exchange for approval to list all securities issuable upon exercise of such Charitable Options.

Sec. 334.

The aggregate number of securities of the class or series that is issuable upon exercise of all Charitable Options granted by an Eligible Issuer must not at any time up to the issuer becoming a listed issuer exceed 2% of the total number of securities of that class or series (calculated on a non-diluted basis and adjusted for any stock splits and stock consolidations) outstanding immediately after the IPO Closing.

Sec. 335.

No Charitable Option granted by an Eligible Issuer may:

a) be exercised until after the IPO Closing and the concurrent listing of the Eligible Securities on the Exchange, subject to Section 334 above; or

b) be exercised at a price per security that is less than the IPO Price.

[The next section is Section 338.]

I. Listing Application Procedure

The Formal Application

Sec. 338.

The Listing Application form is set out in Appendix A. This Appendix also lists the required supporting documentation.

Sec. 338.1.

Applicants listed on the TSX Venture Exchange may be exempted from some of the requirements relating to the filing of documentation, sponsorship and/or the application fee. Generally, the Exchange will waive the application fee as set out in Section 801 if, after completing an eligibility review as outlined in Section 305, the Exchange has determined that the company meets the listing criteria. For further details on documentation requirements and sponsorship, please consult the "Checklist of documents to be filed" that forms part of the listing application contained in Appendix A.

Sec. 339.

Where a company proposes to apply for the listing of securities to be offered to the public by way of prospectus, the company may, prior to filing the Listing Application form, request that the Exchange conditionally approve the listing prior to the public offering. A copy of the preliminary prospectus must be filed with the Exchange for this purpose, together with completed Personal Information Forms. In the case of a natural resource company, the preliminary prospectus must also be accompanied by the requisite engineer or geologist's reports.

Sec. 340.

An approval of an application based on a preliminary prospectus will be subject to the following conditions:

a) There are no material changes in the final prospectus to the information disclosed in the preliminary prospectus.

b) All other required documentation and evidence of satisfactory distribution of the securities will be filed with the Exchange within 90 days, or such other date as the Exchange may stipulate.

Sec. 341.

An application fee (see Section 801) must accompany the Listing Application form or preliminary prospectus, as the case may be.

Sec. 342.

The number of securities to be listed must be the number of securities actually issued and outstanding, together with any securities, which have been authorized for issuance for a specific purpose.

Sec. 343.

(Repealed.)

Listing Application Procedure

Sec. 344.

Following the receipt of an original listing application, the Exchange will notify the applicant within five business days, whether all required documentation to complete an assessment has been submitted in a form acceptable to the Exchange (the "Documentation"). Applicants will have 75 days to submit any outstanding Documentation. An applicant's failure to submit any outstanding Documentation within the 75 day period will result in the deemed withdrawal of the application, further consideration of which will require resubmission and the payment of an additional application fee as set out in Section 801.

The Exchange will use its best efforts to assess the application and render a decision as soon as possible within 60 days from the date of receipt of all Documentation. The Exchange will also use its best efforts to accommodate an applicant's schedule for the filing of a prospectus and the closing of an offering of securities. At any time during the assessment, the Exchange may require additional information or documentation, which may extend the assessment period.

Following completion of the assessment, the Exchange will determine either to:

i) *grant conditional approval:*

   the application for listing is conditionally approved, subject to meeting specified conditions within a 90 day period; or

ii) *defer:*

   the application for listing is deferred pending resolution of specified issues within a 90 day period. Failure to address these issues to the satisfaction of the Exchange within the 90 day period will result in the application being declined; or

iii) *decline:*

   the application for listing is declined and at least six months must pass before the applicant becomes eligible for reconsideration.

Sec. 345.

Listings is available for consultation regarding the preparation of the Listing Application and the listing process. Contact Company Listings by e-mail: listedissuers@tmx.com.

Notation on Face of Prospectus and in Advertising

Sec. 346.

Subsection 38(3) of the OSA states that no person or company, with the intention of effecting a trade in a security, may make any representation, oral or written, that such security will be listed on any stock

exchange or that application has been or will be made to list such security on any stock exchange except with the written permission of the Director of the OSC, unless: (i) application has been made to list the securities and securities of the same issuer are already listed on any stock exchange; or (ii) the stock exchange has granted approval to the listing, conditional or otherwise, or has consented to or indicated that it does not object to the representation. If consent is sought from the Director (which is normally evidenced by a final receipt in the case of a prospectus containing the representation), the Commission will require the listed issuer to provide a copy of a communication from that stock exchange stating that the listing application has been conditionally approved before providing such consent.

A notation referring to listing on Toronto Stock Exchange must not be printed on a preliminary prospectus or a draft of a prospectus or other offering document. The notation may only appear on a final prospectus or in other offering documents or in advertising when the listing application has been conditionally approved by the Exchange, unless otherwise consented to by the Exchange.

When securities have been conditionally approved for listing, the following notation on the face of the final prospectus or other offering document is permissible, but may only be used in its entirety:

Toronto Stock Exchange has conditionally approved the listing of these securities. Listing is subject to the Company fulfilling all of the requirements of the Exchange on or before (insert date[36]), including distribution of these securities to a minimum number of public shareholders.

An "offering document" for this purpose includes any prospectus, rights offering circular, offering memorandum, securities exchange takeover bid circular or information circular concerning a proposed corporate reorganization or amalgamation that would result in the issuance of new securities.

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[36] Date to be 90 days from the date of conditional approval of the listing application by the Exchange or such other date as the Exchange may stipulate.

Transfer and Registration of Securities

Sec. 347.

While its securities are listed on TSX, a listed issuer must appoint and maintain a transfer agent and registrar with a principal office in one or more of Vancouver, British Columbia; Calgary, Alberta; Toronto, Ontario; Montréal, Québec; or Halifax, Nova Scotia, where all the issued securities of the listed classes must be directly transferable. Where transfer facilities are maintained in more than one city and generic or customized security certificates are used, all such certificates must be interchangeably transferable and identical in colour and form, except as to the names of the transfer agent and registrar, as the case may be. The combined amount of securities registered in all cities must not exceed the amount authorized by the Exchange to be listed. When used, generic or customized certificates must name the cities where they are transferable.

Listed issuers incorporated in the United States may appoint a transfer agent and registrar based in the United States, provided that they appoint a co-transfer agent in Canada (with transfer facilities in at least one of the cities mentioned above). Where a listed issuer uses a registrar in the United States, such registrar must be duly registered with the U.S. Securities and Exchange Commission.

Sec. 348.

The transfer function involves keeping a ledger listing the security holders' names and addresses and the number of securities registered in the name of each security holder. The transfer agent issues new certificates and cancels old certificates. It may also provide such services to companies as the distribution of dividend cheques and proxy materials to shareholders and the administration of dividend reinvestment plans.

The registrar function involves receiving old cancelled certificates as well as new certificates from the transfer agent. The registrar then validates the transfer by signing and recording the new certificate. The registrar ensures that the number of securities issued in certificate form is consistent with the number of securities actually issued by the company.

The original appointment and any subsequent change of the transfer agent or registrar must be approved by the Exchange. Generally, no agent other than a trust company will be acceptable.

Security Certificates

Sec. 349.

As a condition to listing securities on TSX, issuers must provide their security holders with evidence of ownership for all classes of securities to be listed.

The Exchange's requirements respecting evidence of security ownership are set out in Appendix D.

Sec. 350.

Certificates must bear a CUSIP number, which can be obtained from CDS. A CUSIP is the standard securities numbering system for Canada and the United States.

In order to assign a CUSIP number, CDS will normally require a current prospectus of the applicant issuer or a similar document. Listing applicants must provide TSX with a copy of the unqualified letter of confirmation from CDS respecting the issuance of a CUSIP number before the issuer's securities are listed, together with a confirmation from CDS that such securities are eligible for clearing and settlement through CDS.

Information regarding the application for a CUSIP number may be obtained by contacting CDS at 1 (800) 663-8429 or eligibility@cds.ca.

For issuers incorporated outside of Canada, TSX accepts unqualified letters of CUSIP confirmations from Standard & Poor's or equivalent organizations, together with a confirmation from CDS that the securities to be listed are eligible for clearing and settlement through CDS.

Further information regarding CUSIP numbers and the eligibility process may be found at www.cds.ca.

Listing Agreement

Sec. 351.

Each listed company, by signing the Listing Agreement (Appendix A), makes itself subject to the rules and policies of the Exchange.

The procedures for complying with the requirements of the Listing Agreement are described more fully in the subsequent Parts of this Manual.

J. Approval of Listing and Posting of Securities

Sec. 352.

When the Toronto Stock Exchange is satisfied that the application documents are in order, the application is submitted to the Exchange's Listings Committee, which is comprised of members of Listings.

The Listings Committee may ask for additional information in order to clarify certain areas of the application.

Listing on the Exchange is considered to be a privilege, not a right. In some instances, the Listings Committee may decide that an applicant company does not merit the listing privilege notwithstanding that the company appears to meet the prescribed minimum listing requirements.

Sec. 353.

If the Listings Committee approves the company's securities for listing, the Exchange will select a participating organization to act as the designated market maker for the securities. The designated market maker has responsibilities, which assist in maintaining an orderly market in the securities. The process of selecting the designated market maker usually takes two to three weeks.

Sec. 354.

Once the listing application has been approved, the posting of the securities for trading may take place shortly thereafter, but, as a general rule, not more than 90 days after approval of the application for listing. During the period between listing approval and posting for trading, the securities are acceptable to Participating Organizations for margin purposes.

In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the applicant company's request. Exchange staff will advise the company of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as, and when issued" basis.

Sec. 354.1.

Decisions in respect of the application of Part III are made by the Listings Committee or its delegates. If an applicant is dissatisfied with a decision under Part III, the applicant may, within 30 calendar days of the original decision by Listings Committee, request an appeal of such decision. The matter will be considered by a minimum of one and a maximum of three senior officer(s) of TSX who were not participants in making the original decision, as determined by the Exchange. The senior officer(s) may uphold the original decision or may render a new decision. Applicants must request the appeal in writing and make written submissions in support of an appeal under this section. If after being heard, the applicant remains dissatisfied with the decision, the applicant may, within 30 calendar days of the appeal decision by the senior officer(s) of TSX, appeal the decision to a three-person panel of TSX's

Board of Directors. Applicants must request the appeal in writing and make written submissions in support of an appeal to TSX's Board of Directors.

Sec. 354.2.

[Deleted]

Stock Symbol

Sec. 355.

The new listed issuer is assigned a stock symbol by Exchange staff. The stock symbol is an abbreviation of the issuing company's name, consisting of not more than four letters of the alphabet. A suffix is attached to the symbol to identify preferred shares, rights, warrants, or a specific class of shares.

A request for a specific trading symbol may be made to the Exchange by the company when applying for listing. Every effort will be made to reserve the symbol requested, but there is no guarantee that it will be available.

The stock symbol assigned by the Exchange will be unique to the company for all trading on Canadian exchanges. If the company is already listed on another Canadian exchange, its securities will trade on the Toronto Stock Exchange under the same symbol.

Listing Day Programme

Sec. 356.

The company is invited to attend a ceremony at the Exchange to celebrate the listing of the company's securities on the TSX. Company officials will have an opportunity to meet Exchange staff with whom they will deal as a listed company. The Exchange also provides a photographer to record the event for the company.

K. Listing Statement

Sec. 357.

(Repealed.)

L. Public Availability of Documents

Sec. 358.

Subject to Section 359, all documents filed in support of the listing of any securities on the Exchange shall be made available to the public on request after the listing application is given final approval, and such documents may be published, at the discretion of the Exchange.

Sec. 359.

The Exchange may hold the documents in confidence so long as the Exchange is of the opinion that the documents so held disclose intimate financial, personal or other information and that the desirability of avoiding disclosure thereof in the interests of any person or company outweighs the desirability of adhering to the general principle that the documents be available to the public for inspection.

M. Provincial Securities Laws

Sec. 360.

All listed companies are "reporting issuers" as defined in the *Securities Act* of Ontario, and must comply with the provisions of that Act, as well as all other applicable securities legislation.

Part IV Maintaining a Listing — General Requirements

A. General

Sec. 401.

Once approval has been given for its securities to be listed, in order to maintain the listing privilege a company must fulfill a number of requirements on a continuing basis. These requirements are described in this and subsequent Parts.

Sec. 401.1 Exemptions for Eligible International Interlisted Issuers and Other International Interlisted Issuers

Subject to prior approval, TSX will not apply Sections 461.1–461.4 (Director Elections) and 464 (Annual Meetings) to Eligible International Interlisted Issuers. The first year an Eligible International Interlisted Issuer wishes to rely on this exemption, such issuer must obtain TSX's prior acceptance of the application of this exemption at least five (5) and not more than thirty (30) business days in advance of finalizing the materials sent to holders of listed securities in connection with a meeting at which directors are being elected. The application should take the form of a letter addressed to TSX requesting the exemption and include: i) the Recognized Exchange(s) on which it is listed; ii) the jurisdiction of incorporation of the issuer; and iii) evidence that the volume of trading of the issuer's securities on all Canadian marketplaces in the 12 months immediately preceding the date of the application was less than 25%. If TSX accepts such application, in subsequent consecutive years the Eligible International Interlisted Issuer may continue to rely on this exemption if it provides prior notice to TSX at least five (5) and not more than thirty (30) business days in advance of finalizing the materials sent to holders of listed securities in connection with a meeting at which directors are being elected. The notice should take the form of a letter confirming that the issuer continues to be an Eligible International Interlisted Issuer.

International Interlisted Issuers that do not qualify as Eligible International Interlisted Issuers may apply to TSX for an exemption on an annual basis from Sections 461.1–461.4 (Director Elections) and 464 (Annual Meetings), as provided in updated TSX Staff Notice 2015-0002.

Eligible International Interlisted Issuers and other International Interlisted Issuers must disclose the requirement from which they have been exempted for the year and their reliance on this Section 401.1 in a press release issued in connection with their annual meeting or in the materials sent to holders of listed securities in connection with a meeting at which directors are being elected, as applicable.

Sec. 402.

While agreeing to meet a number of specific requirements in order to maintain a listing on the Exchange, each listed company, in signing the Listing Agreement (Appendix A), accepts the authority of the Board of Directors of the Exchange (or its delegated committee) which, in its discretion, may at any time suspend from trading or delist the company's securities. (See also Part VII of this Manual.)

Sec. 403.

Section 21.7(1) of the OSA provides that any person or company directly affected by any direction, order or decision of the Exchange may apply to the OSC for a hearing and review thereof.

Sec. 404.

In general, to maintain its listing privilege a company must make public disclosures and keep the Exchange fully informed of both routine and unusual events and decisions affecting its security holders.

The purpose of these requirements is to ensure that the market has adequate time for consideration of and response to, corporate events. In addition, it is necessary that records be continuously maintained regarding the entitlement to various benefits as they accrue from time to time to the security holders of record.

In some matters, the prior consent of the Exchange to an intended course of action is required, in order to ensure that implementation of the corporate decision is consistent with Exchange requirements.

Sec. 405.

All listed companies should be thoroughly familiar with the applicable federal and provincial statutory requirements respecting timely disclosure, financial statements, proxy materials and shareholders' meetings. The Exchange's requirements and the statutory requirements may vary, but they do not conflict. The Exchange enforces its own requirements. It retains the right to waive these requirements, but does not have the right to waive statutory requirements. The Exchange frequently draws the attention of a company to its multiple obligations, but the responsibility rests with the company to meet all sets of applicable requirements.

B. Timely Disclosure

Introduction

Sec. 406.

It is a cornerstone policy of the Exchange that all persons investing in securities listed on the Exchange have equal access to information that may affect their investment decisions. Public confidence in the integrity of the Exchange as a securities market requires timely disclosure of material information concerning the business and affairs of issuers listed on the Exchange, thereby placing all participants in the market on an equal footing.

The Timely Disclosure Policy is the primary timely disclosure standard for all TSX listed issuers. National Policy 51-201 *Disclosure Standards*, assists issuers in meeting their legislative disclosure requirements. While the legislative and Exchange timely disclosure requirements differ somewhat, the CSA clearly states in National Policy 51-201 *Disclosure Standards* that they expect listed issuers to comply with the requirements of the Exchange.

To minimize the number of authorities that must be consulted in a particular matter, in the case of securities listed on the Exchange, the Exchange is the relevant contact. The issuer may, of course, consult with the government securities administrator of the particular jurisdiction. In the case of securities listed on more than one stock market, the issuer should deal with each market.

The requirements of the Exchange and National Policy 51-201 *Disclosure Standards* are in addition to any applicable statutory requirements. The Exchange enforces its own policy. Issuers whose securities are listed on the Exchange are legally obligated to comply with the provisions on timely disclosure set out in

section 75 of the OSA and the regulation under the OSA. Reference should also be made to National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*, National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*, National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, and National Instrument 62-104 Take-Over Bids and Issuer Bids*.

In addition to the foregoing requirements, issuers whose securities are listed on the Exchange and who engage in mineral exploration, development and/or production, must follow the "Disclosure Standards for Companies Engaged in Mineral Exploration, Development and Production" as outlined in Appendix B of this Manual for both their timely and continuous disclosure.

Market Surveillance monitors the Timely Disclosure Policy on behalf of the Exchange.

Material Information

Definition

Sec. 407.

Material information is any information relating to the business and affairs of an issuer that results in or would reasonably be expected to result in a significant change in the market price or value of any of the issuer's listed securities.

Material information consists of both material facts and material changes relating to the business and affairs of a listed issuer. In addition to material information, trading on the Exchange is sometimes affected by the existence of rumours and speculation. Where this is the case, Market Surveillance may require that an announcement be made by the issuer whether such rumours and speculation are factual or not. The policy of the Exchange with regard to rumours is set out more fully in Section 414.

The Timely Disclosure Policy of the Exchange is designed to supplement the provisions of the OSA, which requires disclosure of any "material change" as defined therein. A report must be tiled with the OSC concerning any "material change" as soon as practicable and in any event within ten days of the date on which the change occurs. The Exchange considers that "material information" is a broader term than "material change" since it encompasses material facts that may not entail a "material change" as defined in the Act. It has long been the practice of most listed issuers to disclose a broader range of information to the public pursuant to the Exchange's Timely Disclosure Policy than a strict interpretation of the Act might require. Issuers subject to securities legislation outside of Ontario should be aware of their disclosure obligations in other jurisdictions.

It is the responsibility of each listed issuer to determine what information is material according to the above definition in the context of the issuer's own affairs. The materiality of information varies from one issuer to another according to the size of its profits, assets and capitalization, the nature of its operations and many other factors. An event that is "significant" or "major" in the context of a smaller issuer's business and affairs is often not material to a large issuer. The issuer itself is in the best position to apply the definition of material information to its own unique circumstances. The Exchange recognizes that decisions on disclosure require careful subjective judgments, and encourages issuers to consult Market Surveillance when in doubt as to whether disclosure should be made.

Rule: Immediate Disclosure

Sec. 408.

A listed issuer is required to disclose material information concerning its business and affairs forthwith upon the information becoming known to management, or in the case of information previously known, forthwith upon it becoming apparent that the information is material. Immediate release of information is necessary to ensure that it is promptly available to all investors and to reduce the risk of persons with access to the information acting upon undisclosed information. Unusual trading marked by significant changes in the price or trading volumes of any of an issuer's securities prior to the announcement of material information is embarrassing to issuer management and damaging to the reputation of the securities market, since the investing public may assume that certain persons benefited from access to material information which was not generally disclosed.

In restricted circumstances disclosure of material information may be delayed for reasons of corporate confidentiality. In this regard, see Sections 423.1 to 423.3.

Developments to be Disclosed

Sec. 409.

Issuers are not required to interpret the impact of external political, economic and social developments on their affairs, but if the external development will have or has had a direct effect on their business and affairs that is both material in the sense outlined above and uncharacteristic of the effect generally experienced as a result of such development by other companies engaged in the same business or industry, issuers are urged, where practical, to explain the particular impact on them. For example, a change in government policy that affects most issuers in a particular industry does not require an announcement, but if it affects only one or a few issuers in a material way, an announcement should be made.

The market price of an issuer's securities may be affected by factors directly relating to the securities themselves as well as by information concerning the issuer's business and affairs. For example, changes in an issuer's issued capital, stock splits, redemptions and dividend decisions may all impact upon the market price of a security.

Sec. 410.

Other actual or proposed developments that are likely to give rise to material information and thus to require prompt disclosure include, but are not limited to, those listed below. Of course, any development must be material according to the definition of material information before disclosure is required.

Many developments must be disclosed at the proposal stage, or before an event actually occurs, if the proposal gives rise to material information at that stage. Announcements of an intention to proceed with a transaction or activity should be made when a decision has been made to proceed with it by the board of directors of the issuer, or by senior management with the expectation of concurrence from the board of directors. Subsequently, updates should be announced at least every 30 days, unless the original announcement indicates that an update will be disclosed on another indicated date. In addition, prompt

disclosure is required of any material change to the proposed transaction, or to the previously disclosed information.

Examples of developments likely to require prompt disclosure as referred to above include the following:

(a) Changes in share ownership that may affect control of the issuer.

(b) Changes in corporate structure, such as reorganizations, amalgamations, etc.

(c) Take-over bids or issuer bids.

(d) Major corporate acquisitions or dispositions.

(e) Changes in capital structure.

(f) Borrowing of a significant amount of funds.

(g) Public or private sale of additional securities.

(h) Development of new products and developments affecting the issuer's resources, technology, products or market.

(i) Significant discoveries by resource issuers.

(j) Entering into or loss of significant contracts.

(k) Firm evidence of significant increases or decreases in near-term earnings prospects.

(l) Changes in capital investment plans or corporate objectives.

(m) Significant changes in management.

(n) Significant litigation.

(o) Major labour disputes or disputes with major contractors or suppliers.

(p) Events of default under financing or other agreements.

(q) Any other developments relating to the business and affairs of the issuer that would reasonably be expected to significantly affect the market price or value of any of the issuer 's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

Sec. 411.

Forecasts of earnings and other financial forecasts need not be disclosed, but where a significant increase or decrease in earnings is indicated in the near future, such as in the next fiscal quarter, this fact must be disclosed. Forecasts should not be provided on a selective basis to certain investors not involved in the management of the affairs of the issuer. If disclosed, they should be generally disclosed. Reference should be made to National Instrument 51-102 *Continuous Disclosure Obligations (FOFI and Financial Outlooks).*

Market Surveillance

Monitoring Trading

Sec. 412.

Market Surveillance maintains a continuous stock watch program which is designed to highlight unusual market activity, such as unusual price and volume changes in a stock relative to its historical pattern of trading. Where unusual trading activity takes place in a listed security, Market Surveillance attempts to determine the specific cause of such activity. If the specific cause cannot be determined immediately, issuer management will be contacted. Should this contact result in Market Surveillance staff becoming aware of a situation which requires a news release, the issuer will be asked to make an immediate announcement. Should the issuer be unaware of any undisclosed developments, Market Surveillance staff will continue to monitor trading and, if concerns continue, may ask the issuer to issue a statement that it is not aware of any undisclosed developments that would account for the unusual trading pattern.

Timing of Announcements

Sec. 413.

Market Surveillance has the responsibility of receiving all timely disclosure news releases from issuers detailing material information concerning their affairs. The overriding rule is that material announcements are required to be released immediately. Release of certain announcements may be delayed until the close of trading, subject to the approval of Market Surveillance. Issuer officials are encouraged to seek assistance and direction from Market Surveillance as to when an announcement should be released and whether trading in the issuer's securities should be halted for dissemination of an announcement.

Rumours

Sec. 414.

Unusual market activity is often caused by the presence of rumours. The Exchange recognizes that it is impractical to expect management to be aware of, and comment on, all rumours, but when market activity indicates that trading is being unduly influenced by rumours Market Surveillance will request that a clarifying statement be made by the issuer. Prompt clarification or denial of rumours through a news release is the most effective manner of rectifying such a situation. A trading halt may be instituted pending a "no corporate developments" statement from the issuer. If a rumour is correct in whole or in part, immediate disclosure of the relevant material information must be made by the issuer and a trading halt will be instituted pending release and dissemination of the information.

OSC Cease Trading Order

Sec. 415.

In certain circumstances trading in a listed security may be stopped by Market Surveillance as a result of a cease trading order being issued by the OSC. Such an order may be issued by the OSC where it is of the opinion that a cease of trading is in the public interest. However, Market Surveillance generally handles halts for the dissemination of announcements of material information. Additional information with respect to trading halts is included in Sections 420 to 423.

Announcements of Material Information

Pre-Notification to Market Surveillance

Sec. 416.

The Exchange's policy requires immediate release of material information except in unusual circumstances. While Market Surveillance may permit certain news releases to be issued after the close of trading, the policy of immediate disclosure frequently requires that news releases be issued during trading hours, especially when an important corporate development has occurred. If this is the case, it is absolutely essential that issuer officials notify Market Surveillance prior to the issuance of a news release. Market Surveillance staff will then be in a position to determine whether trading in any of the issuer's securities should be temporarily halted. Also, if the Exchange is not advised of news releases in advance, any subsequent unusual trading activity will generate enquiries and perhaps a halt in trading.

Regardless of when an announcement involving material information is released, Market Surveillance must be advised of its content and supplied with a copy in advance of its release. Market Surveillance must also be advised of the proposed method of dissemination. Where an announcement is ready to be made during trading hours, an issuer must file a copy of the announcement with Market Surveillance via the PR Portal or email, followed by a telephone call to Market Surveillance. Where an announcement is to be released after the Exchange has closed, Market Surveillance staff should be advised before trading opens on the next trading day. Copies of the announcement may be filed through TMX LINX, the PR Portal or email.

Market Surveillance coordinates trading halts with other exchanges and markets where an issuer's securities are listed or traded elsewhere. A convention exists that trading in a security traded in more than one market shall be halted and resumed at the same time in each market. Failing to pre-notify the Exchange of an imminent material announcement could disrupt this system.

Dissemination

Sec. 417.

After notifying Market Surveillance, a news release must be transmitted to the media by the quickest possible method, and by one that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, a wire service or combination of services must be used which provides national and simultaneous coverage.

The Exchange accepts the use of any news services that meet the following criteria:

- dissemination of the full text of the release to the national financial press and to daily newspapers that provide regular coverage of financial news;
- dissemination to all Participating Organizations; and
- dissemination to all relevant regulatory bodies.

Issuers are also expected to use services that provide wide dissemination. Issuers should be aware that certain services do not carry all releases and may substantially edit releases they do carry. Issuers are required to use news services that guarantee that the full text of the release will be carried.

Dissemination of news is essential to ensure that all investors trade on equal information. The onus is on the listed issuer to ensure appropriate dissemination of news releases, and any failure to properly disseminate news shall be deemed to be a breach of this policy and shall be grounds for suspension of trading or delisting of the issuer's securities. In particular, the Exchange will not consider relieving an issuer from its obligation to disseminate news properly because of cost factors.

Content of Announcements

Sec. 418.

Announcements of material information should be factual and balanced, neither overemphasizing favourable news nor under-emphasizing unfavourable news. Unfavourable news must be disclosed just as promptly and completely as favourable news. It is appreciated that news releases may not be able to contain all the details that would be included in a prospectus or similar document. However, news releases should contain sufficient detail to enable media personnel and investors to appreciate the true substance and importance of the information so that investors may make informed investment decisions. The guiding principle should be to communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community's perception of the announcement one way or another. The issuer must be prepared to supply further information when appropriate, and the Exchange recommends that the name and telephone number of the issuer official to contact be provided in the release.

Misleading Announcements

Sec. 419.

While the policy of the Exchange is that all material information must be released immediately, judgment must be exercised by issuer officials as to the timing and propriety of any news releases concerning corporate developments, since misleading disclosure activity designed to influence the price of a security is considered by the Exchange to be improper. Misleading news releases send signals to the investment community which are not justified by an objective examination of the facts, and may detract from the credibility of the issuer. Announcements of an intention to proceed with a transaction or activity should not be made unless the issuer has the ability to carry out the intent (although proceeding may be subject to contingencies) and a decision has been made to proceed with the transaction or activity by the board of directors of the issuer, or by senior management with the expectation of concurrence from the board of directors. Disclosure of corporate developments must be handled carefully and requires the exercise of judgment by issuer officials as to the timing of an announcement of material information, since either premature or late disclosure may result in damage to the reputation of the securities markets.

Trading Halts

When Trading May Be Halted

Sec. 420.

The Exchange's objective is to provide a continuous auction market in listed securities. The guiding principle is therefore to reduce the frequency and length of trading halts as much as possible.

Trading may be halted in the securities of a listed issuer upon the occurrence of a material change during normal trading hours, which requires immediate public disclosure. The determination that trading should be halted is made by Market Surveillance. Market Surveillance determines the amount of time necessary for dissemination in any particular case, which determination is dependent upon the significance and complexity of the announcement.

It is neither the intention nor practice of Market Surveillance to halt trading for all news releases from listed issuers. A news release is discussed by Market Surveillance and the listed issuer prior to its release and a determination is made as to whether a trading halt is justified based upon the impact which the particular announcement is expected to have on the market for the issuer's securities.

A halt in trading does not reflect upon the reputation of management of an issuer nor upon the quality of its securities. Indeed, trading halts for material information announcements are usually made at the request of the listed issuer involved. Market Surveillance normally attempts to contact an issuer before imposing a halt in trading.

Requests for Trading Halts

Sec. 421.

It is not appropriate for a listed issuer to request a trading halt in a security if a material announcement is not going to be made forthwith.

When a listed issuer (or its advisors) requests a trading halt for an announcement, the issuer must provide assurance to Market Surveillance that an announcement is imminent. The nature of this announcement and the current status of events shall be disclosed to Market Surveillance, so that Market Surveillance staff can assess the need for, and the appropriate duration of, a trading halt.

Length of Trading Halts

Sec. 422.

When a halt in trading is necessary, trading is normally interrupted for a period of less than two hours. In the normal course, the announcement should be made immediately after the halt is imposed and trading will resume within approximately one hour of the dissemination of the announcement through major news wires.

A trading halt in a security shall not normally extend for a period longer than 24 hours from the time the halt was imposed. This is a maximum time period intended to address unusual situations. The only exception to the 24-hour time limit is where Market Surveillance determines that resumption of trading would have a significant negative impact on the integrity of the market.

Failure to Make an Announcement Immediately

Sec. 423.

If trading is halted but an announcement is not immediately forthcoming as expected, Market Surveillance will establish a reopening time, which shall not be later than 24 hours after the time that the halt was imposed (excluding non-business days). If the issuer fails to make an announcement, Market Surveillance will issue a notice stating that trading was halted for dissemination of news or for clarification of abnormal trading activity, that an announcement was not immediately forthcoming, and that trading will therefore resume at a specific time.

When Market Surveillance advises an issuer in applying this Section 423 that it will announce the reopening of trading the issuer should reconsider, in light of its responsibility to make timely disclosure of all material information, whether it should issue a statement prior to the reopening becoming effective to clarify why it requested a trading halt (if this is the case) and why it is not able to make an announcement prior to the reopening of trading.

Confidentiality

When Information May Be Kept Confidential

Sec. 423.1.

In restricted circumstances disclosure of material information concerning the business and affairs of a listed issuer may be delayed and kept confidential temporarily where immediate release of the information would be unduly detrimental to the interests of the issuer.

Examples of instances in which disclosure might be unduly detrimental to the issuer's interests are as follows:

(a) Release of the information would prejudice the ability of the issuer to pursue specific and limited objectives or to complete a transaction or series of transactions that are under way. For example, premature disclosure of the fact that an issuer intends to purchase a significant asset may increase the cost of making the acquisition.

(b) Disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them. Such information may be kept confidential if the issuer is of the opinion that the detriment to it resulting from disclosure would outweigh the detriment to the market in not having access to the information. A decision to release a new product, or details on the features of a new product may be withheld for competitive reasons. Such information should not be withheld if it is available to competitors from other sources.

(c) Disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations. It is unnecessary to make a series of announcements concerning the status of negotiations with another party concerning a particular transaction. If it seems that the situation is going to stabilize within a short period, public disclosure may be delayed until a definitive announcement can be made. Disclosure should be made once "concrete information" is available, such as a final decision to proceed with the transaction or, at a later point in time, finalization of the terms of the transaction.

Sec. 423.2.

The withholding of material information on the basis that disclosure would be unduly detrimental to the issuer's interests must be infrequent and can only be justified where the potential harm to the issuer or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure, keeping in mind at all times the considerations that have given rise to the Exchange's immediate disclosure policy. While recognizing that there must be a trade-off between the legitimate interests of an issuer in maintaining secrecy and the right of the investing public to disclosure of corporate information, the Exchange discourages delaying disclosure for a lengthy period of time, since it is unlikely that confidentiality can be maintained beyond the short term.

Maintaining Confidentiality

Sec. 423.3.

If disclosure of material information is delayed, complete confidentiality must be maintained. In the event that such confidential information, or rumours respecting the same, is divulged in any manner (other than in the necessary course of business), the issuer is required to make an immediate announcement on the matter, and Market Surveillance must be notified of the announcement in advance in the usual manner. During the period before material information is disclosed, market activity in the issuer's securities should be closely monitored. Any unusual market activity may indicate that news of the matter is being disclosed and that certain persons are taking advantage of it. In such case, Market Surveillance must be advised immediately, and a halt in trading will be imposed until the issuer has made disclosure on the matter.

At any time when material information is being withheld from the public, the issuer is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any officers or employees of the issuer, or to the issuer's advisors, except in the necessary course of business. The directors, officers and employees of a listed issuer should be reminded on a regular basis that confidential information obtained in the course of their duties must not be disclosed. It is contrary to law under the OSA for any person in a "special relationship" with an issuer to make use of undisclosed material information. This point is discussed in Section 423.4.

Listed issuers must comply with the provisions of section 75 of the OSA requiring confidential disclosure to the OSC of any "material change" that is not immediately being disclosed to the public.

Insider Trading

Sec. 423.4.

Every listed issuer should have a firm rule prohibiting those who have access to confidential information from making use of such information in trading in the issuer's securities before the information has been fully disclosed to the public and a reasonable period of time for dissemination of the information has passed.

In the event that Market Surveillance is of the opinion that insider or improper trading may have occurred before material information has been disclosed and disseminated, the Exchange requires an immediate announcement to be made disclosing the material information of which use is being made.

Sec. 423.5.

Issuers listed on the Exchange must comply with two sets of rules:

- securities law governing corporate disclosure, confidentiality and employee trading; and
- the Exchange's Timely Disclosure Policy (Sections 406 to 423.4), which expands on the requirements of securities law.

Collectively, these rules are referred to as the Disclosure Rules. Compliance with them is essential to maintaining investor confidence in the integrity of the Exchanges market and its listed issuers.

Disclosing Material Information

Sec. 423.6.

[Intentionally deleted]

Maintaining the Confidentiality of Information

Sec. 423.7.

[Intentionally deleted]

Restrictions on Employee Trading

Sec. 423.8.

The Disclosure Rules require that employees with access to material information be prohibited from trading until the information has been fully disclosed and a reasonable period of time has passed for the information to be disseminated. This period may vary, depending on how closely the issuer is followed by analysts and institutional investors.

This prohibition applies not only to trading in issuer securities, but also to trading in other securities whose value might be affected by changes in the price of the issuer's securities. For example, trading in listed options or securities of other companies that can be exchanged for the issuer's securities is also prohibited.

In addition, if employees become aware of undisclosed material information about another public issuer such as a subsidiary, they may not trade in the securities of that other issuer.

In the case of pending transactions, the circumstances of each case should be considered in determining when to prohibit trading. In some cases, prohibition may be appropriate as soon as discussions about the transaction begin. The definition of materiality helps determine when trading should be prohibited in the case of pending transactions. Trading must be prohibited once the negotiations have progressed to a point where it reasonably could be expected that the market price of the issuer's securities would materially change if the status of the transaction were publicly disclosed. As the transaction becomes more concrete, it is more likely that the market will react. This prohibition on trading will often come into effect before the point in time when it must be disclosed publicly. In all situations, it is a judgment call as to when employee trading should be restricted.

C. Company Reporting Forms

Sec. 424.

On June 1, 2001, the Exchange discontinued its requirements for listed companies to complete and file an Annual Questionnaire. The Annual Questionnaire has been replaced by the following forms (collectively the "Company Reporting Forms"):

- FORM 1—Change in Outstanding and Reserved Securities
- FORM 2—Change in General Company Information
- FORM 3—Change in Officers/Directors/Trustees
- FORM 4—Personal Information Form
- FORM 5—Dividend/Distribution Declaration
- FORM 8—Change in Investor Relations Contact
- FORM 9—Request for Extension or Exemption for Financial Reporting/Annual Meeting
- FORM 10—Change in Principal Business (deleted and combined with FORM 2 as of May 29, 2006)
- FORM 11—Notice of Private Placement
- FORM 12—Notice of Intention to Make a Normal Course Issuer Bid (pending final approval of Sections 628-629 & 629.2-629.3)
- FORM 13—Notice of Intention to Make a Debt Substantial Issuer Bid (pending final approval of Sections 628-629 & 629.2-629.3)
- FORM 14 A&B—NCIB Monthly Reporting Forms (pending final approval of Sections 628-629 & 629.2-629.3)

See Appendix H: Company Reporting Forms for filing instructions.

Sec. 425. (Repealed.)

[The next section is Section 428]

D. Dividends and Other Distributions to Security Holders

Notice to the Exchange

Sec. 428.

All listed issuers declaring a dividend on listed shares must promptly notify the Exchange's Listed Issuer Services of the particulars, except as provided below. Listed issuers must complete and file a Form 5—Dividend/Distribution Declaration (Appendix H: Company Reporting Forms) with the Exchange. For the purposes of Exchange requirements, "dividends" also includes distributions to holders of listed securities other than shares, such as units.

The Exchange must have sufficient time to inform its Participating Organizations and the financial community of the details of each dividend declared. There must be a clear understanding in the market-place as to who is entitled to receive the dividend declared. Due to practical considerations, such as long holidays and weekends, the Exchange requires prior notice be given to the Exchange in advance of the dividend record date, the record date being the date of closing of the transfer books of the listed

issuer. Listed issuers with tentative dividend plans should schedule their board meetings well in advance of the proposed record date.

A minimum five trading days' notification period applies to all distributions, including special year end distributions by income trusts and other similar non-taxable entities, whether or not:

(a) the exact amount of the distribution is known; or

(b) the distribution is to be paid in cash, trust units and/or other securities.

Where the exact amount of the distribution is unknown, listed issuers should provide, at the time they file their Form 5, their best estimate of the anticipated amount of the distribution and indicate that such amount is an estimate. Details regarding the payment of the distribution in cash, trust units and/or other securities must be provided.

Upon determination of the exact amount of any estimated distribution, listed issuers must disseminate the final details by press release and provide TSX's dividend administrator with a copy of the press release.

The dividend notification requirement does not apply to a distribution by a listed issuer that is to be paid entirely in securities which are immediately consolidated following the distribution, resulting in no change to the number of securities held by security holders. In such case, the listed issuer must disseminate a news release with the estimated distribution amount at least four (4) trading days prior to the record date. Upon determination of the exact amount of any estimated distribution, the listed issuer must disseminate the final details by way of news release in accordance with the TSX timely disclosure policy.

Ex-Dividend Trading

Sec. 429.

Determining whether the seller or the buyer is entitled to the dividend is accomplished through the procedure known as ex-dividend trading. On shares selling ex-dividend the seller retains the right to a pending dividend payment, and the opening bid quotation is usually reduced by the value of the dividend payable.

Since one trading day is allowed for the completion of the registration of a securities transaction, it is necessary that the shares commence trading on an ex-dividend basis at the opening of trading on the record date for the dividend. For example, if the record date for a dividend is Friday, the shares will commence trading on an ex-dividend basis at the opening of trading on that Friday (in the absence of statutory holidays).

When a distribution is paid entirely in securities which are immediately consolidated following the distribution, resulting in no change to the number of securities held by security holders, ex-dividend trading will not apply.

The ex-dividend date is set and published by TSX.

Due Bill Trading

Sec. 429.1.

For the purposes of this Section 429.1, "distribution" means any dividend, distribution, interest, security or right to which holders of listed securities have an entitlement, based on a specific record date.

Due Bill trading may be used at the discretion of the Exchange based on various relevant factors. However, the Exchange will normally defer ex-distribution trading and use Due Bills when the distribution per listed security represents 25% or more of the value of the listed security on the declaration date. Without the use of Due Bills, trading on an ex-distribution basis would commence at the opening of trading on the record date for the distribution and could result in a significant adjustment of the market price of the security. Security holders will then be deprived of the value of the distribution between the ex-distribution date and the payment date. By deferring the ex-distribution date through the use of Due Bills, sellers of the listed securities during this period can realize the full value of the listed securities they hold, by selling the securities with the Due Bills attached. The use of Due Bills will also avoid confusion regarding the market value of the listed securities.

When Due Bills are used, ex-distribution trading usually commences at the opening on the first trading day after the payment date. In the event that the Exchange receives late notification of the payment date and the payment date has passed, ex-distribution trading will generally commence on the first trading day following such notification.

The Exchange may also use Due Bills for distributions which are subject to a condition which may not be satisfied before the normal ex-distribution trading date (i.e., on the record date). When Due Bills are used for conditional distributions, the condition must be met prior to the payment date.

Listed issuers should contact the Exchange to discuss the use of Due Bills well in advance of any contemplated record date for a distribution.

Due Bill trading will not be implemented for special distributions of additional listed securities where such securities are immediately consolidated following the distribution.

Late Notification

Sec. 430.

Failure of a company to give notice of a declared dividend the required number of trading days prior to the record date as required under Section 428 creates the possibility of unnecessary confusion at the last moment. Serious *bona fide* disputes may arise over who is entitled to the payment of the dividend, the market price of the stock may not reflect the amount of the dividend declared, and there may be delay and confusion in connection with the registration of new shareholders.

Obviously, such disputes and confusion interfere with the Exchange's main goal of providing an orderly market for listed securities. The Exchange's policy regarding a company which fails to follow the proper procedure is to hold such company liable for dividend claims made by both buyers and sellers of the shares involved.

Notification Procedure

Sec. 431.

Listed Issuer Services of the Exchange should be notified of a dividend declaration in writing by filing a Form 5—Dividend/Distribution Declaration via TMX LINX immediately following, or even during, the directors' meeting at which the decision to declare the dividend is made.

Dividend Omissions or Deferrals

Sec. 432.

Listed companies should notify the Exchange's Listed Issuer Services immediately in writing by filing a Form 5—Dividend/Distribution Declaration via TMX LINX after any decision is made to omit or defer a dividend, if the omission or deferral constitutes a departure from the company's previously established dividend policy. This applies to all preferred shares as well as any other shares in respect of which the company has previously advised the Exchange of a dividend policy. Dividend omissions or deferrals may also give rise to timely disclosure obligations (see Sections 406 to 423.3).

Separate Notices to the Exchange

Sec. 433.

Separate notices should be filed by use of the applicable Company Reporting Form, in accordance with the corresponding filing instructions, with the Exchange regarding such corporate matters as dividends, notices of shareholders' meetings and quarterly or annual financial reports. Such diverse items often require immediate, or properly timed, action by the staff of the Exchange; therefore, such material, if filed together, should be properly itemized in the covering letter. The above procedure eliminates unforeseen and serious delays and ensures that the Exchange can provide accurate and quick routing of important information.

Dividend Notice to Shareholders

Sec. 434.

Every listed company is required to give its shareholders prompt notice of dividend declarations. A timely dividend notice gives shareholders adequate time in which to consider their investment strategies. Press releases, advertisements carried in major newspapers or a shareholder form letter provide adequate notification to shareholders. The notification to shareholders of a dividend declaration should be made simultaneously with the notice to the Exchange. Special consideration should be given to non-resident shareholders who will not be reached by the press coverage.

Stock Dividends

Sec. 435.

In addition to the foregoing requirements relating to cash dividends, a listed company proposing a stock dividend is required to apply for the listing of the additional securities.

In effecting a stock dividend, companies must make some provision for fractional share interests that may result from the dividend. Either cash or bearer form fractional certificates may be used to settle fractional share interests. The Exchange requires that all the relevant details concerning the settlement of fractional share interests be filed with the Exchange's Listed Issuer Services.

Transfer Restrictions

Sec. 435.1.

Any proposed restriction on the transfer of securities or other property to be distributed by a listed company to holders of its securities on a *pro rata* basis must receive the prior consent of the Exchange.

Conditional Dividend or Distribution

Sec. 435.2.

A listed company must not, without the prior consent of the Exchange, establish a firm record date for a dividend or other *pro rata* distribution to holders of listed securities if such dividend or distribution is subject to a condition which has not been met. Due Bill trading may be used for conditional dividends and distributions as determined at the discretion of the Exchange. See Section 429.1.

E. Debenture Interest Changes

Sec. 435.3.

Companies with debentures listed on the Exchange must notify the Exchange's Listed Issuer Services immediately after any determination is made that the amount of interest to be paid on the debentures will be changed, including a determination to cease or resume payments. This notification to the Exchange is essential to ensure that the information is disseminated in a timely manner to Participating Organizations and others involved in the accrued interest reporting process.

F. Financial Statements

Sec. 436.

Every listed company must forthwith file with Listed Issuer Services one copy of any annual or interim financial statements required to be published or filed for inspection by the law of incorporation, applicable securities legislation or the Exchange.

Statements filed publicly through SEDAR will satisfy this requirement.

Annual Report and Annual Financial Statements

Sec. 437.

Every listed company must forward annually to each shareholder who has requested them its annual financial statements and its management discussion and analysis ("MD&A") in accordance with National Instrument 51-102 *Continuous Disclosure Obligations* or National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

If a listed company produces an annual report, it must be filed publicly through SEDAR.

One copy of the annual financial statements and MD&A must be filed with TSX, concurrently with the filing of these materials with the OSC. Public filings through SEDAR will satisfy this requirement.

See National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, which prescribes a procedure for determining which beneficial owners of securities registered in

the names of financial intermediaries or clearing agencies wish to receive the annual financial statements.

Sec. 438.

Annual Financial Statements that comply with applicable securities laws will satisfy the requirements of TSX.

Sec. 439. (Deleted.)

Sec. 440. (Deleted.)

Sec. 441.

It is recommended that, where possible, a preliminary report on the results of the full year be released in advance of the annual financial statements, as is already done by some companies. Such a practice is particularly desirable where it appears that the annual financial statements will be released at approximately the same time that the first quarter results for the next fiscal year are released.

Sec. 442.

An extension of the time limit for filing or mailing the annual financial statements will be granted only under exceptional circumstances. A company wishing an extension should apply for it in advance to the Exchange's Listed Issuer Services by duly completing and filing a Form 9—Request for Extension or Exemption for Financial Reporting/Annual Meeting (Appendix H Company Reporting Forms).

Interim Financial Statements

Sec. 443.

Every listed company must file with TSX one copy of its interim financial statements and MD&A concurrently with the filing of these materials with the OSC. Public filings through SEDAR will satisfy this requirement.

Sec. 444. (Deleted.)

Sec. 445. (Deleted.)

Sec. 446. (Deleted.)

Sec. 447. (Deleted.)

Sec. 448. (Deleted.)

Sec. 449. (Deleted.)

Sec. 450.

Listed companies should be aware of the requirements of applicable securities legislation and policies respecting the dissemination of interim financial information among shareholders. In this connection, section 79 of the OSA and equivalent legislation of other jurisdictions should be read in conjunction with National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-

101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. The Exchange allows companies to make their interim statements public instead of sending them to shareholders; but this alternative is only available where it does not conflict with applicable securities legislation and policies. Where no such conflict exists, delivery of the interim statements to the Exchange is satisfied by filing the statements publicly on SEDAR.

Sec. 451.

The Exchange, in its discretion, may exempt a company or class of companies from any or all of the Exchange's requirements respecting interim financial statements.

Companies wishing to be exempted must apply for an exemption by duly completing and filing a Form 9—Request for Extension or Exemption for Financial Reporting/Annual Meeting (Appendix H: Company Reporting Forms).

Sec. 452.

In deciding whether to grant an exemption, the Exchange may take into account, among other things:

(a) whether the company has received an exemption from quarterly reporting under the OSA;

(b) whether the main competitors of the applicant make similar disclosure;

(c) whether the relevant information is already available to the public in some other manner; or

(d) whether there are accounting problems in particular industries making quarterly reports difficult to prepare.

Sec. 453.

The Exchange, in granting an exemption, may require the agreement of the company to:

(a) publish quarterly a part of the required financial data;

(b) publish the required data in a different form;

(c) adopt a particular cycle of reporting;

(d) introduce a quarterly reporting practice within a stipulated period of time; or

(e) publish interim statements reporting certain operating statistics which will serve to indicate the trend of the company's business.

Sec. 454.

Companies anticipating a delay, however short, in the publication of their interim financial statements should notify the Exchange's Listed Issuer Services. The reason for the delay must be valid if an extension is to be allowed.

G. Shareholders' Meetings and Proxy Solicitation

Notice to Exchange of Meeting and Record Date

Sec. 455.

National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* requires all listed companies to give notice to the Exchange (and certain others), within a specified time period, of each shareholders' meeting and record date for the determination of those shareholders entitled to receive notice of the meeting. Notices filed publicly through SEDAR will satisfy this requirement.

Distribution of Meeting Materials

Sec. 456.

Every listed company must file with Listed Issuer Services one copy of all materials sent to its shareholders in connection with a meeting of shareholders (filed through SEDAR), concurrently with the sending of the materials to the shareholders.

Public filings through SEDAR will satisfy this requirement.

Sec. 457.

The requirements for the distribution of materials to shareholders in connection with shareholders' meetings are prescribed by applicable corporate and securities legislation and certain policy statements of the CSA. National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the CSA prescribes a procedure for the distribution of shareholders meeting-related materials to beneficial owners of securities registered in the names of financial intermediaries or clearing agencies.

Sec. 458.

Companies with listed non-voting participating shares should refer to Section 624.

Sec. 459.

The Exchange is deeply concerned that the rights and privileges of investors be observed and protected, it is essential that shareholders be allowed ample time in which to study corporate reports, so that by the time of the shareholders meeting they may be able to reach considered and informed decisions. If there is reason to believe that timely and adequate notice has not been given, the Exchange may require postponement of the meeting. In some circumstances, the Exchange may consider suspending trading in a company's securities if shareholders are not given proper notice of corporate activities in respect of which they have the right to participate in the decision-making process.

Proxy Solicitation

Sec. 460.

Proxy solicitation procedures are prescribed by applicable corporate and securities legislation. National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the CSA requires financial intermediaries and clearing agencies to follow specified procedures to enable the securities registered in their names to be voted in accordance with the instructions of the beneficial owners.

Contents of Meeting Materials

Sec. 461.

The contents of the materials sent to shareholders in connection with shareholders' meetings are subject to the requirements of applicable corporate and securities legislation, and such materials are not generally required to be filed with the Exchange before they are sent to the shareholders. However, the Exchange may, in circumstances it considers appropriate, require that a draft information circular be reviewed by the Exchange prior to the mailing of the circular to the shareholders.

Sec. 461.1.

At each annual meeting of holders of listed securities, the board of directors must permit security holders of each class or series to vote on the election of all directors to be elected by such class or series.[4]

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[4] If security holder approval is required to implement this requirement, for example because an amendment must be made to the issuer's articles of incorporation, the Exchange will not consider the issuer to be in breach of this section if the issuer has submitted and recommended the necessary amendments for approval by security holders and security holder approval is not attained; however if the amendments are not approved by security holders, the issuer must submit and recommend the necessary amendments for approval by security holders at the annual meeting of the issuer not later than three years after the security holder meeting, until such time as the necessary amendments are approved.

Sec. 461.2.

Materials sent to holders of listed securities in connection with a meeting at which directors are being elected must provide for voting on each individual director.

Sec. 461.3.

Each director of a listed issuer must be elected by a majority (50% +1 vote) of the votes cast[5] with respect to his or her election other than at contested meetings[6] ("Majority Voting Requirement").

A listed issuer must adopt a majority voting policy (a "Policy"), unless it otherwise satisfies the Majority Voting Requirement in a manner acceptable to TSX, for example, by applicable statutes, articles, by-laws or other similar instruments. The Policy must, substantially, provide for the following:

(a) any director must immediately tender his or her resignation to the board of directors if he or she is not elected by at least a majority (50% +1 vote) of the votes cast with respect to his or her election;

[5] For the purposes of this section, when counting the total votes cast in respect of the election of a director, “withheld” votes are considered “against” votes and must be counted in the total.
[6] A contested meeting is defined as a meeting at which the number of directors nominated for election is greater than the number of seats available on the board.

(b) the board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting. The board shall accept the resignation absent exceptional circumstances;

(c) the resignation will be effective when accepted by the board;

(d) a director who tenders a resignation pursuant to this Policy will not participate in any meeting of the board or any sub-committee of the board at which the resignation is considered; and

(e) the listed issuer shall promptly issue a news release with the board's decision, a copy of which must be provided to TSX. If the board determines not to accept a resignation, the news release must fully state the reasons for that decision.

If an issuer adopts a Policy to satisfy the Majority Voting Requirement, it must post a copy of the Policy on its website in accordance with Section 473.

Listed issuers that are majority controlled[7] are exempted from the Majority Voting Requirement. Listed issuers with more than one class of listed voting securities may only rely on this exemption with respect to the majority controlled class or classes of securities that vote together for the election of directors. A listed issuer relying on this exemption must disclose, on an annual basis in its materials sent to holders of listed securities in connection with a meeting at which directors are being elected, its reliance on this exemption and its reasons for not adopting majority voting.

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[5] For the purposes of this section, when counting the total votes cast in respect of the election of a director, "withheld" votes are considered "against" votes and must be counted in the total.

[6] A contested meeting is defined as a meeting at which the number of directors nominated for election is greater than the number of seats available on the board.

[7] Majority controlled is defined as a security holder or company that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50 percent or more of the voting rights for the election of directors, as of the record date for the meeting.

Sec. 461.4.

Following each meeting of security holders at which there is a vote on the election of directors at an uncontested meeting, each listed issuer must forthwith issue a news release disclosing the detailed voting results for the election of each director,[8] and must forthwith provide a copy of the news release to TSX by email to disclosure@tsx.com if one or more director is not elected by at least a majority of the votes cast with respect to his or her election.

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[7] Majority controlled is defined as a security holder or company that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50 percent or more of the voting rights for the election of directors, as of the record date for the meeting.

[8] The news release is intended to provide the reader with insight into the level of support received for each director. Accordingly, issuers should disclose one of the following in their news release: (i) the percentages of votes received 'for' and 'withheld' for each director; (ii) the total votes cast by ballot with the number that each director received 'for'; or (iii) the percentages and total number of votes received' for' each director.

If no formal count has occurred that would meaningfully represent the level of support received by each director, for example when a vote is conducted by a show of hands, TSX expects the disclosure at least to reflect the votes represented by proxy that would have been withheld from each nominee had a ballot been called, as a percentage of votes represented at the meeting.

Sec. 462.

Where a listed company proposes to seek approval of its shareholders to engage in a capital reorganization or to issue securities in connection with a major transaction, it is advisable that a draft copy of the information circular be filed with Listed Issuer Services for perusal prior to the mailing of the circular to the shareholders Among other things, this practice could avoid potential problems related to the trading of the securities involved.

Sec. 463.

If a proposed transaction is to be submitted to shareholders for approval and also requires the prior acceptance of the Exchange pursuant to Exchange requirements, the acceptance of the Exchange should be obtained prior to the mailing of the meeting materials to the shareholders. If this is impracticable due to unavoidable time restrictions, the Exchange should be so advised in advance of the proposed mailing, and the information circular sent to shareholders must include a statement that the proposed transaction is subject to the acceptance of the Exchange (or regulatory approval).

Annual Meeting

Sec. 464.

Every company having securities listed on the Exchange must hold its annual meeting of shareholders within six months from the end of its fiscal year, or at such earlier time as is required by applicable legislation.

Sec. 465.

Where a company wishes to delay its annual meeting beyond the stipulated six-month period, a duly completed Form 9—Request for Extension or Exemption for Financial Reporting/Manual Meeting (Appendix H: Company Reporting Forms) must be filed with Listed Issuer Services well in advance of the prescribed deadline for the meeting. A postponement may be permitted in justifiable circumstances.

H. Notices and Reports to Security Holders

Sec. 466.

Every listed company that sends a notice, report or other written correspondence to its holders of listed securities, other than annual reports, financial statements and annual meeting materials, must concurrently file one copy of the correspondence with Listed Issuer Services of the Exchange by email to their listings manager or to listedissuers@tsx.com.

I. Charter Amendments

Sec. 467.

Every listed company must file with the Exchange's Listed Issuer Services one notarial or certified copy of any certificate giving effect to an amendment to the company's charter immediately upon issuance of such a certificate. Certain types of charter amendments must be pre-cleared with the Exchange pursuant to requirements set out in Part VI of this Manual.

J. Change in Evidence of Security Ownership or Change in Security Certificate

Sec. 468.

Listed issuers must notify TSX at least 10 business days prior to changing the form of evidence of security ownership for their listed securities. At the time of listing or in order to make a change effective, issuers must provide TSX with the required documentation and/or confirmation depending on the form of evidence of security ownership.

The Exchange's requirements respecting evidence of security ownership are set out in Appendix D.

Immediately after any change is made to a generic or customized certificate representing listed securities, a definitive specimen of the new certificates (or a generic certificate produced on demand) must be filed with the Exchanges Listed Issuer Services. The new certificates must comply with all of the Exchange's requirements respecting security certificates, as set out in Appendix D.

K. Proposed Issuance of Securities

Sec. 469.

Listed companies proposing to issue securities (other than debt securities which are not convertible into equity securities), or to enter into transactions which could involve the issuance of such securities in future, should refer to Part VI of this Manual.

L. Secondary Distributions

Sales from Control Blocks through the Facilities of the Exchange

Sec. 470.

The definition of "distribution" in the OSA includes:

> "a trade in previously issued securities of an issuer from the holdings of any person, company or combination of persons or companies holding a sufficient number of any securities of that issuer to affect materially the control of that issuer, but any holding of any person, company or combination of persons or companies holding more than 20 per cent of the outstanding voting securities of an issuer shall, in the absence of evidence to the contrary, be deemed to affect materially the control of that issuer" (section (1)).

Distributions of this type through the facilities of the Exchange are subject to special requirements of securities legislation and of the Exchange. The Exchange's requirements are set out in Appendix D.

Off-the-Exchange Secondary Distributions

Sec. 471.

Secondary distributions of listed securities must take place on the Exchange if a Participating Organization of the Exchange participates in the distribution as principal or agent, unless certain requirements are met. The Exchange's Listed Issuer Services should be contacted in connection with any proposed off-the-Exchange secondary distribution.

M. Corporate Governance

Sec. 472.

Each listed issuer subject to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, or any replacement of that instrument, is required to disclose its corporate governance practices in accordance with that instrument, or any replacement of that instrument.

Listed issuers who evidence a blatant and consistent disregard of the Exchange's disclosure requirement will be referred to the OSC and may be subject to other legal proceedings.

Website Disclosure of Security Holder Information

Sec. 473.

Listed issuers, other than Eligible Interlisted Issuers, Eligible International Interlisted Issuers and Non-Corporate Issuers, must maintain a publicly accessible website and post the current, effective versions of the following documents (or their equivalent), as applicable:

(a) articles of incorporation, amalgamation, continuation or any other constating or establishing documents of the issuer and its by-laws; and

(b) if adopted, copies of

  (i) majority voting policy,

  (ii) advance notice policy,

  (iii) position descriptions for the chairman of the board, and the lead director

  (iv) board mandate, and

  (v) board committee charters.

The webpage(s) containing the above noted documents should be easily identifiable and accessible from the listed issuer's home page or investor relations page. If a listed issuer's website is shared with other issuers, each listed issuer should have a separate, dedicated webpage on the website for the purposes of complying with Section 473. For greater certainty, if any document required to be made accessible pursuant to Section 473 is contained within or forms part of a larger document, a listed issuer may satisfy the requirements of Section 473 by posting the current, effective version of such larger document.

Guidelines

Sec. 474. (Repealed.)

Complete Disclosure

Sec. 475. (Repealed.)

Part V Special Requirements for Non-Exempt Issuers

Sec. 501.

(a) This Part is applicable only to "non-exempt issuers". The decision as to whether an issuer is non-exempt is made by TSX at the time the issuer is originally approved for listing. Reference should be made to Section 309.1 (Industrial companies), 314.1 (Mining companies) or 319.1 (Oil and Gas companies) of this Manual, which outline the requirements for eligibility for exemption from this Section 501. If these requirements are not met at the time of original listing, the exemption may be granted at such later time as they are met either (i) on application in writing by the non-exempt issuer, or (ii) upon review by TSX. TSX may revoke a previously granted exemption in appropriate circumstances. Non-exempt issuers are designated in stock quotations in the financial press as "subject to special reporting rules".

(b) In addition to complying with all other parts of this Manual, every non-exempt issuer shall give prompt notice to TSX of any proposed material change in the business or affairs of the issuer. See Section 410 for a list of developments likely to require such notice. Material changes other than those described in Subsection 501(c) do not require TSX acceptance under this Part V and TSX will not issue a letter of confirmation or acceptance for such transactions.

(c) Transactions involving insiders or other related parties of the non-exempt issuer[1] (both as defined in Part I) and which (i) do not involve an issuance or potential issuance of listed securities; or (ii) that are initiated or undertaken by the non-exempt issuer and materially affect control (as defined in Part I) require TSX acceptance under this Part V before the non-exempt issuer may proceed with the proposed transaction. Failure to comply with this provision may result in the suspension and delisting of the non-exempt issuer's listed securities (see Part VII of this Manual).

If the value of the consideration to be received by the insider or other related party exceeds 2% of the market capitalization of the issuer, TSX will require that:

i) the proposed transaction be approved by the board on the recommendation of the directors who are unrelated to the transaction; and

ii) the value of the consideration be established in an independent report, other than for executive or director compensation for services rendered unless the consideration appears to be commercially unreasonable, as determined by TSX.

In addition, if the value of the consideration to be received by the insider or other related party exceeds 10% of the market capitalization of the issuer, TSX will require that the transaction be approved by the issuer's security holders, other than the insider or other related party.

During any six-month period, transactions with insiders or other related parties will be aggregated for the purposes of this Subsection.

(d) TSX will advise the non-exempt issuer in writing generally within seven (7) business days of receipt by TSX of the subsection 501(c) notice, of TSX's decision to accept or not accept the notice indicating any conditions to acceptance or its reasons for non-acceptance. Further

information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.

(e) Where a non-exempt issuer proposes to enter into a Subsection 501(c) transaction, any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.

(f) Providing notice under Section 501(b) is in addition to the timely disclosure obligations of listed issuers set out in Sections 406 to 423.4 of this Manual, the provisions of Section 602 and all the other requirements set out in Part VI of this Manual.

(g) The notice required by this Section 501 should initially take the form of a letter addressed to TSX. For those transactions described in Subsection 501(c), the letter notice must also identify the application of Subsection 501(c) and must contain a request for acceptance. If applicable, the notice should include the appropriate Company Reporting Form (Appendix H: Company Reporting Forms). A press release or information circular filed with TSX does not constitute notice under this Section 501. The letter should contain the essential particulars of the transaction, and state whether: (i) any insider has a beneficial interest, directly or indirectly, in the transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the non-exempt issuer. Copies of all applicable executed agreements must be filed as part of the Section 501 notice as soon as they are available.

(h) If the proposed change entails an issuance, or potential issuance, of securities, the Section 501 and 602 notices should be combined in a single letter (see Part VI of this Manual).

(i) TSX must be provided with prompt notice of any changes to the material terms of the transaction described in the notice filed under Subsection 501(c). This applies even if the transaction previously accepted by TSX specifically contemplated future amendments, unless the amendment is solely due to standard anti-dilution provisions in the original agreement. Further information or documentation may be requested before TSX decides to accept or not accept notice of the proposed amendment.

The listed issuer may not proceed with the proposed amendment unless it is accepted by TSX.

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[1] For the purposes of this section, "transactions involving insiders and other related parties of the non-exempt issuer" includes, but is not limited to, (a) services rendered for which fees and commissions are payable; (b) purchases and sales of assets; (c) interest to be received by an insider or other related party pursuant to a loan, but does not include the principal amount of a loan which must be repaid; and (d) a loan by a non-exempt issuer to an insider or a related party, which includes both the principal and interest on any loan.

Part VI Changes in Capital Structure of Listed Issuers

A. General

Sec. 601. Definitions

See Part I—Introduction for definitions used in this Manual.

Sec. 602. General.

(a) Every listed issuer shall immediately notify TSX in writing of any transaction involving the issuance or potential issuance of any of its securities other than unlisted, non-voting, non-participating securities.

(b) A listed issuer may not proceed with a Subsection 602(a) transaction unless accepted by TSX. Failure to comply with this provision may result in the suspension and delisting of the listed issuer's listed securities (see Part VII of this Manual).

(c) Subject to subsection 607(c), TSX will advise the listed issuer in writing generally within seven (7) business days of receipt by TSX of the Subsection 602(a) notice, of TSX's decision to accept or not to accept the notice, indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.

(d) Where a listed issuer proposes to enter into a Subsection 602(a) transaction, any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.

(e) The notice required by Subsection 602(a) should initially take the form of a letter addressed to TSX requesting acceptance of the notice for filing, unless the applicable section of Part VI requires otherwise. A press release or information circular filed with TSX does not constitute notice under Section 602. The letter should contain the essential particulars of the transaction, and should state whether: (i) any insider has an interest, directly or indirectly, in the transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the listed issuer. A copy of any written agreement in respect of the transaction must be provided with the notice. TSX must be provided with prompt notice of any changes to the material terms of the transaction described in the notice, regardless of whether the amendment could entail a further issuance of securities. This applies even if the transaction as previously accepted by TSX specifically contemplated future amendments, unless the amendment is solely due to standard anti-dilution provisions in the original agreement. The listed issuer may not proceed with the proposed amendment unless it is accepted by TSX.

(f) The requirements of Section 602 are in addition to the timely disclosure obligations of listed issuers, as set out in Sections 406 to 423.4 of this Manual and to all applicable corporate and securities legislation.

(g) [Deleted.]

Sec. 602.1 Exemptions for Eligible Interlisted Issuers

Subject to prior approval and provided that the proposed transaction is being completed in accordance with the standards of a Recognized Exchange, TSX will not apply its standards to Eligible Interlisted Issuers in respect of the following Sections: 501 (special requirements for non-exempt issuers), 604 (security holder approval), 606 (prospectus offerings), 607 (private placements), 608 (unlisted warrants), 610(convertible securities), 611 (acquisitions), 612 (securities issued to registered charities), 613 (security based compensation arrangements) and 614 (rights offerings[1]).

Eligible Interlisted Issuers must obtain TSX acceptance of the proposed transaction by notifying TSX as required under Subsections 602 (a) or 501 (b), as applicable. The form of notice must comply with the requirements set out in Subsection 602 (e) or Subsection 501 (g) and also include: i) a notification that the listed issuer intends to rely on the exemption outlined in this Section 602.1; ii) the Recognized Exchange(s) on which it is listed; and iii) evidence that the volume of trading of the issuer's securities on all Canadian marketplaces in the 12 months immediately preceding the date of the application was less than 25%.

TSX will confirm its acceptance that the Eligible Interlisted Issuer may rely on the exemption as well as receipt of the documents and fees required for TSX acceptance. As a condition of acceptance, TSX will require evidence that the Recognized Exchange or relevant regulator has accepted the transaction, or confirmation from qualified legal counsel in the local jurisdiction that the proposed transaction is in compliance with applicable rules of the other exchange or marketplace, as well as applicable laws. Eligible Interlisted Issuers must disclose that they intend to or have relied on the exemption under this Section 602.1 in the press release(s) issued in connection with the transaction.

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[1] Contact TSX to discuss the relief for rights offerings as certain elements related to trading, notice and mechanics will still be required.

Sec. 603. Discretion

TSX has the discretion: (i) to accept notice of a transaction; (ii) to impose conditions on a transaction; and (iii) to allow exemptions from any of the requirements contained in Parts V or VI of this Manual.

In exercising this discretion, TSX will consider the effect that the transaction may have on the quality of the marketplace provided by TSX, based on factors including the following:

i) the involvement of insiders or other related parties of the listed issuer in the transaction;

ii) the material effect on control of the listed issuer;

iii) the listed issuer's corporate governance practices;

iv) the listed issuer's disclosure practices;

v) the size of the transaction relative to the liquidity of the issuer; and

vi) the existence of an order issued by a court or administrative regulatory body that has considered the security holders' interests.

Sec. 604. Security Holder Approval

(a) In addition to any specific requirement for security holder approval, TSX will generally require security holder approval as a condition of acceptance of a notice under Section 602 if in the opinion of TSX, the transaction:

i) materially affects control of the listed issuer; or

ii) provides consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer, during any six-month period.

(b) For other transactions, TSX's decision as to whether to require security holder approval will depend on the particular fact situation having specific regard to those items listed in Subsection 604(a). For the purposes of Subsection 604(a)(ii), the insiders participating in the transaction are not eligible to vote their securities in respect of such approval.

(c) If TSX requires security holder approval of a transaction, the resolution to be voted upon must relate specifically to the transaction in question, rather than an unspecified transaction that may take place in the future.

(d) Security holder approval is to be obtained from a majority of holders of voting securities at a duly called meeting of security holders. In certain circumstances in which TSX requires security holder approval of a transaction, the listed issuer may be in a position to provide TSX with written evidence that holders of more than 50% of the voting securities of the listed issuer (other than those securities excluded as required by TSX) are familiar with the terms of the proposed transaction and are in favour of it. In such circumstances, TSX will give consideration to permitting the listed issuer to proceed with the transaction without holding a meeting of security holders to formally approve it. Listed issuers using this exemption will be required to issue a press release at least five (5) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with TSX. A draft copy of the information circular or form of written consent must be filed with TSX and pre-cleared prior to mailing to security holders.

This procedure will not be available for security based compensation arrangements described in Section 613, backdoor listings described in Section 626 and security holder rights plans described in Section 634.

The disclosure provided to security holders in seeking security holder approval must be pre-cleared with TSX.

(e) Other than in respect of Sections 612 and 613, a listed issuer may apply to be exempted from security holder approval requirements. The application must address why the listed issuer cannot seek security holder approval in a timely manner at a meeting or in writing and be accompanied by a resolution of the listed issuer's board of directors stating that:

i) the listed issuer is in serious financial difficulty;

ii) the application is made upon the recommendation of a committee of board member(s), free from any interest in the transaction and unrelated to the parties involved in the transaction;

iii) the transaction is designed to improve the listed issuer's financial situation; and

iv) based on the determination of the committee referred to in ii) above, that the transaction is reasonable for the listed issuer in the circumstances.

Listed issuers applying to use this exemption must also provide TSX with the information set out in Staff Notice 2009-0003.

Listed issuers applying to use this exemption will be required to issue a press release at least five (5) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with TSX.

Listed issuers applying to use this exemption are expected to meet continued listing requirements as set out in Part VII of this Manual after completion of the transaction. Application to use this exemption will generally result in the issuer being placed under remedial delisting review.

(f) Security holder approval will not be required where at least ninety percent (90%) of a listed issuer's equity and outstanding voting securities are held by one person or company, together with its associates and affiliates. Listed issuers using this exemption will be required to issue a press release at least ten (10) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with TSX.

(g) [Deleted.]

Sec. 605. Changes in Issued Securities

TSX must be notified immediately of any increase or decrease in the number of issued securities of a listed issuer. The notice must be on Form 1 "Change in Outstanding and Reserved Securities", which must be filed within ten (10) days after the end of any month in which any change to the number of outstanding or reserved listed securities has occurred (including a reduction in such number that results from a cancellation or redemption of securities). If no such change has occurred, a "nil" report must be filed on a quarterly (calendar) basis.

B. Distributions of Securities of a Listed Class

Sec. 606. Prospectus Offerings

(a) Listed issuers proposing to issue securities of a listed class pursuant to a prospectus must file one copy of the preliminary prospectus with TSX concurrently with the filing thereof with the applicable securities commissions. The notice requirement contained in Subsection 602(a) will be satisfied by the filing of the preliminary prospectus, together with a letter which must state: (i) whether any insider has an interest, directly or indirectly, in the transaction and the nature

of such interest; (ii) whether and how the transaction could materially affect control of the listed issuer; (iii) whether the offering was broadly marketed[1]; and (iv) whether an "if, as and when issued" market may be requested.

(b) (i) TSX will generally accept notice of distributions that are broadly marketed by way of prospectus where insiders participate up to their respective pro rata interest and the offering price is equal to or less than a 15% discount to the closing price[2] of the most recently completed trading session.

(ii) Where the offering price exceeds a 15% discount to the closing price of the most recently completed trading session, TSX will apply the provisions of Section 607 to insider purchases.

(iii) Where the offering price is equal to or less than a 15% discount to the closing price of the most recently completed trading session, TSX will apply the provisions of Section 607 to any portion of insider purchases exceeding their respective pro rata interest.

(iv) Where the prospectus offering has not been broadly marketed, TSX will apply the provisions of Section 607 to the offering.

(c) Prior to the filing of the final prospectus, TSX will notify the listed issuer of any required additional documentation. If TSX accepts the offering, TSX will so advise the securities commissions.

(d) The additional securities will normally be listed as soon as the prospectus offering has closed. Upon request, the listing may take place prior to the closing of the offering. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if as and when issued" basis.

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[1] "broadly marketed" is defined as the agent or underwriter either (i) distributing the offered securities to at least 50 purchasers; or (ii) making the offer known to the selling group and/or equity capital markets desks at substantially all Canadian investment dealers.

[2] Please see Appendix F Take-Over Bids and Issuer Bids Through the Facilities of Toronto Stock Exchange for the definition of "closing price".

Sec. 607. Private Placements

(a) TSX defines the term "private placement" as an issuance of treasury securities for cash consideration or in payment of an outstanding debt of the listed issuer without prospectus disclosure, in reliance on an exemption from the prospectus requirements under applicable securities laws.

Securities issued for no cash consideration to registered charities as defined under the *Income Tax Act* (Canada) as described in Section 612, securities issued pursuant to acquisitions described in Section 611, security based compensation arrangements described in Section 613,

rights offerings described in Section 614 and backdoor listings described in Section 626 are not considered by TSX as being Section 607 private placements.

(b) This Section 607 is not applicable to private placements of securities which are neither of a class listed on TSX nor convertible into, nor exchangeable for securities of a class listed on TSX.

(c) Private placements not subject to Sections 604 and 717 and that are:

i) offered at a price per security at or above market price, regardless of the number of listed securities issuable, or

ii) for an aggregate number of listed securities issuable equal to or less than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction where the price per security is less than the market price but within the applicable discounts set out in Subsection 607(e),

will be accepted by TSX generally within three (3) business days of TSX receiving notice thereof. Notice to TSX of this type of private placement is effected by submitting Form 11 "Private Placement—Expedited Filing" found in Appendix H.

For greater certainty, where the proceeds of a proposed private placement, in whole or in part, are used towards a transaction which results in a change in the nature of a listed issuer's business as described in Section 717, such private placements will not be accepted under this Subsection 607(c). See Section 717 for additional details regarding the requirements for a change in the nature of a listed issuer's business.

(d) Unless otherwise as provided in Subsection 607(c), TSX will advise the listed issuer in writing generally within seven (7) business days of receipt by TSX of the notice, of TSX's decision to accept or not accept the notice, indicating any conditions to acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual. Notice to TSX of this type of private placement is effected by submitting Form 11 "Private Placement—Regular Filing" found in Appendix H.

(e) The price per listed security for any private placement must not be lower than the market price less the applicable discount as follows:

Market Price	Maximum Discount
$0.50 or less	25%
$0.51 to $2.00	20%
Above $2.00	15%

TSX will allow the price per listed security for a particular transaction to be less than as provided for in this Subsection 607(e) provided that the listed issuer has received security holder approval (other than by security holders participating directly or indirectly in the transaction and such security holders' associates and affiliates).

Where a listed issuer, alone or with others, is spinning off a portion of its business or assets into another entity, and proposes to issue securities when the market price is unknown (e.g., at net asset value), TSX will consider such securities as being issued at a price that is lower than the market price less the maximum applicable discount. In such instance, security holder approval (other than by security holders participating directly or indirectly in the transaction and such security holders' associates and affiliates) will be required, and security holders must be provided with the information set out in Staff Notice 2005-0003. Other requirements may apply to such private placements as set out in Staff Notice 2006-0003.

Anti-dilution provisions providing adjustments for events for which not all security holders are compensated and which may result in securities being issued at a price lower than market price less the applicable discount will be permitted, provided they have been approved by security holders (excluding the votes attached to the securities held by insiders benefiting from these anti-dilution provisions). Listed issuers may refer to Staff Notice 2024-0002 for guidance on anti-dilution provisions acceptable to TSX.

TSX will discount the price per security by the amount of any fees or other amounts payable by the listed issuer to the subscriber, or its associates and affiliates, if the listed issuer cannot demonstrate that such amounts are commercially reasonable in the circumstances.

Listed issuers may request price protection in advance of filing Form 11 — Notice of Private Placement by submitting Form 11A — Request for Price Protection.

(f) For all private placements:

i) subject to paragraph ii), the transaction must not close and the securities must not be issued prior to acceptance thereof by TSX and not later than 45 days (or, in circumstances where security holder approval is required pursuant to Subsection 607(g) and such approval is to be obtained at a duly called meeting of security holders, 135 days) from the date upon which the market price of the securities being issued is established;

ii) a written request for an extension of the time period prescribed in paragraph i) may be filed with TSX in advance of the expiry of the 45-day or 135-day period, as applicable. Such extension will generally be granted if the price at which securities are issued still complies with the requirements set out in Subsection 607(e). Otherwise, TSX may grant such extension in justifiable circumstances;

iii) in the case of a private placement of convertible securities, the underlying listed securities will be considered as being issued at a price per security less than the market price, unless the conversion price of such convertible security is defined as at least market price at the time of conversion, and will be regarded as being part of the number of securities being issued pursuant to the transaction;

iv) listed securities issuable upon the exercise of warrants will be considered as being issued at a price per security less than the market price and will be regarded as being part of the number of securities being issued pursuant to the transaction;

v) successive private placements will be aggregated for the purposes of Subsections 607(c)(ii) and 607(g)(i) if they are within the three (3) preceding months, have common placees and/or a common use of proceeds. For the purpose of Subsection 607(g)(i), the number of securities of the listed issuer which are outstanding, on a non-diluted basis, must be calculated prior to the date of closing of the first private placement during the three month period; and

vi) the listed issuer must give TSX immediate notice in writing of the closing of the transaction.

(g) TSX will require that security holder approval be obtained for private placements:

i) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price; or

ii) that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the first private placement to an insider during the six month period.

(h) In order to list the additional securities issued and/or reserved for issuance pursuant to a private placement, listed issuers must:

i) On the same business day of the closing of the private placement, provide TSX with: (A) an email or facsimile of the press release announcing the closing of the private placement; or (B) a written confirmation by email or facsimile that the private placement has closed; and

ii) Prior to the close of business on the business day following the closing of the private placement, file with TSX all the required documents as outlined in the TSX conditional approval. Such documents may be filed using TMX LINX.

(i) Unless otherwise approved by the listed issuer's security holders (other than security holders receiving warrants directly or indirectly and such security holders' associates and affiliates), warrants to purchase listed securities may only be issued to a placee if the warrant exercise price is not less than the market price of the underlying security at either the date of the binding agreement obligating the listed issuer to issue the warrants or some future date provided for in the binding agreement[1].

For the purposes of Subsections 607(c) and 607(g)(i), any private placements providing flow-through tax credits to the subscribers will be considered as having a price per security less than the market price.

For the purposes of Subsection 607(g)(ii), the insiders participating in the private placement are not eligible to vote their securities in respect of such approval. Subsection 607(g)(ii) shall also apply to circumstances in which insiders participate in a private placement pursuant to the exercise of a preemptive right.

[1] The requirement for a minimum exercise price for warrants under this Section 607(i) is applicable to any transaction where unlisted warrants are issuable.

Sec. 607.1. Lettered Stock

Subject to Section 607.1(c), where a listed issuer proposes to issue a certificate representing securities of a class listed on TSX, and the certificate requires a notation that the securities represented by the certificate are not freely transferable (commonly called "lettered stock"), the following rules will apply (assuming the restriction does not apply to all outstanding securities of the class):

(a) The certificate must clearly show the following notation on its face:

> "The securities represented by this certificate are listed on the Toronto Stock Exchange "TSX"); however, the said securities cannot be traded through the facilities of TSX since they are not freely transferable, and consequently any certificate representing such securities is not "good delivery" in settlement of transactions on TSX."

(b) The notation required by TSX can be removed from the face of the certificate when all other notations that the securities are not freely transferable can be legally removed from the certificate.

(c) If the securities that have the transfer restriction are widely held to the extent of meeting TSX's public distribution requirements for original listing, TSX may permit the listing of the securities on TSX in a "special terms market", which is a market separate from that of the rest of the securities of the same class. In that case, the requirements set out in this Section may be modified accordingly. TSX should be contacted in connection with a proposed listing of this type.

Sec. 608. Unlisted Warrants

(a) A listed issuer may apply to TSX to amend the warrant exercise price or the term of warrants to purchase listed securities provided that disclosure of such amendments is made by way of press release ten (10) business days prior to the effective date of the change.

Security holder approval will be required for:

i) amendments to warrants held, directly or indirectly, by insiders; or

ii) amendments to warrants resulting in an exercise price which is less than the market price of the securities determined on the date of the amending agreement. Amendments to in-the-money warrants will also require security holder approval.

Security holder approval must exclude the votes attached to the securities held by any holders whose warrants are proposed to be amended.

A copy of the press release, and evidence of security holder approval if applicable, must be provided to TSX prior to the press release being issued.

(b) A listed issuer may apply to TSX to amend the warrant to provide for the exercise of the warrant without cash consideration by issuing the number of listed securities equal to:

(number of warrants exercised X market price at time of exercise) less (number of warrants exercised x exercise price) / market price at time of exercise

Sec. 609. Listed Warrants

(a) To apply to have warrants listed on TSX, the listed issuer must file a letter application and draft warrant indenture with TSX. The listing of warrants and amendments to listed warrants on TSX are considered on a case-by-case basis.

(b) Warrants will not be listed unless the underlying securities are listed, or conditionally approved for listing, on TSX. In order for warrants to be eligible for listing on TSX, there must be at least 100 public holders of 100 warrants or more and at least 100,000 publicly held warrants. See Section 346 for the requirements respecting notations in prospectuses or other offering documents referring to a TSX listing.

(c) The warrant trust indenture, or other document prescribing the rights of warrant holders, must be pre-cleared by TSX and contain appropriate anti-dilution provisions to ensure that the rights of the holders are protected in the event of an amalgamation, merger, stock dividend, subdivision, consolidation or other form of capital reorganization, or in the case of a major asset distribution to security holders. Listed Issuers should refer to Staff Notice 2024-0002 for guidance on anti-dilution provisions acceptable to TSX.

(d) Any proposed amendment to the terms of outstanding listed warrants must be accepted by TSX prior to the amendment becoming effective. TSX will not list warrants in respect of which the warrant trust indenture (or equivalent document) entitles the directors of the listed issuer to change the exercise price (except for anti-dilution purposes) or which provides for the possibility of an amendment to the expiry date.

(e) Prior to the listing of warrants on TSX, the listed issuer will normally be required to take the necessary steps to ensure that the warrants are freely tradable by residents across Canada.

(f) Once warrants have been listed, TSX will not generally permit amendments to any of the essential terms of the warrants, such as the exercise price (except for anti-dilution purposes) or the expiry date.

(g) Notice of a listed issuer's intention to pay a subscription fee to one or more participating organizations for assisting in obtaining exercises of warrants must be given to TSX as soon as such an arrangement is entered into by the listed issuer.

TSX will not permit any arrangement to solicit clients to purchase or exercise warrants if the arrangement could have the effect of artificially changing the exercise price of the warrants or could subsidize certain market participants to exercise warrants at an exercise price that is not available to others. TSX will also not permit any arrangement between a listed issuer and a securities dealer that would have a similar effect, such as an over-the-counter derivatives transaction, or a direct subsidy, advisory fee or other form of payment, the impact of which

would be to create an incentive to buy warrants at a higher price than would otherwise be the case.

TSX will not permit soliciting dealer arrangements unless the following are provided for: (1) a maximum solicitation fee to be paid in respect of any one beneficial holder of warrants, similar to the maximum amount normally payable to soliciting dealers in a rights offering; (2) a prohibition on a solicitation fee being passed through to a client by a dealer, either directly or through indirect subsidies; and (3) full public disclosure of the essential terms of the soliciting dealer arrangement.

Sec. 610. Convertible Securities

(a) The conversion price of a convertible security privately placed is subject to Subsection 607(e) and may be:

i) based on either of, but not the lower of, market price less the applicable discount, at the time of issuance of the convertible security or at the time of conversion of such security; or

ii) based on the lower of market price, without any applicable discount, at the time of the issuance of convertible security or at the time of conversion of such security.

In all other instances providing a basis for determining the conversion price that could result in a conversion price lower than that determined in accordance with paragraphs i) and ii), security holder approval will be required.

(b) Where two or more classes of securities are interconvertible and one is listed, the other must also be listed.

(c) A decrease in the conversion price of a previously issued convertible security must be submitted to TSX for approval and will be reviewed as a new private placement.

Sec. 611. Acquisitions

(a) Where a listed issuer proposes to issue securities as full or partial consideration for property (which may include securities or assets) purchased from an insider of the listed issuer, TSX may require that documentation such as an independent valuation or engineer's report be provided.

(b) Security holder approval will be required in those instances where the number of securities issued or issuable to insiders as a group, together with any securities issued or made issuable to insiders as a group for acquisitions during the preceding six months, in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer which are outstanding on a non-diluted basis, prior to the date of closing of the transaction. Insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval.

(c) Security holder approval will be required in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis.

(d) **[Deleted]**

(e) Where an acquisition by a listed issuer includes the assumption of security based compensation arrangements of a target issuer or the creation of security based compensation arrangements for employees of a target issuer as a result of the acquisition, securities issuable under such arrangements will be included in the securities issued or issuable for the purposes of the security holder approval requirement in Subsection 611(b) and (c). For the purpose of this Section 611, the assumption of security based compensation arrangements includes: i) a direct assumption of security based compensation arrangements of the target issuer; and ii) the cancellation of security based compensation arrangements of the target issuer and their replacement with arrangements of the listed issuer.

(f) Subsection 613(a) does not apply where an acquisition by a listed issuer includes: i) the assumption of security based compensation arrangements of a target issuer if the number of assumed securities (and their exercise or subscription price, if applicable) is adjusted in accordance with the price per acquired security payable by the listed issuer; and ii) the creation of security based compensation arrangements for employees of a target issuer if the aggregate number of securities issuable does not exceed 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction, and such employees are not insiders or employees of the listed issuer prior to the acquisition.

(g) In calculating the number of securities issued or issuable in payment of the purchase price for an acquisition, any securities issued or issuable upon a concurrent private placement upon which the acquisition is contingent or otherwise linked will be included.

(h) In order to list the additional securities issued and/or reserved for issuance pursuant to an acquisition which has been conditionally approved by TSX, listed issuers must:

(i) On the same business day of the closing of the acquisition, provide TSX with: (A) an email or facsimile of the press release announcing the closing of the acquisition; or (B) a written confirmation by email or facsimile that the acquisition has closed; and

(ii) Prior to the close of business on the business day following the closing of the acquisition, file with TSX all the requirements documents as outlined in the TSX conditional approval. Such documents may be filed using TMX LINX.

Sec. 612. Securities Issued to Registered Charities

(a) Subject to Subsection 612(b), listed issuers may issue securities for no cash consideration to registered charities as defined under the *Income Tax Act* (Canada).

(b) Security holder approval will be required in those instances where the number of listed securities issued or issuable:

i) to one registered charity exceeds 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the issuance; or

ii) in a 12 month period in the aggregate exceeds 5% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis at the beginning of that 12 month period.

(c) Options, rights, warrants or other convertible securities granted or issued to registered charities may not be exercisable at a price lower than the market price of the underlying security at the time of the grant or issue.

C. Security Based Compensation Arrangements

Requirement for Security Holder Approval

Sec. 613.

(a) When instituted, and when required for amendment, all security based compensation arrangements must be approved by:

i) a majority of the listed issuer's directors; and

ii) subject to Subsection 613(c), the listed issuer's security holders.

Every three years after institution, all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed maximum aggregate of securities issuable, must be approved by:

i) a majority of the listed issuer's directors; and

ii) subject to Subsection 613(c), the listed issuer's security holders.

Security holders must pass a resolution specifically approving unallocated options, rights or other entitlements. Such resolution must also include the date by which the listed issuer must subsequently seek security holder approval, such date being no later than three years from the date the resolution was approved. Failure to obtain security holder approval will result in all unallocated options, rights or other entitlements being cancelled and the listed issuer will not be permitted to make further grants until security holder approval is obtained.

Insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approvals required by this Subsection 613(a) unless the arrangement contains the insider participation limit.

If any security holder approval is required for a security based compensation arrangement and insiders of the listed issuer entitled to receive a benefit under the arrangement are not eligible to vote their securities in respect of the approval required by this Subsection 613(a), holders of Restricted Securities, as defined in Part I, must be entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the listed issuer.

Security holder approval required for a security based compensation arrangement must be by way of a duly called meeting. The exemption from security holder approval contained in Subsection 604(e) is not available in respect of security based compensation arrangements.

Types of Security Based Compensation Arrangements

(b) For the purposes of this Section 613, security based compensation arrangements include;

i) stock option plans for the benefit of employees, insiders, service providers or any one of such groups;

ii) individual stock options granted to employees, service providers or insiders if not granted pursuant to a plan previously approved by the listed issuer's security holders;

iii) stock purchase plans where the listed issuer provides financial assistance or where the listed issuer matches the whole or a portion of the securities being purchased;

iv) stock appreciation rights involving issuances of securities from treasury;

v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the listed issuer; and

vi) security purchases from treasury by an employee, insider or service provider which is financially assisted by the listed issuer by any means whatsoever.

For greater certainty, arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the listed issuer are not security based compensation arrangements for the purposes of this Section 613.

For the purposes of Section 613, a "service provider" is a person or company engaged by the listed issuer to provide services for an initial, renewable or extended period of twelve months or more.

Exception to the Requirement for Security Holder Approval—Employment Inducements

(c) Security holder approval is not required for security based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the listed issuer, provided that: i) such person(s) or company(ies) enters into a contract of full time employment as an officer of the listed issuer; and ii) the number of securities made issuable pursuant to this Subsection during any twelve month period do not exceed in aggregate 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date this exemption is first used during such twelve month period.

Disclosure Required when Seeking Security Holder Approval & Annually

(d) Materials provided to security holders in respect of a meeting at which the approval of security based compensation arrangements will be requested must be pre-cleared with TSX. Meeting materials must provide the following disclosure in respect of:

(i) the eligible participants under each arrangement;

(ii) each of the following, as applicable:

i. Plan Maximum — the maximum number of securities issuable under each arrangement expressed as a fixed number (together with the percentage this number represents relative to the number of issued and outstanding securities of the listed issuer) or fixed percentage of the number of issued and outstanding securities of the listed issuer,

ii. Outstanding Securities Awarded — the number of outstanding securities awarded under each arrangement, together with the percentage this number represents relative to the number of issued and outstanding securities of the listed issuer, and

iii. Remaining Securities Available for Grant — the number of securities under each arrangement that are available for grant, together with the percentage this number represents relative to the number of issued and outstanding securities of the listed issuer;

(iii) the annual burn rate of each arrangement, as calculated in accordance with Section 613(p);

(iv) the maximum percentage, if any, of securities under each arrangement available to insiders of the listed issuer;

(v) the maximum number of securities, if any, any one person or company is entitled to receive under each arrangement and the percentage of the listed issuer's currently outstanding capital represented by these securities;

(vi) subject to Section 613(h)(i), the method of determining the exercise price for securities under each arrangement;

(vii) the method of determining the purchase price for securities under security purchase arrangements, with specific disclosure as to whether the purchase price could be below the market price of the securities;

(viii) the formula for calculating market appreciation of stock appreciation rights;

(ix) the ability for the listed issuer to transform a stock option into a stock appreciation right involving an issuance of securities from treasury;

(x) the vesting of the securities issuable under the Plan;

(xi) the term of the securities issuable under the Plan;

(xii) the causes of cessation of entitlement under each arrangement, including the effect of an employee's termination for or without cause;

(xiii) the assignability of benefits under each arrangement and the conditions for such assignability;

(xiv) the procedure for amending each arrangement, including specific disclosure as to whether security holder approval is required for amendments;

(xv) any financial assistance provided by the listed issuer to participants under each arrangement to facilitate the purchase of securities under the arrangement, including the terms of such assistance;

(xvi) entitlements under each arrangement previously granted but subject to ratification by security holders; and

(xvii) such other material information as may be reasonably required by a security holder to approve each arrangement.

Should a security based compensation arrangement not provide for the procedure for amending the arrangement, security holder approval will be required for such amendments, as provided for in Subsections 613(a) and (i). In addition, the votes attaching to any securities held by insiders who hold securities subject to the amendment will be excluded. Please see Subsection 613(l) for more information.

Other than the disclosure regarding the annual burn rate under Section 613(d)(iii), the disclosure required by this Section 613(d) should be presented as at (a) the end of the listed issuer's most recently completed fiscal year, in the case of an annual meeting, and (b) the date of the meeting materials, in the case of any security holder meeting (other than an annual meeting) where security holder approval is being sought in connection with a security based compensation arrangement matter.

Granting Entitlements Prior to Seeking Security Holder Approval

(e) A listed issuer may grant options or rights under a security based compensation arrangement that has not been approved by security holders provided that no exercise of such option or right may occur until security holder approval is obtained.

Filing Security Based Compensation Arrangements with TSX

(f) All security based compensation plans, and any amendments thereto, must be filed with TSX, along with evidence of security holder approval where required. Listed securities issuable under the arrangements will not be listed on TSX until such documentation is received.

Annual Disclosure Requirements

(g) Listed issuers must disclose on an annual basis, in their information circulars, or other annual disclosure document distributed to all security holders, the terms of their security based compensation arrangements and any amendments that were adopted in the last fiscal year (this includes amendments to individual security agreements and amendments to security based compensation arrangements, including, in both instances, those assumed or created by the listed issuer as part of an acquisition). The information circular must provide disclosure in respect of each of the items in Section 613(d), as at the end of the listed issuer's most recently completed fiscal year (other than the disclosure regarding the annual burn rate under Section 613(d)(iii)), as well as the nature of the amendments adopted in the last fiscal year, including whether or not (and if not, why not) security holder approval was obtained for the amendment.

Prohibited Provisions Notwithstanding Security Holder Approval

(h) Notwithstanding that a security based compensation arrangement contains provisions: (1) contrary to or inconsistent with the following items, or (2) allowing amendments to the following items without security holder approval, and notwithstanding that such provisions may have been approved by the listed issuer's security holders:

i) the exercise price for any stock options granted under a security based compensation arrangement or otherwise must not be lower than the market price of the securities at the time the option is granted; and

ii) the arrangement must have a maximum number of securities issuable, either as a fixed number or a fixed percentage of the listed issuer's outstanding capital represented by such securities.

For the purposes of this Subsection 613(h)(i), TSX will accept, as market price: (A) a closing market price at the time of the grant; or (B) a reasonable pre-determined formula, based on a weighted average trading price or average daily high and low board lot trading prices for a short period of time prior to the time of grant.

Amendments Requiring Specific Security Holder Approval

(i) Notwithstanding that a security based compensation arrangement contains a provision allowing amendments to the following items without security holder approval, specific security holder approval is required for:

i) a reduction in the exercise price or purchase price under a security based compensation arrangement benefiting an insider of the issuer;

ii) an extension of the term, under a security based compensation arrangement benefiting an insider of the issuer;

iii) any amendment to remove or to exceed the insider participation limit;

iv) an increase to the maximum number of securities issuable, either as a fixed number or a fixed percentage of the listed issuer's outstanding capital represented by such securities; and

v) amendments to an amending provision within a security based compensation arrangement.

For the purposes of Subsection 613(i)(i) and (ii), if a listed issuer cancels options (or similar entitlements) held by insiders, or held by non-insiders where the amendment provision does not permit such amendment, and then re-grants those securities under different terms, TSX will consider this as an amendment to those securities and will require security holder approval, unless the re-grant occurs at least three months after the related cancellation.

For Subsection 613(i)(i)-(iii), the votes of securities held directly or indirectly by insiders benefiting directly or indirectly from the amendment must be excluded. For Subsection 613(i)(iv)-(v), the votes of securities held directly or indirectly by insiders entitled to receive a benefit directly or indirectly under the arrangement must be excluded unless the arrangement contains the insider participation limit.

In addition to the above exclusions, for Subsection 613(i)(v), where the amendment will disproportionately benefit one or more insiders over other participants under the arrangement, the votes of securities held directly or indirectly by those insiders receiving the disproportionate benefit must be excluded.

Reporting Requirements to TSX

(j) The granting of stock options under a plan and the issuance of securities under a stock option plan or other plan do not require the prior consent of TSX if the plan has been precleared with

TSX and the securities that are subject to issuance have been listed. However, stock options granted, exercised or cancelled under a plan must be reported to TSX on a monthly basis in the form of a duly completed Form I—Change in Outstanding and Reserved Securities (Appendix H: Company Reporting Forms), which must be filed within ten (10) days after the end of the month. If no listed securities are issued, no options have expired or been cancelled in any particular month, a nil report is required to be filed on a quarterly basis.

Material Undisclosed Information

(k) TSX's policy on timely disclosure requires immediate disclosure by its listed issuers of all "material information" as defined in the policy. The policy also recognizes that there are restricted circumstances where confidentiality may be justified on a temporary basis. Listed issuers may not set option exercise prices, or prices at which securities may otherwise be issued, on the basis of market prices which do not reflect material information of which management is aware but which has not been disclosed to the public. Exceptions are:

i) where employees, at a previous time when such employees did not have knowledge of the undisclosed event, committed themselves to acquire the securities on specified terms through participation in a security purchase plan, or

ii) where, in relation to an undisclosed event (such as the acquisition by a listed issuer of another issuer), a person or company who is neither an employee nor an insider of the listed issuer, is granted, or given the right to be granted at a set price, a stock option in the listed issuer, while the event is still undisclosed.

Amendment Procedures

(l) Security based compensation arrangements (including individual option or other security amendments) cannot be amended without obtaining security holder approval unless the arrangement contains a provision empowering the listed issuer's board of directors (who may delegate this to a committee of the board) to make the specific amendment. Security holder approval is required for the introduction of and subsequent amendments to, such amending provisions. Disclosure provided to security holders voting on amending provisions, and annually, must state that security holder approval will not be required for amendments permitted by the provision.

Blackout Periods

(m) Security based compensation arrangements may provide that the expiration term of an option (or similar entitlement) may be the later of a fixed expiration date or a date shortly after the expiration date should such date fall within or immediately after a blackout period, provided that:

(i) The blackout period is self-imposed by the listed issuer;

(ii) The period of time provided to exercise the option after the lifting of the blackout period be no more than ten (10) business days;

(iii) All participants under the security-based compensation arrangement are eligible for the extension, under the same terms and conditions; and

(iv) Security holders approve the amendment to the security-based compensation arrangement providing for such expiry term.

Backdating of Stock Options

(n) Listed issuers must notify TSX on a timely basis where it appears that stock options (and similar entitlements) may have been improperly dated or priced, during or following any investigation (including internal, self-initiated reviews) of the listed issuer's practices in relation to security-based compensation arrangements. In addition, in accordance with TSX's timely disclosure policy, listed issuers need to assess whether or not a news release is required where it appears that stock options (and similar entitlements) have been improperly dated or priced, during or following any review or investigation, and upon any resolution with TSX or other regulators.

Mergers and Acquisitions

(o) Notwithstanding the amendment provisions included in a security-based compensation arrangement, where a listed issuer is being acquired, outstanding options, rights and other entitlements may be: (i) cancelled for nominal consideration if out of the money; or (ii) exchanged for the consideration received by the listed issuer's security holders, on the basis of such options, rights or other entitlement's intrinsic value.

Burn Rate

(p) Annual burn rate disclosure may be omitted for the first fiscal year of newly adopted arrangements, but must be included for new arrangements adopted in replacement of similar arrangements.
For purposes of the disclosure required under Section 613(d)(iii), the annual burn rate of the arrangement must be calculated as follows and expressed as a percentage:

$$\frac{\text{Number of securities}^{1} \text{ granted under the arrangement during the applicable fiscal year}}{\text{Weighted average number of securities outstanding}^{2} \text{ for the applicable fiscal year}}$$

If the securities awarded include a multiplier, listed issuers are required to provide details in respect to such multiplier.

Listed issuers are required to disclose the annual burn rate for each of the listed issuer's three most recently completed fiscal years for the relevant arrangement. Where the arrangement has not existed for three fiscal years (including predecessor arrangements which were similar) or was approved by security holders within the last three fiscal years, listed issuers should disclose the annual burn rate for each of the listed issuer's fiscal years completed since adoption.

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[1] Securities awarded under an arrangement include, but are not limited to, options, performance stock units, deferred stock units, restricted stock units or other similar awards.

[2] The weighted average number of securities outstanding during the period is the number of securities outstanding at the beginning of the period, adjusted by the number of securities bought back or issued

during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the securities are outstanding as a proportion of the total number of days in the period; a reasonable approximation of the weighted average is adequate in many circumstances. The weighted average number of securities outstanding is to be calculated in accordance with the CPA Canada Handbook, as such may be amended or superseded from time to time.

D. Rights Offerings

Sec. 614.

(a) A preliminary discussion with TSX is recommended to a listed issuer proposing to offer rights to its participating security holders.

(b) A rights offering by a listed issuer must be accepted for filing by TSX before the offering proceeds. The offering must also be filed with the securities commissions having jurisdiction (see section 2.1 of National Instrument 45-106).

The rights offering must receive final acceptance from TSX at least five trading days in advance of the record date for the rights offering, the record date being the date of the closing of the transfer books for the preparation of the final list of participating security holders who are entitled to receive rights.

A listed issuer may not announce a firm record date for a rights offering before all necessary approvals have been received.

(c)

(i) A draft copy of the rights offering notice (Form 45-106F14) together with the rights offering circular or the preliminary prospectus for the rights offering, as applicable, must be filed with TSX in sufficient time for TSX to review the mechanics, pricing and timing of the rights offering in order to maintain an orderly market. TSX will subsequently advise the listed issuer of any deficiencies in the rights offering circular or the preliminary prospectus for the rights offering, as applicable, and of the further documentation that will be required.

(ii) Securities offered by way of rights offering are expected to be offered at a "significant discount" to market price at the time of pricing of the offering, which is expected to be at the time of filing of the rights offering circular or the (final) prospectus for the rights offering (the “Rights Offering Documents"), as applicable. A significant discount would be equal to at least the maximum discount to market price allowed for private placements as set forth in Subsection 607(e).

If a third party ("backstop") has agreed to subscribe for securities which are not otherwise subscribed for under the rights offering, and there is not a significant discount, TSX will require security holder approval if the rights offering could result in a material effect on control of the listed issuer.

Backstop fees payable in cash are acceptable to TSX provided the fees are commercially reasonable. Backstop fees payable in securities are acceptable to TSX for arm's length parties as a securities for debt transaction under Section 607 and provided that the fees are

commercially reasonable. Backstop fees payable in securities to non-arm's length parties are considered security-based compensation arrangements and security holder approval is therefore required to be obtained at the next meeting.

(d) If the rights offering is being conducted by way of a prospectus offering and the rights offering is acceptable to TSX (subject only to the correction of minor deficiencies, if any, and the filing of the required documents), TSX will provide written communication to the listed issuer to that effect so that the listed issuer can deliver that written communication to the relevant securities commissions.

(e) At least five trading days in advance of the record date:

(i) all deficiencies raised by TSX must be resolved;

(ii) all the terms of the rights offering must be finalized; and

(iii) TSX must receive all requested documents, including a copy of the Rights Offering Documents.

(f) There is no fee for the listing of rights on TSX, although there is a fee for listing securities issuable upon exercise of the rights. If such securities are of a class already listed, the listed issuer must list the maximum number of securities issuable under the rights offering. However, upon receipt of notification of the actual number of underlying listed securities issued pursuant to the rights offering, TSX will invoice the issuer for the number of securities issued and issuable upon exercise of the rights.

(g) The information that must be contained in the Rights Offering Documents is prescribed in the rules and policies of the securities commissions. TSX may have additional requirements, depending on the circumstances.

(h) The standard notation on (final) prospectuses or other offering documents referring to conditional approval of a listing is not appropriate for a Rights Offering Document with respect to the rights themselves, nor is such notation appropriate with respect to the securities issuable upon exercise of the rights if such securities are of a class already listed. The rights will normally be listed on TSX, as will the underlying securities (if of a class already listed), before the applicable Rights Offering Document is mailed to the participating security holders.

(i) Rights which receive all required approvals will be automatically listed on TSX if the rights entitle the holders to purchase securities of a listed class. Rights which do not fall into this category will also normally be listed on TSX at the request of the listed issuer. If rights issued to security holders of a listed issuer entitle the holders to purchase securities of another issuer which is not listed, the rights will not be listed on TSX unless such securities have been conditionally approved for listing on TSX.

(j) Rights are listed on TSX at the opening of trading on the record date. At the same time, the underlying listed securities of the listed issuer commence trading on an ex-rights basis, which means that purchasers of the listed securities at that time are not entitled to receive the rights.

Due Bill trading may be used in certain circumstances for conditional rights offerings as determined at the discretion of the Exchange. See Section 429.1.

(k) When the rights certificates are mailed to the participating security holders, the listed issuer must concurrently file with TSX a definitive specimen of the rights certificate.

(l) Trading in rights on TSX ceases at 12:00 noon on the expiry date.

(m) TSX requires that rights be transferable. Any proposed restriction on the transfer of unlisted rights must receive the prior consent of TSX.

(n) The following requirements apply to rights which are listed on TSX, although TSX may, in appropriate circumstances, apply these requirements to rights not so listed:

(i) once the rights have been listed on TSX, TSX will not permit the essential terms of the rights offering, such as the exercise price or the expiry date, to be amended. However, under extremely exceptional circumstances, such as an unexpected postal disruption, TSX may grant an exemption from the requirement that the expiry date not be extended;

(ii) the rights offering must be open for a period of at least twenty-one (21) calendar days following the date on which the Rights Offering Document is sent to participating security holders;

(iii) participating security holders must receive exactly one right for each security held. An exemption from this requirement will be considered if the rights offering entitles participating security holders to purchase more than one security for each security held (prior to giving effect to any additional subscription privilege); and

(iv) if the listed issuer proposes to provide a rounding mechanism, whereby participating security holders not holding a number of securities equally divisible by a specified number would have their entitlements adjusted upward, adequate arrangements must be made to ensure that beneficial owners of securities registered in the names of CDS, banks, trust companies, investment dealers or similar institutions will be treated, for purposes of such additional entitlements, as though they were registered participating security holders.

(o) As soon as possible after the expiry of the rights offering, the listed issuer must advise TSX in writing of the number of securities issued as a result of the rights offering, including securities issued pursuant to any underwriting or similar arrangement.

E. Additional Listings

Sec. 615. General

(a) In addition to the requirements of Section 602, every listed issuer proposing to issue additional securities of a listed class, or to authorize such additional securities to be issued for a specific purpose, must apply to have the additional securities listed on TSX. Application must be made to list the maximum number of securities issuable pursuant to the proposed transaction.

With regard to the additional listing of securities sold by prospectus, see Section 606.

(b) In determining the number of additional securities to be listed, securities listed in connection with earlier transactions must not be taken into account. Credits for fee purposes or refunds will not be given for securities which have previously been listed but are no longer issued or authorized for issuance for a specific purpose.

Sec. 616. Documentation

(a) There is no prescribed form for an additional listing application. A letter notice pursuant to Section 602 will be regarded by TSX as including an application to list the applicable additional securities.

(b) The documentation required in connection with an additional listing application will depend on the nature of the application. In all cases, however, the following documentation will be required:

i) copies of all relevant executed agreements; and

ii) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities have been (or will be, when issued in accordance with the terms of the transaction) validly issued as fully paid and non-assessable.

TSX will invoice the listed issuer for the additional listing fee payable.

Sec. 617. Stock Dividends

Listed issuers which issue stock dividends on a regular basis, whether pursuant to a formal stock dividend plan or otherwise, can either apply to list securities each time a dividend is declared or, alternatively, apply to list as a block the number of securities the listed issuer estimates will be issued as stock dividends over the next two years. The latter procedure could result in an ultimate saving in listing fees. See TSX Listing Fee Schedule.

Sec. 617.1. Dividend / Distribution Reinvestment Plans (DRIPs)

DRIPs are adopted by issuers to allow existing security holders to reinvest their cash dividends or distributions by purchasing additional securities of the listed issuer. In certain instances, DRIPs may also allow security holders to purchase additional securities, in excess of the dividend or distribution, in compliance with applicable securities laws (an "optional cash payment").

This section applies to any plan[1] for listed securities[2] adopted by a listed issuer that allows existing holders of such listed securities to: i) reinvest their cash dividends or distributions by purchasing, or ii) receive, in lieu of their cash dividends or distributions, additional listed securities of the listed issuer. For purposes of this Section, the plans referred to above are collectively referred to as "DRIPs".

DRIPs that provide for the issuance of additional listed securities from treasury are subject to TSX pre-clearance. However, DRIPs providing for the payment of dividends or distributions solely with securities purchased on the secondary market do not require TSX approval.

Other than as provided in footnote 2 below, any plan where existing holders of unlisted security may reinvest their cash dividends or distributions by purchasing, or receiving in lieu of their cash dividends or distributions, additional listed securities of the listed issuer will be reviewed under Section 607.

(a) Implementing a New DRIP

(i) All DRIPs must be pre-cleared with TSX other than DRIPs providing for the payment of dividends or distributions solely with securities purchased on the secondary market. Listed issuers must provide a draft copy of the DRIP to TSX for pre-clearance at least five (5) business days prior to the effective date of the DRIP.

(ii) Once the DRIP has been pre-cleared by TSX and approved by the board of directors of the listed issuer, the following must be filed with TSX:

a. a certified copy of the board resolution approving adoption of the DRIP;

b. a final copy of the DRIP; and

c. an additional listing application (the "DRIP additional listing application") comprised of:

i. a letter notice pursuant to Section 602; and

ii. an opinion of counsel that the securities to be listed have been validly created in accordance with applicable laws and that the securities will be validly issued as fully paid and non-assessable.

TSX will invoice the listed issuer for the additional listing fee payable (see TSX Listing Fee Schedule).

(b) Requirements Applicable to DRIPs

(i) Each DRIP should provide for the principal terms and conditions pursuant to which security holders may participate in the DRIP. TSX requires, in particular, that:

a. the price per listed security at which securities will be issued not being lower than the VWAP on TSX (or another stock exchange where the majority of the trading volume and value of the listed securities occurs) for a period not less than five trading days or more than 20 days immediately preceding the relevant date, less a 5% discount, taking into account any premium increasing the amount of the dividend or distribution payable or the optional cash payment;

b. listed issuers must make some provision for fractional security interests that may result from the DRIP;

c. all security holders must be eligible to participate in the DRIP, except that listed issuers may limit the participation of security holders residing outside of Canada; and

d. the DRIP must state that all amendments to the DRIP must be pre-cleared by TSX.

(ii) Listed issuers must list a sufficient number of securities to cover issuances under the DRIP, including securities issuable pursuant to an optional cash payment, such number of securities being[3]:

a. a sufficient number of securities to cover issuances for a two-year period, provided such number of securities does not exceed 10% of the securities of the listed issuer that are issued and outstanding, on a non-diluted basis, at the time of the DRIP additional listing application; or

b. a number of securities equal to 5% of the securities of the listed issuer that are issued and outstanding, on a non-diluted basis, at the time of the DRIP additional listing application.

(c) Listing Additional Securities under an Existing DRIP

In order to list additional securities under an existing DRIP, listed issuers must file a DRIP additional listing application comprised of a letter notice and legal opinion in the form prescribed in Section 617.1(a)(ii)c. above.

TSX will invoice the listed issuer for the additional listing fee payable (see TSX Listing Fee Schedule).

(d) Amending a DRIP

Where a listed issuer proposes to amend a DRIP, it must pre-clear such amendment with TSX. TSX will require a black-lined copy of the DRIP showing the amendments at least five (5) business days prior to the effective date of any amendment.

Once the amendment has been pre-cleared, TSX will require a certified copy of the board resolution approving the amendment to the DRIP.

(e) Suspending or Terminating / Resuming or Reinstating a DRIP

Where a listed issuer proposes to suspend or terminate a DRIP, it must promptly:

(i) advise its security holders of the suspension or termination by way of issuing a news release; and

(ii) (ii) notify TSX of the suspension or termination by filing a copy of the news release referred to in (i) above with TSX.

Where a listed issuer proposes to resume or re-instate a DRIP, it must notify its security holders and TSX by issuing and filing a news release as described above.

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[1] For the purposes of this Section 617.1, the term "plan" includes constating documents or similar documents governing the terms of a class of securities allowing for the reinvestment or payment of cash dividends or distributions in securities.

[2] For purposes of this Section 617.1, unlisted securities such as exchangeable securities or other securities which are economically equivalent will typically be permitted to participate in a DRIP for listed securities on an equivalent basis.

[3] The limits placed on a listed issuer in Sections 617.1(b)(ii) a. and b. are for TSX administrative purposes, and are not intended to be time-based restrictions imposed by TSX on the number of securities that may be issued pursuant to DRIPs.

F. Substitutional Listings

Sec. 618. General

(a) Where a listed issuer proposes to change its name, split or consolidate its stock, or undergo a security reclassification, the listed issuer must make a substitutional listing application to TSX.

(b) Where a listed issuer proposes to undergo a change which would give rise to a substitutional listing, the listed issuer must pre-clear with TSX the materials for the requisite security holders' meeting.

Sec. 619. Name or Symbol Changes

(a) A listed issuer proposing to change its name must notify TSX as soon as possible after the decision to change the name has been made. The new name must be acceptable to TSX.

(b) If the proposed change is substantial, it may be appropriate for TSX to assign a new stock symbol to the listed issuer's securities. The listed issuer's choices, if any, in this regard should be communicated to TSX, in order of preference, in advance of the effective date of the name change. The symbol may consist of up to four letters (excluding the letters that differentiate between different classes of securities).

(c) The following documents must be filed with TSX in connection with a name change:

i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

ii) definitive specimens of the new generic or overprinted customized security certificates, if any, in accordance with the requirements set out in Appendix D; and

iii) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to each of the issuer's listed securities after giving effect to the name change (see Section 350).

(d) The listed issuer's securities will normally commence trading on TSX under the new name at the opening of business two (2) or three (3) trading days after all the documents set out in Subsection 619(c) are received by TSX.

(e) A listed issuer may request a change to the symbol assigned to its listed securities. The listed issuer’s choices should be communicated to TSX, in order of preference, in advance of the effective date of the symbol change. The symbol may consist of up to four letters (excluding the letters that differentiate between different classes of securities).

Sec. 620. Stock Split

(a) There are two methods of effecting a stock split: the "push-out" method and the "call-in" method. If the stock split is accompanied by a security reclassification, either the push-out method or the call-in method may be used; otherwise the push-out method is preferable.

(b) Under the push-out method, the security holders keep the security certificates they currently hold, and security holders of record as of the close of business on a specified date (the "record date") are provided with additional or replacement security certificates by the listed issuer.

(c) Where the push-out method is used, the Certificate of Amendment, or equivalent document such as a certified copy of the board of directors' resolution if no amendments to the articles are required, giving effect to the split must be issued at least five, and preferably not less than eight, trading days prior to the record date. Accordingly, if the stock split must be approved by security holders, the meeting of security holders must take place at least five trading days in advance of the record date. If the push-out method is used, the following documents must be received by TSX at least five trading days in advance of the record date:

i) written confirmation of the record date including the time of day ("close of business" will be sufficient for this purpose);

ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document such as a certified copy of the board of directors' resolution if no amendments to the articles are required;

iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

iv) a written statement as to the date on which it is intended that the additional security certificates will be mailed to the security holders; and

v) if the stock split is accompanied by a security reclassification,

i. definitive specimens of the new generic or customized security certificates, if any, in accordance with the requirements set out in Appendix D; and

ii. an unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to each class of listed securities (see Section 350).

(d) Where the push-out method is used, the securities will commence trading on TSX on a split basis at the opening of business on the record date. Due Bill trading may be used in certain circumstances as determined at the discretion of the Exchange. See Section 429.1.

(e) Under the call-in method, the listed issuer implements the stock split by replacing the security certificates currently in the hands of the security holders with new certificates. Letters of Transmittal are sent to the security holders requesting them to exchange their security certificates at the offices of the listed issuer's transfer agent.

(f) Where the call-in method is used, the following documents must be received by TSX in order for the stock split to be effected on TSX:

i) two copies of the Letters of Transmittal;

ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document such as a certified copy of the board of directors' resolution if no amendments to the articles are required;

iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

iv) definitive specimens of the new generic or customized security certificates, if any, in accordance with the requirements set out in Appendix D;

v) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP numbers assigned to each new class of listed securities (see Section 350); and

vi) a written statement as to the intended mailing date of the Letters of Transmittal.

(g) Where the call-in method is used, the listed securities will normally commence trading on TSX on a split basis at the opening of business two or three trading days after the later of the date all required documents are received by TSX and the date the Letters of Transmittal are mailed to the security holders.

(h) Where a listed issuer proposing to split its stock has warrants posted for trading on TSX, the form of warrant certificate must not be changed by virtue of the split, but any new warrant certificate issued by the listed issuer after the stock split becomes effective must contain a notation disclosing the effect of the stock split on the rights of the warrant holders and a statement that the number of warrants represented by the warrant certificate for trading purposes is equal to the number imprinted in the top right-hand corner (or other location, if appropriate) of the certificate.

Sec. 621. Stock Consolidation

(a) A stock consolidation by a listed issuer requires the prior consent of TSX.

(b) A listed issuer undergoing a stock consolidation must meet, post-consolidation, the continued listing requirements contained in Part VII of this Manual (see Section 712).

(c) A stock consolidation must be accompanied by a concurrent change in CUSIP number.

(d) The following documents must be filed with TSX in order for the stock consolidation to be effected on TSX:

i) one copy of the Letters of Transmittal;

ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

iii) opinion of counsel that all the necessary steps have been taken to validly effect the consolidation in accordance with applicable law;

iv) a written evidence from the listed issuer's transfer agent that, on a post-consolidation basis, there will be at least 500,000 freely tradable securities held by at least 150 public holders, each holding a board lot or more;

v) a definitive specimen of the new generic or customized security certificates, if any, in accordance with the requirements set out in Appendix D;

vi) a copy of the unqualified letter of confirmation from CDS disclosing the new CUSIP number assigned to the securities (see Section 350); and

vii) a written statement as to the intended mailing date of the Letters of Transmittal.

(e) The listed securities will normally commence trading on TSX on a consolidated basis at the opening of business two or three trading days after the later of the date upon which all required documents are received by TSX and the date the Letters of Transmittal are mailed to the security holders.

Sec. 622. Security Reclassification (with no stock split)

(a) The following documentation must be filed with TSX in connection with a security reclassification (with no stock split):

i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

ii) an opinion of counsel that all the necessary steps have been taken to validly effect the security reclassification in accordance with applicable law;

iii) a definitive specimen of the new generic or overprinted customized security certificate, if any, in accordance with the requirements set out in Appendix D;

iv) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to each class of listed securities (see Section 350);

v) one copy of the Letters of Transmittal, if applicable; and

vi) a written statement as to the intended mailing date of the Letters of Transmittal, if applicable.

(b) The reclassification will normally become effective for trading purposes at the opening of business two or three trading days after the later of the date upon which all required documents are received by TSX and the date the Letters of Transmittal are mailed to the security holders.

G. Supplemental Listings

Sec. 623.

(a) A listed issuer proposing to list securities of a class not already listed should apply for the listing by letter addressed to TSX. The letter must be accompanied by one (1) copy of the preliminary prospectus or, if applicable, the draft circular describing the provisions attaching to the securities.

(b) If TSX conditionally approves the listing of the securities, this fact may be disclosed in the final prospectus, or in other documents, in accordance with Section 346, and TSX will so advise the securities regulatory authorities.

(c) The minimum public distribution requirements for a supplemental listing are the same as the minimum requirements for original listing as set out in Section 310. However, TSX will give consideration to listing non-participating preferred securities and debt securities that do not meet these requirements if the market value of such securities outstanding is at least $2,000,000 and:

i) if the securities are convertible into participating securities, such participating securities are listed on TSX and meet the minimum public distribution requirements for original listing; or

ii) if the securities are not convertible into participating securities, the listed issuer is exempt from Section 501.

(d) The following documents must be filed with TSX within ninety (90) days of TSX's conditional acceptance of the supplemental listing (or within such later time as TSX may stipulate):

i) a notarial or certified copy of the resolution of the board of directors of the listed issuer authoring the application to list the securities;

ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document, giving effect to the creation of the securities;

iii) one commercial copy of the final prospectus, or other offering document, if applicable;

iv) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities are validly issued as fully paid and non-assessable;

v) a definitive specimen of the generic or customized security certificate, if any, in accordance with the requirements set out in Appendix D;

vi) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to the securities (see Section 350); and

vii) evidence of satisfactory distribution of the securities to be listed, which evidence may take the form of a letter from the underwriters/agents setting out the anticipated distribution of the securities based on subscriptions received as of the date of the letter and that, at the time of listing, the distribution requirements set out in Subsections 609(b), 623(c) or Section 310 as applicable, will be met. For securities that are not to be listed immediately upon closing of a public offering or distributed by any other way, such letter may be provided by the transfer agent.

TSX will invoice the listed issuer for the supplemental listing fee payable (see TSX Listing Fee Schedule).

(e) In the case of securities being offered to the public, TSX may post such securities for trading prior to the closing of the offering, at the listed issuer's request (after consultation with the Participating Organization). TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as and when issued" basis.

H. Restricted Securities

Sec. 624.

(a) Except as otherwise provided in this Section 624, TSX's requirements respecting the listing of Restricted Securities (as defined in Part I) are applicable to all listed issuers having Restricted Securities listed on TSX, regardless of when the securities were listed. This Section needs to be read as a whole and in conjunction with OSC Rule 56-501. One of the principal objectives of this Section 624 is to alert investors of the fact that there are differences in the voting powers attached to the different securities of an issuer. This Section applies to non-incorporated entities to the extent applicable to ensure that the objective of this Section is met.

(b) For the purposes of this Section 624, all capitalized terms not otherwise defined are defined in Part I of this Manual.

(c) The legal designation of a class of securities, which shall be set out in the constating documents of the listed issuer and which shall appear on all security certificates representing such securities, shall, except where the securities are Preference Securities and are legally designated as such, include the words:

i) "subordinate voting" if the securities are Subordinate Voting Securities:

ii) "non-voting" if the securities are Non-Voting Securities;

iii) "restricted voting" if the securities are Restricted Voting Securities;

or such other appropriate term as TSX may approve from time to time.

(d) TSX will abbreviate the above designations for Restricted Securities in certain publications of TSX and will identify Restricted Securities in the quotations prepared for the financial press with a code. Brief explanations of the abbreviation or code, as determined by TSX from time to time, will appear as a footnote in such publications and quotations.

(e) A class of securities may not include the word "common" in its legal designation unless such securities are Common Securities.

(f) A class of securities may not be designated as "preference" or "preferred" unless, in the opinion of TSX, there is attached thereto a genuine and non-specious right or preference. Whether a class of securities has attached thereto a genuine and non-specious right or preference is a question of fact to be determined by examining all of the relevant circumstances.

(g) TSX may, subject to such terms and conditions as it may impose:

i) exempt a listed issuer from the designation requirements of Subsections 624(c), (d), (e) and (f):

ii) permit or require the use by a listed issuer, in respect of any class of securities, of a designation other than set forth in Subsections 624(c), (d), (e) and (f); and

iii) deem a class of securities to be Non-Voting, Subordinate Voting, or Restricted Voting Securities and require a listed issuer to designate such securities in a manner satisfactory to

TSX notwithstanding that such securities do not fall within the applicable definition set out in Part I.

In exercising its discretion, TSX will be guided by the public interest and the principles of disclosure underlying this Section 624.

(h) Every listed issuer shall give notice of security holders' meetings to holders of Restricted Securities and permit the holders of such securities to attend, in person or by proxy, and to speak at all security holders' meetings to the extent that a holder of Voting Securities of that listed issuer would be entitled to attend and to speak at security holders' meetings. The notice shall be sent to holders of Restricted Securities at least 21 days in advance of the meeting. Issuers applying for listing, whether by way of an original listing application or notice of a capital reorganization, shall include such rights in their charter documents.

(i) Every listed issuer whose Restricted Securities are listed on TSX shall describe the voting rights, or lack thereof of all Residual Equity Securities of the listed issuer in all documents, other than financial statements, sent to security holders and filed with TSX. Such documents include, but are not limited to, information circulars, proxy statements and directors' circulars.

(j) Unless exempted by TSX, every listed issuer shall send concurrently to all holders of Residual Equity Securities all informational documents required by applicable law or TSX requirements to be sent to holders of Voting Securities, or voluntarily sent to holders of Voting Securities in connection with a specific meeting of security holders. Such documents would include, but not be limited to, information circulars, notices of meeting, annual reports and financial statements.

(k) Where TSX requirements contemplate security holder approval, TSX may, in its discretion, require that such approval be given at a meeting at which holders of Restricted Securities are entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the listed issuer. See, for example, Sections 613 and 626.

(l) TSX will not accept for listing classes of Restricted Securities that do not have takeover protective provisions ("coattails") meeting the criteria below. The actual wording of a coattail is the responsibility of the listed issuer and must be pre-cleared with TSX.

1. If there is a published market for the Common Securities, the coattails must provide that if there is an offer to purchase Common Securities that must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Common Securities are listed, be made to all or substantially all holders of Common Securities who are in a province of Canada to which the requirement applies, the holders of Restricted Securities will be given the opportunity to participate in the offer through a right of conversion, unless:

    i) an identical offer (in terms of price per security and percentage of outstanding securities to be taken up exclusive of securities owned immediately prior to the offer by the offeror, or associates or affiliates of the offeror, and in all other material respects)

concurrently is made to purchase Restricted Securities, which identical offer has no condition attached other that the right not to take up and pay for securities tendered if no securities are purchased pursuant to the offer for Common Securities; or

ii) less than 50% of the Common Securities outstanding immediately prior to the offer, other than Common Securities owned by the offeror, or associates or affiliates of the offeror, are deposited pursuant to the offer.

2. If there is no published market for the Common Securities, the holders of at least 80% of the outstanding Common Securities will be required to enter into an agreement with a trustee for the benefit of the holders of Restricted Securities from time to time, which agreement will have the effect of preventing transactions that would deprive the holders of Restricted Securities of rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid if the Common Securities had been Restricted Securities.

   Where there is a material difference between the equity interests of the Common Securities and Restricted Securities, or in other special circumstances, TSX may permit or require appropriate modifications to the above criteria.

   The criteria are designed to ensure that the fact that Common Securities are not of the same class as Restricted Securities will not prevent the holders of Restricted Securities from participating in a take-over bid on an equal footing with the holders of Common Securities. If, in the face of these coattails, a take-over bid is structured in such a way as to defeat this objective, TSX may take disciplinary measures against any person or company or listed issuer under the jurisdiction of TSX who is involved, directly or indirectly, in the making of the bid. TSX may also seek intervention from regulators in appropriate cases.

   Where a listed issuer has an outstanding class of securities that carry more than one vote per security but are not Common Securities, coattails will be considered on an individual basis. Coattails may also be required by TSX in the case of a listed issuer that has more than one outstanding class of voting securities but no securities that fall within the definition of Restricted Securities.

   This Subsection 624(l) does not apply to classes of Restricted Securities that were listed on TSX prior to August 1, 1987, but if any listed issuer proposes to remove, add or change coattails attaching to such listed Restricted Securities, the proposal must be pre-cleared by TSX and must comply with this Section 624. Subsection 624(l) will apply to any new class of Restricted Securities applied for listing by a listed issuer having securities listed on TSX prior to August 1, 1987.

(m) TSX will not consent to the issuance by a listed issuer of any securities that have voting rights greater than those of the securities of any class of listed voting securities of the listed issuer, unless the issuance is by way of a distribution to all holders of the listed issuer's voting Residual Equity Securities on a pro rata basis.

For this purpose, the voting rights of different classes of securities will be compared on the basis of the relationship between the voting power and the equity for each class. For example, Class B Shares will be considered to have greater voting rights than Class A Shares if:

i) the shares of the two classes have similar rights to participate in the earnings and assets of the company, but the Class B Shares have a greater number of votes per share; or

ii) the two classes have the same number of votes per share, but it is proposed that Class B Shares will be issued at a price per share significantly lower than the market price per share of the Class A Shares.

This prohibition relates only to differences in voting rights attaching to securities of separate classes. It does not apply to an issuance of securities that reduces the collective voting power of the other outstanding securities of the same class without affecting the voting power of any other outstanding class, although other TSX policies may be applicable in this case. It also does not apply to a stock split of all of a listed issuer's outstanding Residual Equity Securities (or a stock dividend that has the same effect) if the stock split does not change the ratio of outstanding Restricted Securities to Common Securities.

TSX generally will exempt listed issuers from this Subsection 624(m) in the case of an issuance of multiple voting securities that would maintain (but not increase) the percentage voting position of a holder of multiple voting securities, subject to any conditions TSX may consider desirable in any particular case. One condition will be minority approval of security holders, as defined in Subsection 624(n) unless the legal right of the holder of multiple voting securities to maintain its voting percentage has been established and publicly disclosed prior to the later of November 6, 1989 and the time the listed issuer was first listed on TSX.

This Subsection 624(m) is intended to prevent transactions which would reduce the voting power of existing security holders through the use of securities carrying multiple voting rights. This result would normally be accomplished by way of an issuance of multiple voting securities. However, it is possible to arrive at the same result by means of mechanisms that are not technically "security issuances" such as amendments to security conditions, amalgamations and plans of arrangement. TSX may object to and/or impose such conditions, which it may consider desirable on any transaction that would result in voting dilution similar to that which would be brought about by the issuance of multiple voting security, even if no security issuance is involved.

A pro rata distribution to security holders that creates or affects Restricted Securities must be subject to minority approval of security holders as described in Subsection 624(n).

(n) TSX will not consent to a capital reorganization or pro rata distribution of securities to security holders of a listed issuer, which would have the effect of creating a class of Restricted Securities or changing the ratio of outstanding Restricted Securities to Common Securities, unless the proposal receives minority approval. For this purpose, minority approval means approval given by a majority of the votes cast at a security holders' meeting called to consider the proposal, other than votes attaching to securities beneficially owned by:

i) any person or company that beneficially owns, directly or indirectly, securities carrying more than 20% of the votes attaching to all outstanding voting securities of the listed issuer;

ii) any associate, affiliate or insider (each as defined in the OSA) of any person or company excluded by virtue of i);

iii) any person or company excluded by virtue of OSC Rule 56-501; and

iv) if i) and iii) are both inapplicable, all directors and officers of the listed issuer and their associates (as defined in the OSA).

TSX may require that persons or companies not specified above be excluded from a particular minority security holder vote if this is considered necessary to ensure that the objectives behind this Subsection 624(n) are not defeated.

A transaction generally will only be regarded as a "capital reorganization" for the purposes of the minority approval requirement if it involves a subdivision or conversion of one or more classes of Residual Equity Securities or if it has an effect similar to a pro rata distribution to holders of one or more classes of Residual Equity Securities. If a proposed capital reorganization would reduce the voting power of the existing security holders through the use of securities carrying multiple voting rights, TSX may regard the proposed reorganization as equivalent, in substance, to the type of security issuance that is prohibited by Subsection 624(m). This could be the case, for example, where the reorganization would not treat all holders of Residual Equity Securities in an identical fashion. In this case, TSX may not consent to the reorganization even with minority approval.

An issuance of Restricted Securities in the form of a stock dividend paid in the ordinary course will be exempted from the minority approval requirement. For this purpose, stock dividends generally will be regarded as being paid in the ordinary course if the aggregate of such dividends over any one-year period does not increase the number of outstanding Residual Equity Securities of the listed issuer by more than 10%.

(o) TSX may, where it determines that it is in the public interest to do so, exempt a listed issuer from compliance with this Section 624 or any requirement thereof subject to such terms and conditions as TSX may impose. In special circumstances, TSX may also set requirements or restrictions in addition to those set out in this Section 624 having regard to the public interest and the principles underlying this Section 624.

I. Redemptions of Listed Securities

Sec. 625.

(a) Where a listed issuer proposes to redeem, or partially redeem, listed securities, one copy of the notice of redemption must be filed with TSX concurrently with the sending of the notices to the security holders, but in any event no later than seven trading days prior to the redemption date. For a full redemption of a listed class of securities, such securities will normally be delisted from TSX at the close of business on the redemption date. For a partial redemption, listed

securities must be redeemed on a pro rata basis, TSX will not accept notice of a partial redemption of listed securities by lot.

(b) Where a listed issuer redeems or partially redeems securities which were convertible into listed securities, the listed issuer must advise TSX, as soon as possible after the redemption date, of the number of securities which were authorized for issuance for potential conversion of the redeemed securities but were not in fact issued. TSX will adjust its listing records accordingly.

J. Backdoor Listings

Sec. 626.

A "backdoor listing" occurs when a transaction results in the acquisition by or of a listed issuer of or by an entity not currently listed on TSX. The transaction may be a series of transactions and may take one of a number of forms, including an issuance of securities for assets, an amalgamation or a merger.

(a) Subject to Subsection 626(c), where TSX determines that a transaction is a backdoor listing, the approval procedure is similar to that of an original listing application. Generally, the listed issuer resulting from the transaction must meet the original listing requirements of TSX. TSX will also approve the transaction where the unlisted entity meets the original listing requirements of TSX (except for the public distribution requirements) and the entity resulting from the transaction:

i) meets the public distribution requirements for original listing;

ii) would appear to have a substantially improved financial condition as compared to the listed issuer; and

iii) has adequate working capital to carry on the business.

(b) A transaction resulting, or that could result, in the security holders of the listed issuer owning less than 50% of the securities or voting power of the entity resulting from the transaction, will generally be considered a backdoor listing.

Furthermore, in certain circumstances, TSX may determine to consider a transaction as a backdoor listing, notwithstanding that existing security holders of the listed issuer will continue to own 50% or more of the securities or voting power of the entity resulting from the transaction.

In making its determination, TSX will consider a variety of factors such as the business of the listed issuer and of the unlisted entity, the relative sizes of the listed issuer and the unlisted entity, changes to management (including the board of directors), as well as changes in voting power, security ownership and capital structure, among other factors that may be relevant in the particular circumstances.

In calculating whether security holders of the listed issuer will or could own less than 50% of the securities or voting power of the entity resulting from the transaction, any securities issued or issuable upon a concurrent financing that is contingent on or otherwise linked to the transaction will be included.

(c) The transaction must be approved by the security holders of the listed issuer's participating securities at a meeting prior to completion of the transaction. For this purpose, holders of Restricted Securities, as defined in Part I, must be entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the issuer.

TSX's approval of a backdoor listing must be obtained before the transaction is submitted to security holders for approval. If this is impracticable, the information circular sent to security holders must include a statement that the proposed transaction is subject to the acceptance of TSX. The listed issuer must file a draft of the information circular with TSX for review before the sending of the circular to the security holders.

K. Take-over Bids and Issuer Bids

Sec. 627.

(a) Where a take-over bid or issuer bid is made for securities of a listed issuer, it is the responsibility of the target issuer to ensure that one copy of the offering circular, directors' circular and all other materials sent to the security holders in connection with the bid are filed with TSX either concurrently with the sending of materials to the security holders or as quickly as possible thereafter.

TSX must be advised as soon as possible of any amendments to the terms of the bid, in order for TSX to have sufficient time to establish appropriate trading and settlement rules.

(b) The rules for take-over bids and issuer bids, and exemptions for same, are prescribed by securities legislation and, in some cases, corporate legislation. See, for example, Part XX of the OSA.

Any purchase through the facilities of TSX that is a take-over bid, as defined in applicable securities legislation of a Canadian jurisdiction, must be carried out in accordance with the terms of the exemption in Section 100 of the OSA, regardless of the location of the seller.

(c) When a listed issuer is the subject of a merger, acquisition, arrangement or other transaction which results in all its issued and outstanding securities listed on TSX being acquired by another entity (a "Going Private Transaction"), TSX will undertake to delist the securities of the listed issuer on a timely basis. Accordingly, once a listed issuer has provided satisfactory confirmation that a Going Private Transaction has been completed, TSX will promptly advise market participants that: (i) the Going Private Transaction has been completed; and (ii) as a result of the completion of the Going Private Transaction, the affected securities listed on TSX will be delisted at the close of business on the next trading day after the issuance of such notice. TSX believes that this process will give sufficient time to market participants to benefit from a liquid, fair and orderly market to carry out their investment strategies.

However, TSX will take into account a variety of factors in the application of this delisting procedure in the context of Going Private Transactions, including (i) for interlisted securities, the delisting process for such securities imposed by the other exchange or marketplace; and (ii)

whether replacement securities will be listed in substitution of securities delisted, in which case TSX may shorten the pre-notification period.

L. Normal Course Issuer Bids

Sec. 628. General.

(a) In Sections 628, 629, 629.1 and 629.2:

(i) **"average daily trading volume" or "ADTV"** means the trading volume on TSX for the most recently completed six calendar months preceding the date of acceptance of the notice of normal course issuer bid by TSX, excluding any purchases made by the listed issuer through the facilities of TSX under its normal course issuer bid during such six months, divided by the number of trading days for the relevant six months. In the case of listed securities which have been listed on TSX for a period of less than six months, the ADTV for such securities shall be based on the period since the date of listing, but must be at least four weeks preceding the date of acceptance of the notice of normal course issuer bid by TSX;

(ii) **block"** means a quantity of securities that either:

(a) has a purchase price of $200,000 or more; or

(b) is at least 5,000 securities and has a purchase price of at least $50,000; or

(c) is at least 20 board lots of the security and total 150% or more of the ADTV for that security;

and are not owned, directly or indirectly, by an insider of the listed issuer;

(iii) **"broker"** means the participating organization designated by the listed issuer to make all purchases of listed securities for the purposes of the normal course issuer bid;

(iv) **"circular bid"** means a formal take-over bid or a formal issuer bid made in compliance with the requirements of Part XX of the OSA;

(v) **"debt substantial issuer bid"** means an issuer bid, other than a normal course issuer bid, for debt securities that are not convertible into securities other than debt securities;

(vi) **"insider"** has the same definition found in Section 601 of this Manual;

(vii) **"investment fund"** has the same definition found in National Instrument 51-102 *Continuous Disclosure Obligations*;

(viii) **"issuer bid"** means an offer, made through the facilities of TSX, to acquire listed securities made by or on behalf of a listed issuer for securities issued by that listed issuer, unless:

(a) the securities are purchased or otherwise acquired in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are purchased to meet sinking fund or purchase fund requirements;

(b) the purchase or other acquisition is required by the instrument creating or governing the class of securities or by the statute under which the issuer was incorporated, organized or continued; or

(c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right;

(ix) "**normal course issuer bid**" means an issuer bid by a listed issuer to acquire its listed securities where the purchases:

(a) if the issuer is not an investment fund, do not, when aggregated with all other purchases by the listed issuer during the same trading day, aggregate more than the greater of: (i) 25% of the average daily trading volume of the listed securities of that class; and (ii) 1,000 securities;

(b) if the issuer is an investment fund, do not, when aggregated with all other purchases by the listed issuer during the preceding 30 days, aggregate more than 2% of the listed securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by TSX; and

(c) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of

(i) 10% of the public float on the date of acceptance of the notice of normal course issuer bid by TSX, or

(ii) 5% of such class of securities issued and outstanding on the date of acceptance of the notice of normal course issuer bid by TSX, excluding any securities held by or on behalf of the listed issuer on the date of acceptance of the notice of normal course issuer bid by TSX,

and for the purposes of (b) and (c), whether such purchases are made through the facilities of a stock exchange or otherwise, but excluding purchases made under a circular bid;

(x) "**principal security holder**" of a listed issuer means a person or company who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding securities of any class of voting securities or equity securities of the listed issuer; and

(xi) "**public float**" means the number of securities of the class which are issued and outstanding, less the number of securities that are pooled, escrowed or non-transferable, and less the number of securities of the class, known to the issuer after reasonable inquiry, beneficially owned, or over which control or direction is exercised by:

(a) the listed issuer;

(b) every senior officer or director of the listed issuer; and

(c) every principal security holder of the listed issuer.

(b) For the purposes of Sections 628, 629, 629.1 and 629.2:

(i) a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted;

(ii) in determining the beneficial ownership of securities of a security holder or of any person or company acting jointly or in concert with the security holder, at any given date, the security holder, person or company shall be deemed to have acquired and be the beneficial owner of a security if the security holder, person or company is the beneficial owner of any issued security on that date;

(iii) in calculating the number of securities acquired by the listed issuer, securities purchased by a person or company acting jointly or in concert with the listed issuer, as determined in accordance with 1.9 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*, during the period of an outstanding normal course issuer bid will be included. In certain circumstances, TSX will not aggregate securities purchased by a person or a company acting jointly or in concert with a listed issuer. Refer to Staff Notice 2008-0001 for further information; and

(iv) the number of securities that may be acquired by a listed issuer shall be adjusted to account for stock splits, consolidations and stock dividends, or other similar events.

(c) For the purposes of Section 101.2(1) of the OSA, an issuer bid may only be completed as a normal course issuer bid in accordance with Sections 629 and 629.1. A debt substantial issuer bid may only be completed in accordance with Section 629.2.

Sec. 629. Special Rules Applicable to Normal Course Issuer Bids

(a) The provisions of this section shall apply to all normal course issuer bids.

(b) The filing of a notice is a declaration by the listed issuer that it has a present intention to acquire securities. The notice must set out the number of securities that the listed issuer's board of directors has determined may be acquired rather than simply reciting the maximum number of securities that may be purchased pursuant to Section 628(a)(ix)(c). A notice is not to be filed if the listed issuer does not have a present intention to purchase securities.

(c) TSX will not accept a notice if the listed issuer would not meet the criteria for continued listing on TSX, assuming all of the purchases contemplated by the notice were made.

(d) TSX requires that the listed issuer prepare and submit to TSX a draft of the notice containing the information prescribed by Form 12, Notice of Intention to Make a Normal Course Issuer Bid, found in Appendix H. When the notice is in a form acceptable to TSX, the listed issuer shall file the notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. The final form of the notice must be filed at least two clear trading days prior to the commencement of any purchases under the bid.

(e) A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

(f) The listed issuer will issue a press release indicating its intention to make a normal course issuer bid, subject to TSX acceptance, prior to acceptance of the executed notice by TSX. The press release shall summarize the material aspects of the contents of the notice, including the number of securities the listed issuer intends to repurchase, the method of disposition of the securities, if applicable, the reason for the bid and details of any previous purchases in the preceding 12-month period, including the maximum number of securities that the listed issuer sought and obtained approval to purchase, the number of securities purchased, the manner in which the securities were purchased (i.e. on the market or pursuant to exemption orders issued by securities regulatory authorities), and the volume weighted average price paid. If a press release has not already been issued, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the notice is accepted by TSX. A copy of the final press release shall be filed with TSX.

(g) The listed issuer shall include a summary of the material information contained in the notice in the next annual report, information circular, quarterly report or other document mailed to security holders. The document should indicate that security holders may obtain a copy of the notice, without charge, by contacting the listed issuer.

(h) A normal course issuer bid may commence on the date that is two trading days after the later of:

(i) the date of acceptance by TSX of the listed issuer's final executed Form 12 notice; or

(ii) the date of issuance of the news release required by Subsection (f) of this Section 629.

(i) During a normal course issuer bid, a listed issuer may determine to amend its notice by increasing the number of securities sought while not exceeding: (i) the maximum percentages referred to in the definition of normal course issuer bid or (ii) provided that the issuer has increased its number of issued securities which are subject to the bid by at least 25% from the number of issued securities as at the date of acceptance of the notice of normal course issuer bid by TSX, the maximum percentages referred to in the definition of normal course issuer bid, as at the date of the amended notice. When the amended notice is in a form acceptable to TSX, the listed issuer shall file the amended notice in final form, duly executed by a senior officer or director of the listed issuer, for acceptance by TSX. In addition, a draft press release must be provided to TSX and the listed issuer shall issue a press release as soon as the amended notice is accepted by TSX. A copy of the final press release shall be filed with TSX. Upon acceptance of the amended notice, TSX will publish a summary notification of the normal course issuer bid in its Daily Record. The amended normal course issuer bid may commence on the date that is two trading days after the later of: (i) the date of acceptance by TSX of the listed issuer's final amended and executed Form 12 notice; or (ii) the date of issuance of the news release required by this Section 629(i).

(j) A trustee or other purchasing agent (hereinafter referred to as a "trustee") for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or security holders of a listed issuer may participate, is deemed to be making an offer to acquire securities on behalf of the listed issuer where the trustee is deemed to be non-independent. Trustees that

are deemed to be non-independent are subject only to Subsections 629(k) and (l) and to the limits on purchases of the listed issuer's securities prescribed by the definition of "normal course issuer bid". Trustees that are non-independent must notify TSX before commencing purchases. A trustee is deemed to be non-independent where:

(i) the trustee (or one of the trustees) is an employee, director associate or affiliate of the listed issuer; or

(ii) the listed issuer, directly or indirectly, has control over the time, price, amount and manner of purchases or the choice of the broker through which the purchases are to be made. The listed issuer is not considered to have control where the purchase is made on the specific instructions of the employee or security holder who will be the beneficial owner of the securities.

TSX should be contacted where there is uncertainty as to the independence of the trustee.

(k) Within 10 days of the end of each month in which any purchases are made, whether the securities were purchased through the facilities of TSX or otherwise, the listed issuer shall report its purchases to TSX stating the number of securities purchased during its purchases that month, giving the volume weighted average price paid and stating whether the securities have been cancelled, reserved for issuance or otherwise dealt with. Nil reports are not required. The listed issuer may delegate the reporting requirement to the broker appointed to make its purchases; however, the listed issuer bears the responsibility of ensuring timely reports are made. TSX periodically publishes a list of securities purchased pursuant to normal course issuer bids.

This paragraph also applies to purchases by non-independent trustees and to purchases by any party acting jointly or in concert with the listed issuer. Purchases by non-independent trustees and other parties acting jointly or in concert with the listed issuer are excluded from TSX's periodic publication of securities purchased pursuant to normal course issuer bids.

(l) TSX has set the following rules for listed issuers and brokers acting on their own behalf:

1. ***Price Limitations***—It is inappropriate for a listed issuer making a normal course issuer bid to abnormally influence the market price of its securities. Therefore, purchases made by listed issuers pursuant to a normal course issuer bid shall be made at a price which is not higher than the last independent trade of a board lot of the class of securities which is the subject of the normal course issuer bid. In particular, the following are not "independent trades":

   (a) trades directly or indirectly for the account of (or an account under the direction of) an insider;

   (b) trades for the account of (or an account under the direction of) the broker making purchases for the bid;

   (c) trades solicited by the broker making purchases for the bid; and

   (d) trades directly or indirectly by the broker making purchases for the bid which are made in order to facilitate a subsequent block purchase by the issuer at a certain price.

Notwithstanding the foregoing, TSX will not consider that a trade has been made at a price that is higher than the last independent trade provided that:

(i) The independent trade occurs no more than one second before the NCIB purchase creating the uptick;

(ii) The independent trade is a down tick to the previous trade and the NCIB purchase would not have created an uptick to the trade prior to the last independent trade; and

(iii) the price difference between the NCIB purchase and the independent trade is not more than $0.02.

2. ***Prearranged Trades***—It is important to investor confidence that all holders of identical securities be treated in a fair and even-handed manner by the listed issuer. Therefore, an intentional cross or pre-arranged trade, under a normal course issuer bid is not permitted, unless such trade is made in connection with the block purchase exception.

3. ***Private Agreements***—It is in the interest of security holders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the OSA, which provides very limited exemptions for private agreement purchases. Therefore, purchases must be made by means of open market transactions.

4. ***Sales from Control***—Purchases pursuant to a normal course issuer bid shall not be made from a person or company effecting a sale from control block pursuant to Part 2 of National Instrument 45-102—*Resale of Securities* and Sections 630-633 of this Manual. It is the responsibility of the broker acting as agent for the listed issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a broker is offering the same class of securities of the listed issuer under a sale from control.

5. ***Purchases During a Circular Bid***—A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a circular bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof. This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

   In addition, if the listed issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid other than those permitted by OSC Rule 48-501 *Trading During Distributions, Formal Bids and Share Exchange Transactions*.

6. ***Undisclosed Material Information***—A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid while the listed issuer possesses any material information which has not been disseminated. Reference is made to the TSX Timely Disclosure Policy in this regard. This restriction does not apply to normal course issuer bids carried out pursuant to automatic securities purchase plans established by the listed issuer in accordance with applicable securities laws, particularly Section 175 of Regulation 1015 of the OSA. All such plans must be pre-cleared by TSX prior to implementation. Please see OSC

Staff Notice 55-701—*Automatic Securities Disposition Plans and Automatic Securities Purchase Plans*, or any successor notice, policy or instrument, for additional guidance.

7. ***Block Purchase Exception***—A listed issuer may make one block purchase per calendar week which exceeds the daily repurchase restriction contained in Subsection 628(a)(ix)(a), subject to maximum annual aggregate limits. Once the block purchase exception has been relied on, the listed issuer may not make any further purchases under the normal course issuer bid for the remainder of that calendar day.

8. ***Purchases at the Opening and Closing***—A listed issuer shall not make any purchases of its securities pursuant to a normal course issuer bid at the opening of a trading session, or during the 30 minutes before the scheduled close of a trading session. However, notwithstanding Subsection 629(l)(1), purchases of securities pursuant to a normal course issuer bid may be effected through the market on close facility.

(m) A listed issuer shall appoint only one broker at any one time as its broker to make purchases. The listed issuer shall inform TSX in writing of the name of the responsible broker and registered representative. The broker shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions of Sections 628, 629 and 629.1 and the terms of such notice. To assist TSX in its surveillance function, the listed issuer is required to receive prior written consent of TSX where it intends to change its broker.

(n) Failure to comply with any requirement herein may result in the suspension of the bid.

(o) Listed issuers cancelling securities purchased through an NCIB must ensure that such securities are withdrawn from CDS and cancelled on the transfer agent's register in a timely manner once the NCIB purchase has been settled.

Sec. 629.1 [Deleted.]

Sec 629.2. Debt Substantial Issuer Bids

(a) The provisions of this section shall apply to a debt substantial issuer bid provided that:

(i) there is no legal or regulatory requirement to provide a valuation of the securities that are the subject of the bid to security holders; or

(ii) exemptions from all applicable requirements have been obtained.

(b) A listed issuer making a debt substantial issuer bid shall file with TSX a notice in the form of Form 13 found in Appendix H and shall not proceed with the bid until the notice has been accepted by TSX.

(c) Immediately after TSX has accepted notice of the debt substantial issuer bid, the listed issuer shall:

(i) disseminate details of the bid to the media in the form of a news release in a form approved by TSX; and

(ii) communicate the terms of the bid by advertising in the manner prescribed by TSX, or by such other means as may be approved by TSX.

(d) A book for receipt of tenders to the debt substantial issuer bid shall be opened on TSX not sooner than the thirty-fifth calendar day after the date on which notice of the bid is accepted by TSX and at such time, and for such length of time, as may be determined by TSX.

(e) Where in a debt substantial issuer bid, more securities are tendered than the number of securities sought, the listed issuer shall take up a proportion of all securities tendered equal to the number of securities sought divided by the number of securities tendered, and participating organizations shall make allocations in respect of securities tendered in accordance with the instructions of TSX.

(f) In respect of a debt substantial issuer bid:

(i) no participating organization shall knowingly assist or participate in the tendering of more securities than are owned by the tendering party; and

(ii) tendering, trading and settlement by participating organizations shall be in accordance with such rules as TSX shall specify to govern each bid.

(g) If a listed issuer makes or intends to make a debt substantial issuer bid, neither the listed issuer nor any person acting jointly or in concert with the listed issuer shall enter into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the listed issuer subject to the bid that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

(h) A notice of amendment shall be filed with TSX for any proposed amendment to the terms of the debt substantial issuer bid. The proposed amendment will only be effective upon the acceptance of the TSX.

(i) Where the listed issuer becomes aware of a material change in any of the information contained in the notice in respect of a debt substantial issuer bid, the listed issuer shall file with the TSX forthwith a notice of amendment. The proposed amendment will only be effective upon the acceptance of the TSX.

(j) Immediately upon acceptance of the notice of amendment by the TSX, the listed issuer shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book.

Effect of Amendments to Sections 628, 629, 629.2 & 629.3

Sec. 629.3.

The amendments to Sections 628, 629, 629.2 and 629.3 will become effective on **June 1, 2007** (the "Effective Date"). On the Effective Date, the remaining provisions within Appendix F will be repealed (the "Former Rules"). The provisions regarding exchange take-over bids, exchange issuer bids and normal course purchases were previously repealed as of January 1, 2005. However, the Former Rules will continue to apply only to those listed issuers who are eligible to be grandfathered under the Former Rules until the expiry of their NCIB.

As of the Effective Date:

1. all Notices of Intention to Make a Normal Course Issuer Bid or Debt Substantial Issuer Bid filed on or after the Effective Date must be in accordance to the amendments;
2. Issuer Bids whose commencement date was prior to the Effective Date, or which TSX has accepted notice thereof in writing prior to the Effective Date but have not yet commenced, may comply with the Former Rules in effect at the time of acceptance until the expiry of the bid; and
3. Issuer Bids that are eligible to be grandfathered under the Former Rules may choose to comply with the amendments, provided that a revised Notice of Intention is accepted by TSX and a press release reflecting the revisions is released at the time of acceptance.

M. Sales from Control Block through the Facilities of the Exchange

Sec. 630. Responsibility of Participating Organization and Seller

It is the responsibility of both the selling security holder and participating organization acting on their behalf to ensure compliance with TSX requirements and applicable securities laws. In particular, participating organization and selling security holders should familiarize themselves with the procedures and requirements set out in Part 2 of National Instrument 45-102.

Sec. 631. Sales Pursuant to an Order or Exemption

If securities are to be sold from a control block pursuant to an order made under section 74 of the OSA or an exemption contained in Part XVII of the OSA or in Part IV of National Instrument 45-106—*Prospectus Exempt Distributions*, the securities acquired by the purchaser may be subject to a hold period in accordance with the provisions of the OSA or National Instrument 45-102. Sales of securities subject to a hold period are special terms trades and will normally be permitted to take place on TSX without interference.

Sec. 632. General Rules for Control Block Sales on the Exchange

1. **Filing**—The seller shall file Form 45-102F1 Notice of Intention to Distribute Securities under subsection 2.8 of N1 45-102, *Resale of Securities* with TSX at least seven calendar days prior to the first trade made to carry out the distribution.
2. **Notification of Appointment of Participating Organization**—The seller must notify TSX of the name of the participating organization which will act on behalf of the seller. The seller shall not change the participating organization without prior notice to TSX.
3. **Acknowledgement of Participating Organization**—The participating organization acting as agent for the seller shall give notice to TSX of its intention to act on the sale from control before any sales commence.
4. **Report of Sales**— [Deleted]
5. **Issuance of TSX Bulletin**—TSX shall issue a bulletin respecting the proposed sale from control which bulletin will contain the name of the seller, the number of securities of the listed

company held by the seller, the number proposed to be sold, and any other information that TSX considers appropriate. TSX may issue further bulletins from time to time regarding the sales made by the seller

6. **Special Conditions**—TSX may, in circumstances it considers appropriate, require that special conditions be met with respect to any sales. Possible conditions include, but are not limited to, the requirement that the seller not make a sale below the price of the last sale of a board lot of the security on TSX which is made by another person or company acting independently.
7. **Term**—The filing of Form 45-102F1 is valid for a period of 30 days from the date the form was filed.
8. **First Sale**—The first sale cannot be made until at least seven calendar days after the filing of Form 45-102F1.

Sec. 633. Restrictions on Control Block Sales on the Exchange

1. **Private Agreements**—A participating organization is not permitted to participate in sales from control by private agreement transactions.
2. **Normal Course Issuer Bids**—If the listed issuer of the securities which are the subject of the sale from control block is undertaking a normal course issuer bid in accordance with Section 629 of this Manual, the normal course issuer bid and the sale from control block will be permitted on the condition that:
   (a) the participating organization acting for the listed issuer confirms in writing to TSX that it will not bid for securities on behalf of the listed issuer at a time when securities are being offered on behalf of the control block seller;
   (b) the participating organization acting for the control block seller confirms in writing to TSX that it will not offer securities on behalf of the control block seller at a time when securities are being bid for under the normal course issuer bid; and
   (c) transactions in which the listed issuer is on one side and the control block seller on the other are not permitted.
3. **Price Guarantees**—The price at which the sales are to be made cannot be established or guaranteed prior to the seventh day after the fling of Form 45-102F1 with TSX.
4. **Crosses**—A participating organization may distribute the whole of a control block sale to its own clients by means of a cross. Established crossing rules require that, prior to execution, all orders that are entered on any Canadian exchange at better prices than the price of the proposed cross must be filled in full. If the market is to be moved before execution of a cross, the responsible registered trader should be notified in advance.

N. Security Holder Rights Plans

Sec. 634. General

(a) Security holder rights plans (commonly referred to as "poison pills") fall under TSX jurisdiction by virtue of Section 602 which requires listed issuers to pre-clear with TSX any potential issuance of equity securities.

(b) TSX neither endorses nor prohibits the adoption of poison pills generally or in connection with any particular take-over bid. The securities commissions in Canada are responsible for reviewing the propriety or operation of take-over bid defensive tactics pursuant to National Policy 62-202, including the adoption of a poison pill after the announcement or commencement of a hostile take-over bid. In the latter example, TSX will defer its review of such a poison pill until after the appropriate securities commission has determined whether it will intervene pursuant to National Policy 62-202.

(c) TSX believes that security holders of the listed issuer should have the opportunity to decide whether the continued existence of a plan that has been adopted by the board of directors of the listed issuer in the normal course of affairs (i.e. absent a threatened or actual specific take-over bid) is in the security holders' best interests.

Sec. 635. Filing and Listing Procedure

(a) A draft of the proposed security holder rights plan (the "plan") or poison pill should be filed with TSX along with a covering letter requesting TSX accept the plan for filing. The letter must include the following:

i) a statement as to whether the listed issuer is aware of any specific take-over bid for the listed issuer that has been made or is contemplated, together with full details regarding any such bid;

ii) a description of any unusual features of the plan;

iii) a statement as to whether the plan treats any existing security holder differently from other security holders. The usual example of this is where, at the time of the plan's adoption a security holder (or group of related security holders) owns a percentage of securities that exceeds the triggering ownership threshold identified in the plan but such security holder is exempted from the operation of the plan;

iv) if a plan has a triggering threshold of less than 20%, a thorough rationale and explanation with respect to why the plan has such a triggering threshold; and

v) any other significant information relevant to the plan or the application that is not otherwise disclosed in the letter application, such as knowledge of upcoming proxy contests, acquisitions/dispositions of a block of securities above the triggering threshold, if the listed issuer does not intend to seek security holder approval or if security holder approval of the plan is unlikely.

(b) If a listed issuer adopts a plan without pre-clearance from TSX, the listed issuer must:

i) publicly announce the adoption of its plan as subject to TSX acceptance;

ii) as soon as possible after the adoption of the plan, file with TSX a copy of the plan along with the covering letter described in Subsection 635(a); and

iii) publicly announce TSX's decision to defer its review of, consent to or to deny consent of a plan as soon as possible after TSX has rendered such decision.

(c) If TSX consents to the adoption of a plan, the rights issued to security holders will be automatically listed on TSX when those securities are issued. The rights will not appear as a separate entry on TSX trading list.

Sec. 636. TSX Approach

(a) If a plan is adopted at a time when the listed issuer is not aware of any specific take-over bid for the listed issuer that has been made or is contemplated, TSX will not generally refuse the plan for filing, provided that it is ratified by the security holders of the listed issuer at a meeting held within six months following the adoption of the poison pill. Pending such security holder ratification, the plan is allowed to be in effect so that its intent is not circumvented prior to the security holders meeting. If security holders do not ratify the plan by the required time, the plan must be immediately cancelled and any rights issued thereunder must be immediately redeemed or cancelled. TSX will also defer its review of, or decision to consent to, a plan if the listed issuer does not intend to seek security holder approval for the plan or if security holder approval of the plan is unlikely.

(b) In cases where a particular security holder may be exempted from the operation of a plan even though the security holder's percentage holding exceeds the plan's triggering ownership threshold, TSX will normally require that the plan be ratified by a vote of security holders that excludes the votes of the exempted security holder and its insiders as well as by a vote that does not exclude such security holder. TSX will not exclude parties other than those specifically exempted from the operation of the plan.

(c) If a plan can be reasonably perceived to have been proposed or adopted as a response to a specific take-over bid for a listed issuer that has been made or is contemplated, TSX will normally defer its decision on whether to consent to the plan until the appropriate securities commission has had the opportunity to consider whether it will initiate proceedings by virtue of National Policy 62-202 regarding defensive tactics. If the appropriate securities commission chooses not to intervene, TSX will generally not object to the adoption of a poison pill, subject to security holder ratification as described in Subsections 636(a) and (b) and subject to Sections 634, 635 and 637.

Sec. 637. Plan Amendment

No amendment of a plan that has been adopted by a listed issuer may be made without the prior written consent of TSX. In order to seek such consent, the listed issuer must file with TSX (i) a black-lined draft of the amended plan, and (ii) a letter that summarizes the proposed changes to the plan. If an amendment to a plan can reasonably be perceived to have been proposed as a response to a specific or contemplated take-over bid, TSX will treat the amended plan as a new plan in accordance with Subsection 636(c).

O. Odd Lot Selling and Purchase Arrangements

Sec. 638. General

(a) An odd lot of securities is less than a board lot. Listed issuers may reduce the number of holders of odd lots by using the procedure in Section 639.

(b) The procedure described in Section 639 is intended to facilitate odd lot sales at a reasonable cost to listed issuers. It is consistent with the objective of TSX to enhance the marketability of small holdings.

(c) The procedure described in Section 639 must be followed where a listed issuer seeks the assistance of a participating organization to solicit odd lots for resale on TSX, or to offer to defray the commissions payable by odd lot holders in acquiring additional securities on TSX to make up a board lot.

Sec. 639. Procedures Applicable to Odd Lot Selling and Purchase Arrangements

(a) Under an odd lot selling arrangement (a "Selling Arrangement") a listed issuer agrees to pay a fee per odd lot account to participating organizations to sell listed securities on behalf of odd lot holders. Under an odd lot purchase arrangement (a "Purchase Arrangement", together with a Selling Arrangement referred to herein as an "Arrangement") a listed issuer agrees to pay a fee per odd lot account to participating organizations to purchase a sufficient number of listed securities on behalf of odd lot holders to constitute a board lot.

(b) The listed issuer shall request odd lot holders wishing to take advantage of an Arrangement to either:

(1) place orders under the Arrangement with any participating organization; or

(2) transmit orders under the Arrangement directly to the listed issuer or an agent (such as a broker or transfer agent) designated by it.

If option (1) is selected, a participating organization shall be appointed as manager of the Arrangement (the "Manager") and shall be responsible for maintaining records of transactions and remitting the fees payable to other participating organizations. Special procedures applicable to options (1) and (2) are set out in Subsections 639(d) and (e).

(c) **Trading Odd Lots.** A Selling Arrangement may be carried out in one of two ways:

(1) the listed securities tendered by odd lot holders must be aggregated into board lots and sold promptly by a participating organization on TSX; or

(2) the listed securities must be sold promptly in the form of odd lots through the minimum guarantee fill system ("MGF"). In the event that odd lots are sold through the MGF the responsible Registered Trader will aggregate odd lots for resale in the normal course of his activities.

Similarly, under a Purchase Arrangement a participating organization must promptly acquire a sufficient number of listed securities to increase an odd lot holder's holding to a full board lot either (1) by purchases by the participating organization on TSX; or (2) through the MGF.

(d) **Rules Applicable to Arrangements through Participating Organizations.** The following applies to Arrangements where odd lot holders are to place orders with any participating organization (option (1) under Subsection 639(b))

i) It is anticipated that many odd lot holders will not currently have an account with a participating organization. In order to simplify the administration of an Arrangement being effected through participating organizations new account forms are not required to be completed for odd lot holders and transactions made pursuant to an Arrangement may be effected through an omnibus account. The participating organization must maintain proper records of orders as required by TSX Rule 2-404 "Records of Orders.

ii) If required by the listed issuer, participating organizations selling odd lots on behalf of clients under a Selling Arrangement, or purchasing listed securities under a Purchase Arrangement, shall prepare a signed statement that to the best of the knowledge of the representative of the participating organization the listed securities of each named beneficial owner sold under a Selling Arrangement constitute all of the listed securities owned by such beneficial owner and that the number of listed securities purchased under a Purchase Arrangement for each named beneficial owner is the number of listed securities required to increase each beneficial owner's holding to the level of one board lot, as the case may be, and shall keep each such statement in its files for inspection by TSX. Participating organizations are not required to disclose the names of their clients to the Manager of an Arrangement or the listed issuer.

iii) In the event that odd lots are held in the name of a participating organization on behalf of a customer who wishes to sell his listed securities pursuant to a Selling Arrangement the participating organization shall either (A) sell such listed securities on behalf of the customer pursuant to the Arrangement, (B) provide the customer with deliverable listed securities in order to permit the customer to tender such securities to another participating organization along with a certificate stating that, to the best of the participating organization's knowledge, the customer held a stated number of listed securities as of the record date of the Arrangement, or (C) tender such listed securities to another participating organization who is willing to sell the listed securities pursuant to the Arrangement on behalf of the customer.

iv) The Manager shall maintain records of the transactions effected by participating organizations pursuant to the Arrangement. Participating organizations shall report such transactions to the Manager on a weekly basis. The Manager shall remit the amount offered by the listed issuer per odd lot account promptly after the receipt of each weekly report. The amount receivable by each participating organization is required to be used, in its entirety, to replace or reduce the normal brokerage commissions otherwise payable by odd lot holders.

v) The price received or to be paid for an odd lot shall be the quoted price at which the trade is executed by the participating organization. If the listed securities of an odd lot holder are sold or purchased as part of more than one board lot and different prices are received or

paid, the amount remitted to the customer, or paid by the customer, shall be the average price and the confirmation must disclose that an average price has been used and must list the prices at which the trades were made.

TSX anticipates that the Manager will advise the listed issuer concerning a reasonable fee payable per odd lot account.

(e) **Rules Applicable to Arrangements through the Listed Issuer.** The following applies to Arrangements where odd lot holders are to place orders through the listed issuer or an agent designated by it (option (2) under Subsection 639(b))

i) The listed issuer or its agent shall send orders received pursuant to the Arrangement to one or more participating organizations for execution forthwith after clearance of such orders for trading. Orders received and cleared for execution shall be placed with the participating organization no later than 12:00 p.m. on the next business day for execution on TSX. Orders may be aggregated, but not netted, by the listed issuer or its agent.

ii) The participating organization shall execute aggregated buy or sell orders as soon as possible, subject to its discretion in fulfilling its obligation to obtain the best available price for the customer and to avoid any undue impact on such price.

iii) The price received or to be paid for an odd lot shall be the average price received on all orders placed with the participating organization for execution on a given day, regardless of when any of such orders are executed.

iv) In addition to the information required by Subsection 639(i), the disclosure document shall contain a statement that the price received or to be paid for an odd lot will be the average price received on all orders placed with the participating organization for execution on a given day, regardless of when any of such orders are executed. An estimate of the period of time required for mailing and clearing an order must be disclosed, and that the quoted price of the stock may change during such period.

(f) **Obligations to Odd Lot Holders.** A participating organization must obtain the best price available for its customer (the odd lot holder) in executing trades pursuant to an Arrangement. Notwithstanding any financial arrangement with the listed issuer, participating organizations must satisfy their fiduciary duty to odd lot holders in accordance with this Policy and applicable law. The listed issuer shall not, directly or indirectly, influence the time, price, amount or manner of sales or purchases of odd lots. Subject to any agreement to the contrary, participating organizations may acquire or sell odd lots in principal transactions in accordance with TSX Policy 4-502 "Exposure of Client Orders" and TSX Rule 4-502 "Client Principal Trading". Participating organizations may not be a prominent influence in the market for the listed securities at a time when a principal transaction is proposed to be executed.

(g) **Security Holders Eligible to Participate.** Only persons or companies who are holders of less than one board lot as defined in Part I of this Manual are eligible to participate in either type of Arrangement. The determination as to whether a person or company is the holder of an odd lot shall be made as of a record date established by the listed issuer. The record date must be prior

to the public announcement of the Arrangement in accordance with Subsection 639(h) in order to ensure that board lots will not be broken up in order to participate in the Arrangement.

An Arrangement is required to be extended to both registered holders of odd lots and beneficial owners of odd lots registered in nominee form. TSX will approve an Arrangement directed to the holders of a specific number of listed securities or less that does not include all odd lot holders where it is satisfied that holders of more than the specified number of listed securities are not disadvantaged as a result of minimum commission rates.

TSX recognizes an exception from the requirement that either type of Arrangement be extended to all odd lot holders in the case of participants in stock ownership plans established by a listed issuer for its employees and in the case of participants in dividend reinvestment plans. Since plans of this kind are intended to promote security ownership as an incentive to employees and security holders and provide a special advantage to its participants listed issuers may wish to exclude plan participants from an Arrangement. Accordingly, a listed issuer will be permitted to exclude from an Arrangement any participant in a bonus, profit-sharing, pension, retirement, incentive, stock purchase, stock ownership, stock option or similar plan instituted for employees of the listed issuer or its subsidiaries or any participant in a dividend reinvestment plan instituted by the listed issuer.

(h) **Duration of an Arrangement.** An Arrangement is required to remain open for at least thirty calendar days from acceptance by TSX in order to ensure adequate dissemination of information. An Arrangement may continue for a maximum period of ninety calendar days and may thereafter be renewed with the prior written consent of TSX for two additional thirty day periods following the expiry of the initial period. In order for TSX to consider the renewal of an Arrangement, a written request must be provided to TSX of the proposed renewal at least seven business days prior to the expiry of the previous period. (see Subsection 639(i)(iv)).

(i) **Dissemination of Information.**

i) The listed issuer shall file with TSX a copy of a draft press release announcing an Arrangement and a draft disclosure document which includes the information required under clause iii) below at least five business days before the record date. The press release shall not be issued and the disclosure document shall not be distributed to securityholders until written approval has been given by TSX.

ii) A press release shall be issued on the first business day following the record date after written approval has been given by TSX.

iii) Following issuance of the press release a disclosure document shall be sent by the listed issuer to each securityholder of record on the record date that holds an odd lot. Where a securityholder of record holds listed securities on behalf of other persons or companies, the listed issuer shall provide, upon the request of such holder, a sufficient number of copies for each beneficial owner of an odd lot. The disclosure document, the original of which must be signed by a duly authorized officer of the listed issuer and filed with TSX, shall include the following items of information:

i. Name of listed issuer and the nature of the Arrangement being made available to odd lot holders.

ii. A description of the class or classes of listed securities subject to the Arrangement and the holders eligible to participate.

iii. A statement that: (a) the listed issuer will pay one or more participating organizations a fee to sell or purchase odd lots, as the case may be, in the open market on behalf of odd lot holders; (b) for the purpose of the Arrangement, the odd lot holder is the customer of the participating organization agreeing to sell or purchase listed securities, as the case may be, pursuant to the Arrangement, and; (c) the participating organization is required to obtain the best available price for the odd lot holder.

iv. If applicable, state that the participating organization may purchase or sell odd lots under the Arrangement as principal in accordance with TSX requirements.

v. The duration of the Arrangement.

vi. The purpose of the Arrangement.

vii. A description of the procedure that must be followed by both registered odd lot holders and beneficial owners of odd lots held in nominee form to participate in an Arrangement.

viii. The name, address and telephone number of the department or person at the listed issuer from whom additional information may be obtained and that the odd lot holder should consider contacting his or her broker concerning the advisability of participating in the Arrangement.

iv) See Subsection 639(e)(iv) for additional information required in the disclosure document in connection with Arrangements through the listed issuer. A request for a renewal of an Arrangement shall be accompanied by a statement of the number of listed securities previously sold or purchased, as the case may be, under the Arrangement. Upon acceptance by TSX the listed issuer shall issue a press release announcing the renewal of the Arrangement.

(j) A listed issuer may also purchase odd lots offered in the marketplace pursuant to a normal course issuer bid implemented in accordance with Section 629.

(k) A listed issuer may have both a Normal Course Issuer Bid, and either a Selling Arrangement, or a Purchase Arrangement, or both, in effect at the same time.

P. Amendments to Security Provisions

Sec. 640.

Any proposed amendment to the provisions attaching to any securities other than securities which are unlisted, non-voting, non-participating and non-convertible, must be pre-cleared with TSX.

Q. Effect of Amendments on Existing Arrangements

Sec. 641. [Deleted.]

R. Approval of Changes in Capital Structure

Sec. 642.

Decisions in respect of the application of Part V and this Part VI are made by the Listings Committee or its delegates. If an issuer is dissatisfied with a decision under Part V or Part VI, the issuer may, within 30 calendar days of the original decision, request an appeal of such decision. The matter will be considered by a minimum of one and a maximum of three senior officer(s) of TSX who were not participants in making the original decision, as determined by the Exchange. The senior officer(s) may uphold the original decision or may render a new decision. Issuers must request the appeal in writing and make written submissions in support of an appeal under this section. If after being heard, the issuer remains dissatisfied with the decision, the issuer may, within 30 calendar days of the appeal decision by the senior officer(s) of TSX, appeal the decision to a three-person panel of TSX's Board of Directors. Issuers must request the appeal in writing and make written submissions in support of an appeal to TSX's Board of Directors.

Sec. 643.

[Deleted.]

Part VII Halting of Trading, Suspension and Delisting of Securities

A. General

Sec. 701.

The TSX may at any time:

(a) temporarily halt trading in any listed securities; or

(b) suspend from trading and delist a listed issuer's securities if TSX is satisfied that:

i) the listed issuer has failed to comply with any of the provisions of its Listing Agreement with TSX or with any other TSX requirement; or

ii) such action is necessary in the public interest.

B. Halting of Trading

Sec. 702.

TSX may halt trading in the securities of a listed issuer for disclosure of material information which requires immediate public disclosure under TSX's timely disclosure policy. A halt of trading is a temporary measure which will usually not last more than one hour following the dissemination of the announcement. TSX may also temporarily halt trading where such action is deemed to be in the public interest (for example, in order to maintain a fair and orderly market).

Refer to Sections 406 to 423.8 for a description of the timely disclosure policy, including more complete information regarding trading halts.

Sec. 703.

During the period when trading is halted, no TSX participating organization may execute an order in the over-the-counter market.

Trading may also be halted when the market activity indicates that significant news appears to be available to some investors but not to the public at large, and the listed issuer either will not, or cannot, make a clarifying statement.

If trading is halted but an announcement is not immediately forthcoming, TSX may establish a reopening time, which shall not be later than 24 hours after the time that the halt was imposed (excluding non-business days). The listed issuer is urged to make an announcement, but if it will not, TSX will issue a notice stating the reason for the trading halt, that an announcement was not immediately forthcoming and that trading will therefore resume at a specific time.

Sec. 704.

Trading may also be halted due to failure by the listed issuer to comply with requirements of TSX. In some cases, such as under Section 708, a halt may be changed to a suspension or delisting.

C. Suspension and Delisting

Objective

Sec. 705.

The objective of TSX's policies regarding continued listing privileges is to facilitate the maintenance of an orderly and effective auction market for securities of a wide variety of listed issuers that are actively engaged in an ongoing business, in which there is a substantial public interest, and that comply with the requirements of TSX. The policies are designed and administered in a manner consistent with that objective.

Application of Policy

Sec. 706.

TSX has adopted certain quantitative and qualitative criteria (the "**delisting criteria**"), that are outlined in the following sections, under which it will normally consider the suspension from trading and delisting of securities. However, no set of criteria can effectively anticipate the unique circumstances which may arise in any given situation. Accordingly, each situation is considered individually on the basis of relevant facts and circumstances. As such, whether or not any of the delisting criteria has become applicable to a listed issuer or security, TSX may, at any time, suspend from trading and delist securities if in the opinion of TSX, such action is consistent with the objective cited above or further dealings in the securities on TSX may be prejudicial to the public interest.

Process

Sec. 707.

TSX examines the affairs and the performance of listed issuers to ensure that they are of a standard that merits the continued listing of such companies. If as a result of such examination, TSX determines that any of the delisting criteria outlined in Sections 708 to 717 has become applicable to a listed issuer or to its securities, TSX will notify the listed issuer (by telephone or telecopied letter) and the market (by trader note and bulletin) that the listed issuer is under a delisting review.

The delisting review process will be conducted through either the "Remedial Review Process" or the "Expedited Review Process", as follows:

Remedial Review Process

(a) A listed issuer that has been notified that it is under delisting review because of the applicability of any of the delisting criteria set out in Section 709, paragraphs (b) or (c) of Section 710, Section 711or Section 712 will normally be given up to 120 days from the date of such notification (the "**delisting review period**") to correct the deficiencies that triggered the delisting review.

At any time prior to the end of the delisting review period, TSX will provide the listed issuer with an opportunity to be heard where the listed issuer may present submissions to satisfy TSX that all deficiencies identified in TSX's notice have been rectified. If the listed issuer cannot satisfy TSX at the conclusion of the hearing that the deficiencies identified have been rectified and that no other delisting criteria are then applicable to the listed issuer, TSX will determine to delist the listed issuer's securities.

Upon such determination, TSX will issue a written notice to the market to confirm the date that the delisting will be effective, which date will generally be the 30th calendar day after the issuance of such notice.

TSX may abridge the term of the delisting review period at any time upon written notice to the listed issuer, particularly after the occurrence of any of the events described in Section 708, paragraph (a) of Section 710 or Sections 713 to 717 inclusive. In any such case, the listed issuer that is under a delisting review will be provided with an opportunity to be heard on an expedited basis where the listed issuer may present submissions as to why its securities should not be delisted. If the listed issuer cannot satisfy TSX that a delisting is unwarranted, TSX will determine to suspend the listed issuer's securities from trading as soon as practicable after such hearing and the listed issuer's securities will be delisted on the 30th calendar day after the suspension date. During the period between the suspension date and delisting date, the listed issuer remains subject to all TSX requirements, including compliance with the provisions of Sections 501 and 602, regardless of whether the listed issuer had been exempted from the requirements of Section 501 prior to suspension; or

Expedited Review Process

(b) A listed issuer that has been notified that it is under delisting review:

i) because of the applicability of any of the delisting criteria in Section 708, paragraph (a) of Section 710 or Sections 713 to 716 inclusive; or

ii) because the listed issuer has failed to meet original listing requirements by the deadline set by TSX in connection with any of the events described in Section 717; or

iii) because TSX believes that the expedited suspension from trading and delisting of the listed issuer's securities is warranted;

will be provided an opportunity to be heard, on an expedited basis, generally within 48 hours of notification, where the listed issuer may present submissions as to why its securities should not continue to be suspended or be suspended from trading immediately and delisted. If the listed issuer cannot satisfy TSX that a continued or an immediate suspension is unwarranted, TSX will determine to suspend or continue to suspend the listed issuer's securities from trading as soon as practicable after such hearing and the listed issuer's securities will be delisted on the 30th calendar day after the suspension date. During the period between the suspension date and delisting date, the listed issuer remains subject to all TSX requirements, including compliance with the provisions of Sections 501 and 602, regardless of whether the listed issuer had been exempted from the requirements of Section 501prior to suspension.

D. Delisting Criteria

(1) Insolvency

Sec. 708.

At such time as TSX is advised or becomes aware that a listed issuer (or any of its significant subsidiaries), has become insolvent or bankrupt or has made an assignment for the benefit of creditors; or a trustee, receiver, liquidator or monitor has been appointed for the listed issuer or for a substantial

part of its assets; or bankruptcy, reorganization, creditor arrangement or protection, insolvency, liquidation, winding up or similar proceedings are instituted by or against the listed issuer under the laws of any jurisdiction, the securities of the listed issuer may, at the discretion of TSX, in accordance with Section 704, be immediately halted from trading on TSX.

(2) Financial Condition and/or Operating Results

Sec. 709.

TSX will normally consider the delisting of securities of a listed issuer if in the opinion of TSX, the financial condition and/or operating results of the listed issuer appear to be unsatisfactory or appear not to warrant continuation of the securities on the trading list.

Sec. 710.

Specifically, securities of a listed issuer may be delisted if

All Issuers

(a)

(i) the listed issuer's financial condition is such that, in the opinion of TSX, it is questionable as to whether the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in financial statements regarding the listed issuer's ability to continue as a going concern; or

(ii) the listed issuer has ceased, or has expressed an intention to cease, to be actively engaged in any ongoing business; or

(iii) the listed issuer has discontinued or divested a substantial portion of its operations, thereby so reducing its business as to no longer merit continued listing; or

Industrial Issuers

(b) the listed issuer fails to have:

(i) total assets of at least $3,000,000; and

(ii) annual revenue from ongoing operations of at least $3,000,000 in the most recent year.

Criteria (b)(i) and (ii) above do not apply to a research and development listed issuer; however, such a company may be delisted if it has failed to spend at least $1,000,000 on research and development, acceptable to TSX, in the most recent year; or

Resource Issuers

(c)

(i) in the most recent year, the listed issuer has failed to carry out at least $350,000 of exploration and/or development work that is acceptable to TSX and has failed to generate revenue of at least $3,000,000 from the sale of resource-based commodities; or

(ii) the listed issuer does not have adequate working capital and an appropriate capital structure to carry on its business.

(3) Market Value and Public Distribution

Sec. 711.

TSX will normally consider the delisting of securities of a listed issuer if, in the opinion of TSX, it appears that the public distribution, price, or trading activity of the securities has been so reduced as to make further dealings in the securities on TSX unwarranted.

Sec. 712.

Specifically, participating securities may be delisted if:

(a) the market value of the listed issuer's issued securities that are listed on TSX is less than $3,000,000 over any period of 30 consecutive trading days; or

(b) the market value of the listed issuer's freely-tradable, publicly held securities is less than $2,000,000 over any period of 30 consecutive trading days; or

(c) the number of freely-tradable, publicly held securities is less than 500,000; or

(d) the number of public security holders, each holding a board lot or more, is less than 150.

Non-participating securities will be subject to *(b)* above as well as Section 711.

(4) Failure To Comply With TSX Requirements & Policies

Listing Agreement

Sec. 713.

TSX may delist the securities of a listed issuer that fails to comply with its Listing Agreement or other agreements with TSX, or fails to comply with TSX requirements and policies. Examples of failure to comply with the Listing Agreement include, but are not limited to, failure to obtain the prior consent of TSX to issue additional equity securities; failure to obtain the consent of TSX before undergoing a material change in the business if the listed issuer is subject to Section 501; and failure to comply with TSX's requirements for stock options and security based compensation arrangements.

Disclosure Policies

Sec. 714.

TSX may delist the securities of a listed issuer that has failed to comply with TSX's Timely Disclosure policy (see Sections 406 to 423.8 and 472 to 475) or with disclosure requirements under any securities law to which the listed issuer is subject. In addition, TSX may delist the securities of a listed issuer that is engaged in the business of mineral exploration, development or production if such listed issuer has failed to comply with TSX's "Disclosure Standards for Companies Engaged in Mineral Exploration, Development & Production" (see Appendix B).

Payment of Fees or Charges

Sec. 715.

TSX may suspend from trading and delist the securities of a listed issuer that fails or refuses to pay, when due, any fee or charge payable by the company pursuant to Exchange requirements.

Management

Sec. 716.

TSX requires that each listed issuer must meet on an ongoing basis the management requirements relevant to its category of listing that are described in Section 311 (for Industrial Issuers), Section 316 (for Mining Issuers), Section 321 (for Oil & Gas Issuers), Section 1102 (ETPs), Section 1103 (Closed-end Funds) and Section 1104 (Structured Products). TSX may delist the securities of a listed issuer that has failed to meet such management requirements.

Upon receipt of a Form 3 (see Section 424) from a listed issuer, or upon notice of a new insider of a listed issuer, TSX will conduct a review of the new director, officer, trustee or insider with a view to determining the suitability of such individual or entity as an insider of the listed issuer. Upon the request of TSX, listed issuers will submit a Personal Information Form (Form 4—Appendix H) for any person so requested. TSX may delist the securities of a listed issuer in the event TSX determines that such individual or entity is not suitable as an insider of the listed issuer.

Once submitted and cleared by the Exchange, a Personal Information Form (Form 4—Appendix H) for an insider of a corporate issuer, including a person acting in a similar capacity for a Non-Corporate Issuer, is valid for a time period of 60 months, absent any material change in the information submitted. An insider of a corporate issuer, including a person acting in a similar capacity for a Non-Corporate Issuer, may submit a completed Declaration (Form 4B—Appendix H) in lieu of a Personal Information Form within such 60 month period absent any material change in the information submitted in the original Personal Information Form. For Non-Corporate Issuers, see also Section 1101.

(5) Change In Business

Sec. 717.

Where a listed issuer substantially discontinues its business (for example, through the sale of all or substantially all of its assets in one or more transactions) or materially changes the nature of its business (for example, through the acquisition of an interest in another business which represents the majority of the market value of the listed issuer's assets or when its board of directors approves the transaction which becomes the principal operating enterprise of the listed issuer), the listed issuer shall notify TSX following approval of the transaction by its board of directors. TSX will normally require that the listed issuer meet original listing requirements. Failure of the listed issuer to meet applicable original listing requirements may result in the delisting of its securities.

E. Reinstatement of Listing

Sec. 718.

A listed Issuer whose securities are delisted must remedy all of the conditions which resulted in the delisting, and must meet TSX's requirements for original listing in order to qualify for reinstatement or

be reconsidered for listing. The listed issuer must submit a complete listing application with the required supporting documentation and TSX will consider each application individually on the basis of all relevant facts and circumstances.

F. Review of Delisting Decisions

Sec. 719.

Decisions in respect of the application of Part VII are made by the Continued Listings Committee, which is a subset of the Listing Committee, or its delegates. If an issuer is dissatisfied with a decision under this Part VII, after having been given an opportunity to be heard, the issuer may, within 30 calendar days of the original decision, request an appeal of such decision. However, requests to appeal delisting decisions under Section 707 must be submitted within 5 business days of the decision to ensure the appeal can be dealt with in the 30-day delisting period. The matter will be considered by a minimum of one and a maximum of three senior officer(s) of TSX, who were not participants in making the original decision, as determined by the Exchange. The senior officer(s) may uphold the original decision or may render a new decision. Issuers must request the appeal in writing and make written and/or oral submissions in support of an appeal under this section. If after being heard, the issuer remains dissatisfied with the decision, the issuer may, within 30 calendar days of the appeal decision by the senior officer(s) of TSX, appeal the decision to a three-person panel of TSX's Board of Directors. Issuers must request the appeal in writing and make written submissions in support of an appeal to TSX's Board of Directors.

G. Voluntary Delisting

Sec. 720.

(a) A listed issuer may apply to have all or any class of its listed securities voluntarily delisted from TSX. The application should take the form of a letter addressed to TSX and should outline: (i) the reasons for the application to delist; (ii) whether security holder approval will be sought and if not, why; and (iii) the proposed date of delisting. The application should be accompanied by:

  (i) a certified copy of a resolution of the listed issuer's board of directors (or other similar body) authorizing the application to delist; and

  (ii) a draft copy of a press release to be pre-cleared by TSX, disclosing:

    1. the application to voluntarily delist, together with the reasons for the application;

    2. the anticipated date of the security holder meeting, if applicable;

    3. the satisfaction of any of the conditions set out in Subsection 720(b) below, if applicable; and

    4. the proposed delisting date.

(b) TSX will generally require approval by the holders of the affected class or series of securities as a condition of acceptance of a voluntary delisting application for the principal equity class(es) of the listed issuer's securities, unless TSX is satisfied that:

(i) an acceptable alternative market exists or will exist for the listed securities on or about the proposed delisting date;

(ii) security holders have a near term liquidity event, such as a going private transaction, for which all material conditions have been satisfied and the likelihood of non-completion is remote; or

(iii) the listed issuer is under delisting review for failure to comply with any of the delisting criteria in this Part VII of the Manual and it is unlikely that TSX will be satisfied that the deficiencies will be cured within the prescribed period.

If, in TSX's opinion, any insider of the listed issuer has a beneficial interest, directly or indirectly, in the voluntary delisting which materially differs from other security holders, such insiders are not eligible to vote their securities in respect of the voluntary delisting. Any security holder that beneficially owns, or controls or directs, directly or indirectly 50 percent or more of the issued and outstanding securities of the affected class or series will be deemed as having an interest which materially differs from other security holders and are not eligible to vote their securities in respect of the voluntary delisting.

TSX will also generally require security holder approval as a condition of acceptance of a voluntary delisting application for other classes of listed securities, if such securities are not convertible, exercisable or exchangeable at the holder's option into another class of listed securities.

A draft copy of the information circular or form of written consent used to obtain security holder approval for the voluntary delisting application must be submitted to TSX for pre-clearance at least five (5) business days prior to finalization.

The delisting date for the class of securities subject to the voluntary delisting shall not be earlier than the tenth (10th) business day following the later of: (i) dissemination of the press release pre-cleared by TSX announcing the voluntary delisting; and (ii) the issuer having obtained security holder approval for the voluntary delisting, if applicable.

H. Effect of Amendments on Existing Reviews and Suspensions

Sec. 721. [Deleted.]

Part VIII Fees Payable by Listed Companies

Sec. 801.

All references to fees throughout the TSX Company Manual shall refer to the fees in the Listing Fee Schedule, as published by TSX from time to time.

Sec. 802-816. (Repealed.)

Part IX [Intentionally deleted]

[Intentionally deleted]

Part X Special Purpose Acquisition Corporations (SPACs)

Scope of Policy

Listing a SPAC on the Exchange is a two-stage process. The first stage involves the filing and clearing of an IPO prospectus, the completion of the IPO and the listing of the SPAC's securities on the Exchange. The second stage involves the identification and completion of a qualifying acquisition.

The main headings in this Part X are:

A. General Listing Matters

B. Original Listing Requirements

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

D. Completion of a Qualifying Acquisition

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

A. General Listing Matters

Securities to be Listed

Sec. 1001.

To secure a listing of its securities on the Exchange, a SPAC must complete a listing application which, together with supporting documentation and information, must demonstrate that it is able to meet the Exchange's original listing requirements for SPACs, as detailed in Sections 1003 to 1018. The listing application, preliminary prospectus, draft escrow agreement governing the IPO proceeds and personal information forms for all insiders of the SPAC should be filed with the Exchange concurrently with the filing of the preliminary prospectus with the applicable Canadian securities regulatory authorities.

Exercise of Discretion

Sec. 1002.

The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may grant or deny an application notwithstanding the prescribed

original listing requirements. In exercising its discretion, the Exchange must be satisfied that the fundamental investor protections in this Part X are met. In addition, the Exchange will consider:

(a) The experience and track record of the officers and directors of the SPAC;

(b) The nature and extent of officers' and directors' compensation;

(c) The extent of the founding securityholders' equity ownership in the SPAC, which is generally expected to be an aggregate equity interest of: (i) not less than 10% of the SPAC immediately following closing of the IPO; and (ii) not more than 20% of the SPAC immediately following closing of the IPO, taking into account the price at which the founding securities are purchased and the resulting economic dilution;

(d) The amount of time permitted for completion of the qualifying acquisition prior to the liquidation distribution; and

(e) The gross proceeds publicly raised under the IPO prospectus.

B. Original listing Requirements

IPO

Sec. 1003.

A SPAC must, concurrently with listing on the Exchange, raise a minimum of $30,000,000 through an IPO of shares or units; if units are issued, each unit may consist of one share and no more than two share purchase warrants.

Sec. 1004.

Prior to listing on the Exchange, the founding securityholders must subscribe for units, shares or warrants of the SPAC. The terms of the initial investment must be disclosed in the IPO prospectus. The founding securityholders must agree not to transfer any of their founding securities prior to the completion of a qualifying acquisition. In the event of liquidation and delisting, the founding securityholders must agree that their founding securities shall not participate in a liquidation distribution.

Sec. 1005.

The shares, warrants, rights, units or other securities to be listed on the Exchange must be qualified by a prospectus receipted by the issuer's principal regulator.

No Operating Business

Sec. 1006.

A SPAC seeking listing on the Exchange must not carry on an operating business. A SPAC may be in the process of reviewing a potential qualifying acquisition, but may not have entered into a written or oral binding acquisition agreement with respect to a potential qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that as of the date of filing, the SPAC has not entered into a written or oral binding acquisition agreement with respect to a potential

qualifying acquisition. A SPAC may have identified a target business sector or geographic area in which to make a qualifying acquisition, provided that it discloses this information in its IPO prospectus.

Jurisdiction of Incorporation

Sec. 1007.

The Exchange will consider the jurisdiction of incorporation of a SPAC as part of the listing application process. The Exchange recommends that SPACs seeking listing on the Exchange be incorporated under Canadian federal or provincial corporate laws. Where a SPAC is incorporated under laws outside of Canada and wishes to list on the Exchange, the Exchange recommends that it obtain a preliminary opinion as to whether the jurisdiction of incorporation is acceptable to the Exchange.

Capital Structure

Sec. 1008.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) the security provisions must contain:

(i) a redemption (or substantially similar) feature, pursuant to which shareholders (other than founding securityholders in respect of their founding securities) may, in the event such qualifying acquisition is completed within the time frame set out in Section 1022, elect that each share held be redeemed for an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the exercise of the redemption right), divided by (2) the aggregate number of shares then outstanding, excluding founding securities and

(ii) a liquidation distribution (or substantially similar) feature, pursuant to which shareholders(other than the founding securityholders in respect of their founding securities) must, if the qualifying acquisition is not completed within the permitted time set out in Section 1022, be entitled to receive, for each share held, an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the liquidation distribution), divided by (2) the aggregate number of shares then outstanding excluding the founding securities.

Notwithstanding the foregoing, the SPAC may establish a limit as to the maximum number of shares with respect to which a shareholder, together with any affiliates or persons acting jointly or in concert, may exercise a redemption right, provided that such limit (i) may not be set at lower than 15% of the shares sold in the IPO; and (ii) is disclosed in the IPO prospectus. For greater certainty, any redemption limit established by a SPAC must apply equally to all shareholders entitled to a redemption right.

Exchange discretion with respect to the requirements of this Subsection may only be exercised after discussions with, and the concurrence of, the OSC.

(b) in addition to Section 1008(a) where units are issued in the IPO:

(i) the share purchase warrants must not be exercisable prior to the completion of the qualifying acquisition;

(ii) the share purchase warrants must expire on the earlier of: (x) a date specified in the IPO prospectus and (y) the date on which the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022; and

(iii) share purchase warrants may not have an entitlement to the escrowed funds upon liquidation of the SPAC.

Prohibition of Debt Financing

Sec. 1009.

The SPAC shall not be permitted to obtain any form of debt financing (excluding ordinary course short term trade or accounts payables) other than contemporaneous with, or after, completion of its qualifying acquisition. A credit facility may be entered into prior to completion of a qualifying acquisition, but may only be drawn down contemporaneous with, or after, completion of a qualifying acquisition.

Despite the foregoing, a SPAC may obtain unsecured loans on reasonable commercial terms, including from founding securityholders or their affiliates, up to a maximum aggregate principal amount equal to 10% of the funds escrowed under Section 1010 repayable in cash no earlier than the closing of the qualifying acquisition, provided that (1) such limit is disclosed in the IPO prospectus; and (2) any such debt financing obtained by the SPAC shall not have recourse against the escrowed funds.

Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that it will not obtain any form of debt financing other than in accordance with this Section 1009.

Use of Proceeds Raised in the IPO and Escrow Requirements

Sec. 1010.

Immediately upon listing on the Exchange, a SPAC must place at least 90% of the gross proceeds raised in its IPO; and the underwriter's deferred commissions (in accordance with Section 1013), in escrow with an escrow agent acceptable to the Exchange. The following entities, if Canadian, are examples of the types of escrow agents that are acceptable to the Exchange: trust companies, financial institutions and law firms.

Sec. 1011.

The escrow agent must invest the escrowed funds in permitted investments. The SPAC must disclose the proposed nature of this investment in its IPO prospectus, as well as any intended use of the interest or other proceeds earned on the escrowed funds from the permitted investments.

Sec. 1012.

The escrow agreement governing the escrowed funds must provide for:

(a) the termination of the escrow and release of the escrowed funds on a pro rata basis to shareholders who exercise their redemption rights in accordance with Section 1008(a)(i) and

the remaining escrowed funds to the SPAC if the SPAC completes a qualifying acquisition within the permitted time set out in Section 1022; and

(b) the termination of the escrow and the distribution of the escrowed funds to shareholders (other than the founding securityholders in respect of their founding securities) in accordance with the terms of Sections 1031 to 1033 if the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022.

In accordance with Section 1001, a draft of the escrow agreement must be submitted to the Exchange for pre-clearance.

Sec. 1013.

The underwriters must agree to defer and deposit a minimum of 50% of their commissions from the IPO as part of the escrowed funds. The deferred commissions will only be released to the underwriters upon completion of a qualifying acquisition within the permitted time set out in Section 1022. If the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the deferred commissions placed in escrow will be distributed to the holders of the applicable shares as part of the liquidation distribution. Shareholders exercising their redemption rights will be entitled to their pro rata portion of the escrowed funds including any deferred commissions.

Sec. 1014.

The proceeds from the IPO that are not placed in escrow and interest or other proceeds earned on the escrowed funds from permitted investments may be applied as payment for administrative expenses incurred by the SPAC in connection with the IPO, for general working capital expenses and for the identification and completion of a qualifying acquisition.

Public Distribution

Sec. 1015.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) at least 1,000,000 freely tradeable securities are held by public holders;

(b) the aggregate market value of the securities held by public holders is at least $30,000,000; and

(c) at least 150 public holders of securities, holding at least one board lot each.

Pricing

Sec. 1016.

A SPAC seeking listing on the Exchange must issue securities pursuant to the IPO for a minimum price of $2.00 per share or unit.

Other Requirements

Sec. 1017.

In connection with its original listing, a SPAC will be subject to the following Sections of this Manual:

(a) Section 325 – Management

(b) Section 327 - Escrow Requirements

(c) Section 328 - Restricted Shares

(d) Sections 338-351 - The Listing Application Procedure

(e) Sections 352-356 - Approval of Listing and Posting Securities

(f) Sections 358-359 - Public Availability of Documents

(g) Section 360 - Provincial Securities Laws

Sec. 1018.

A SPAC seeking a listing on the Exchange will not be permitted to adopt a security based compensation arrangement prior to the completion of a qualifying acquisition.

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

Additional Equity by way of Rights Offering Only

Sec. 1019.

Prior to completion of a qualifying acquisition, the Exchange will permit a listed SPAC to raise additional funds pursuant to the issuance or potential issuance of equity securities from treasury provided that: (i) the issuance is by way of rights offering in accordance with the requirements in Part VI of this Manual and (ii) at least 90% of the funds raised are placed in escrow in accordance with the provisions of Sections 1010to 1014. Contemporaneous with or following completion of a qualifying acquisition, a listed SPAC may raise additional funds in accordance with Part VI of this Manual.

Sec. 1020.

The Exchange will only permit a listed SPAC to raise additional funds pursuant to the issuance or potential issuance of equity securities from treasury pursuant to Section 1019 to fund a qualifying acquisition and/or administrative expenses of the SPAC.

Other Requirements

Sec. 1021.

Prior to completion of its qualifying acquisition, in addition to this Part X, a listed SPAC will be subject to the following Parts of this Manual:

(a) Parts IV and V, other than Section 464 in respect of the requirement to hold an annual meeting provided that an annual update is disseminated via press release and available on the SPAC's website;

(b) Part VI, other than:

1. Section 624(h) in respect of the requirement to provide at least 21 days' notice in advance of a shareholders' meeting to holders of Restricted Securities;

2. Section 624(l) in respect of the requirement of certain take-over protective provisions, also referred to as coat-tail provisions; and

3. Section 624(m) in respect of the prohibition on the issuance of shares with greater voting rights than any listed shares for the issuance of the founding securities.

Until completion of a qualifying acquisition, a listed SPAC may only issue and make equity securities issuable in accordance with Sections 1019 to 1020. Security based compensation arrangements may not be adopted until completion of a qualifying acquisition;

(c) Part VII with the exception of Subsections 710(a)(ii) and 710(a)(iii);

(d) Part IX; and

(e) Applicable listing fees and forms.

D. Completion of a Qualifying Acquisition

Permitted Time for Completion of a Qualifying Acquisition

Sec. 1022.

A SPAC must complete a qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus. Where the qualifying acquisition is comprised of more than one acquisition, the SPAC must complete each of the acquisitions comprising the qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus, in addition to meeting the requirements of Section 1023.

Fair Market Value of a Qualifying Acquisition

Sec. 1023.

The businesses or assets forming the qualifying acquisition must have an aggregate fair market value equal to at least 80% of the aggregate amount then on deposit in the escrow account, excluding deferred underwriting commissions held in escrow and any taxes payable on the income earned on the escrowed funds. Where the qualifying acquisition is comprised of more than one acquisition, and the multiple acquisitions are required to satisfy the aggregate fair market value of a qualifying acquisition, these acquisitions must close concurrently and within the time frame in Section 1022.

Shareholder and Other Approvals

Sec. 1024.

The qualifying acquisition must be approved by: (i) a majority of directors unrelated to the qualifying acquisition; and (ii) a majority of the votes cast by shareholders of the SPAC at a meeting duly called for that purpose. Shareholder approval of the qualifying acquisition is not required where the SPAC has placed at least 100% of the gross proceeds raised in its IPO and any additional equity raised pursuant to Section 1019 in escrow in accordance with Section 1010. The shareholder approval requirements set out in Parts V and VI of the Manual will not apply to transactions concurrently effected with the qualifying acquisition, provided that they are disclosed in the prospectus for the resulting issuer and

shareholder approval is not otherwise required for the qualifying acquisition. Where the qualifying acquisition is comprised of more than one acquisition, each acquisition must be approved.

Sec. 1025.

The SPAC's IPO prospectus must disclose whether shareholder approval will be required as a condition of the completion of the qualifying acquisition and the shareholders entitled to vote upon the matter. If a qualifying acquisition is subject to shareholder approval, the SPAC must prepare an information circular containing prospectus level disclosure of the resulting issuer assuming completion of the qualifying acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.

Sec. 1026.

The SPAC may impose additional conditions on the completion of a qualifying acquisition, provided that the conditions are described in the prospectus or information circular describing the qualifying acquisition. For example, the SPAC may impose a condition not to proceed with a proposed qualifying acquisition if more than a pre-determined percentage of public shareholders exercise their redemption rights.

Sec. 1027.

In accordance with Section 1008, holders of shares (other than founding securityholders in respect of their founding securities) must be entitled to redeem their shares for their pro rata portion of the escrowed funds in the event that the qualifying acquisition is completed. Subject to applicable laws, shareholders who exercise their redemption rights shall be paid within 30 calendar days of completion of the qualifying acquisition and such redeemed shares shall be cancelled.

Prospectus Requirement for Qualifying Acquisition

Sec. 1028.

The SPAC must prepare and file a prospectus containing disclosure regarding the SPAC and its proposed qualifying acquisition with the Canadian securities regulatory authority in each jurisdiction in which the SPAC and the resulting issuer is and will be a reporting issuer assuming completion of the qualifying acquisition and, if applicable, in the jurisdiction in which the head office of the resulting issuer assuming completion of the qualifying acquisition is located in Canada. Completion of the qualifying acquisition without a receipt for the final prospectus will result in the delisting of the SPAC.

If a qualifying acquisition is subject to shareholder approval, the SPAC must obtain a receipt for its final prospectus from the applicable securities regulatory authorities prior to mailing the information circular described in Section 1025.

If a qualifying acquisition is not subject to shareholder approval, the SPAC must: (i) mail a notice of redemption to shareholders and make its final prospectus publicly available on its website at least 21 days prior to the deadline for redemption; and (ii) send by prepaid mail or otherwise deliver the prospectus to shareholders no later than midnight (Toronto time) on the second business day prior to the deadline for redemption, which delivery may be effected electronically in compliance with National

Policy 11-201 – *Electronic Delivery of Document*. The notice of redemption must be pre-cleared by TSX prior to mailing.

Exchange discretion with respect to the requirements of this Section may only be exercised after discussions with, and the concurrence of, the OSC.

Exchange Approval

Sec. 1029.

The issuer resulting from the completion of the qualifying acquisition by the SPAC must meet the Exchange's original listing requirements set out in Part III of this Manual. The Exchange will provide the issuer with up to 180 days from the completion of the qualifying acquisition to provide evidence that it meets the Public Distribution Requirements set out in Section 315, failing which the issuer will generally be put under a remedial delisting review as described in Part VII.

Failure to obtain the Exchange's approval of the listing of the resulting issuer prior to the completion of the qualifying acquisition will result in the delisting of the SPAC. For greater certainty, a qualifying acquisition may include a merger or other reorganization or an acquisition of the SPAC by a third party.

Escrow Requirements

Sec. 1030.

Upon completion of the qualifying acquisition, the resulting issuer shall be subject to the Exchange's Escrow Policy.

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

Sec. 1031.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, subject to applicable laws, it must complete a liquidation distribution within 30 calendar days after the end of such permitted time, pursuant to which the escrowed funds must be distributed to the holders of shares (other than founding securityholders in respect of their founding securities) on a pro rata basis, and in accordance with Section 1032.

Sec. 1032.

In accordance with Section 1004, the founding securityholders may not participate in any liquidation (or redemption) distribution with respect to any of their founding securities. In addition, in accordance with Section 1013, all deferred underwriter commissions held in escrow will be part of the liquidation (or redemption) distribution. A liquidation (or redemption) distribution therefore includes the minimum of 90% of the gross proceeds raised in the IPO, as required under Section 1010 and 50% of the underwriters' commissions as described in this Section. Any interest or other proceeds earned through permitted investments that remains in escrow shall also be part of the liquidation (or redemption) distribution. The amount distributed on a liquidation distribution shall however be net of any applicable taxes and direct expenses related to the liquidation distribution.

Sec. 1033.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the Exchange will delist the SPAC's securities on or about the date on which the liquidation distribution is completed.

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

Sec. 1034.

Once a qualifying acquisition has been completed, the resulting issuer will be subject to all continued listing requirements in this Manual without exception.

Part XI Requirements Applicable to Non-Corporate Issuers

This section sets out the requirements that are specifically applicable to Non-Corporate Issuers.

In addition to the specific requirements outlined in this Part XI, Non-Corporate Issuers must also comply with the following sections of the Manual:

Part IV—MAINTAINING A LISTING

All Sections, other than Shareholders' Meeting and Proxy Solicitation (Sections 455-465) and Website Disclosure of Security Holder Information (Section 473).

Part VI—CHANGES IN CAPITAL STRUCTURE

(A) Discretion (Section 603), Security Holder Approval (Section 604), Changes in Issued Securities (Section 605)

(C) Security Based Compensation Arrangements (Section 613)

(E) Additional Listings (Section 617.1)

(F) Substitutional Listings (Sections 618-622)

(I) Redemption of Listed Securities (Section 625)

(L) Normal Course Issuer Bids (Sections 628-629)

Part VII—HALTING, SUSPENSION AND DELISTING

All Sections, other than Market Value and Public Distribution (Section 712)

Part IX—DEALING WITH THE NEWS MEDIA

All Sections

A. Original Listing Requirements

Sec. 1101. Introduction

This section outlines the minimum listing requirements for each of ETPs (Section 1102), Closed-end Funds (Section 1103) and Structured Products (Section 1104), as defined under Part I of the Manual.

The Exchange generally expects that an original listing application of a Non-Corporate Issuer will be accompanied by a prospectus which will be concurrently or has been recently filed with the OSC. The Exchange recommends that prospective applicants without a prospectus obtain a preliminary opinion from TSX as to their eligibility for listing.

These minimum listing requirements should be read in conjunction with the Section 325, which sets out the Exchange's requirements regarding the quality of management.

These minimum listing criteria have been designed as guidelines and the Exchange reserves the right to exercise its discretion in applying them. This discretion may well take into consideration facts or situations unique to a particular applicant, resulting in the granting or denial of a listing application notwithstanding the published criteria.

The Exchange will also take into consideration an applicant's status regarding compliance with the requirements of other regulatory agencies. In addition, the Exchange must be satisfied that an applicant is in compliance with Exchange policies applicable to listed issuers, including policies described in Part III, except in the case of the requirement to provide Personal Information Forms for each insider of a Non-Corporate Issuer under Section 339. For Non-Corporate Issuers, the Exchange will require Personal Information Forms only from each insider of a Manager of Non-Corporate Issuer. Absent any material change in the information submitted in the original Personal Information Form, an insider of a Manager of a Non-Corporate Issuer does not need to file a new Personal Information Form or Declaration for so long as he or she remains associated with the same Manager of the Non-Corporate Issuer to which the original Personal Information Form relates. The Exchange may require Personal Information Forms from any individual associated with the Non-Corporate Issuers, as the Exchange determines appropriate.

Please refer to Sections 338 to 360 for the Listing Application Procedure.

Sec. 1102. Requirements for ETPs

(a) **Minimum market capitalization**. Initial public offering or market value of freely tradeable securities to be listed of at least $1,000,000;

(b) **NAV**. NAV must be calculated no less frequently than each trading day and be made available on a publicly accessible website; and

(c) **Management**. If the ETP is not issued by a Financial Institution, the ETP or its Manager must have a CEO, CFO (who is not also the CEO), Secretary and an IRC. The ETP or its Manager must have adequate and appropriate experience in the asset management industry and with listed issuers, as determined by the Exchange. For ETPs issued by Financial Institutions, individuals responsible for day-to-day management and operations of the ETP must be identified. TSX must be satisfied that management of the ETP, the Manager or the individuals designated by the Financial Institution will fulfill the requirements of Section 325 of the Manual.

Sec. 1103. Requirements for Closed-end Funds

(a) **Minimum market capitalization**. Initial public offering or market value of freely tradeable securities to be listed of at least $10,000,000;

(b) **NAV**. NAV must be calculated no less frequently than required under applicable securities law and be made available on a publicly accessible website;

(c) **Public distribution**. At least 1,000,000 freely tradable securities must be held by at least 300 public holders, each holding one board lot or more; and

(d) **Management**. The Closed-end Fund or its Manager must have a CEO, CFO (who is not also the CEO), a Secretary and an IRC. The Manager must have adequate and appropriate experience in the asset management industry and with listed issuers, as determined by the Exchange. TSX must be satisfied that management of the Manager will fulfill the requirements of Section 325 of the Manual.

Sec. 1104. Requirements for Structured Products

(a) **Minimum market capitalization**. Initial public offering or market value of freely tradeable securities to be listed of at least $1,000,000;

(b) **NAV**. NAV must be calculated no less frequently than weekly and be made available on a publicly accessible website; and

(c) **Management**. If the Structured Product is not issued by a Financial Institution, the issuer or its Manager must have at least two independent directors, a CEO, CFO (who is not the CEO), and a Secretary. The Manager must have adequate and appropriate experience in the asset management industry and with listed issuers, as determined by the Exchange. For Structured Products issued by Financial Institutions, individuals responsible for the management and day-to-day operations of the Structured Product must be identified. TSX must be satisfied that management of the Manager or the individuals designated by the Financial Institution will fulfill the requirements of Section 325 of the Manual.

Prior to filing a listing application, the Exchange recommends that issuers other than Financial Institutions proposing to list Structured Products obtain a preliminary opinion as to the eligibility for listing.

Sec. 1105. Listing Related Procedures

Please refer to Sections 338 to 360.

B. Changes in Capital Structure

Sec. 1106. General

(a) **ETPs**

Every listed ETP shall immediately notify the Exchange in writing of any transaction involving the issuance or potential issuance of any new class of securities that is convertible into a listed class of securities. ETPs are not required to provide prior notification to the Exchange of the issuance or potential issuance of listed securities offered on a continuous basis.

(b) **Closed-end Funds and Structured Products**

Every listed Closed-end Fund and Structured Product shall immediately notify the Exchange in writing of any transaction involving the issuance or potential issuance of any securities other than unlisted, non-voting, non-participating securities.

Sec. 1107. Additional Listings

(a) **ETPs**

(i) The creation of any securities of an ETP must be effected in accordance with its constating documents and National Instrument 81-102—*Investment Funds*, if applicable; and

(ii) ETPs must provide the Exchange on a monthly basis a Form 1—Change in Outstanding and Reserved Securities and on a quarterly basis either (A) an opinion of counsel that all securities issued during the previous quarter have been validly issued as fully paid and non-assessable securities of the ETP, or (B) if the ETP's governing corporate law and/or

constating documents include a provision stating that all securities must be issued as fully-paid and non-assessable, a certificate of a senior officer confirming the number of securities of the ETP created and reported to the Exchange in the previous quarter and that full consideration for such securities was received prior to or concurrently with their issuance.

(b) **Closed-end Funds and Structured Products**

(i) A Closed-end Fund or Structured Product may not proceed with a Subsection 1106(b) transaction unless accepted by TSX. Failure to comply with this provision may result in the suspension and delisting of the listed issuer's listed securities (see Part VII of this Manual).

(ii) TSX will advise the Closed-end Fund or Structured Product in writing generally within seven (7) business days of receipt by TSX of the notification required under Subsection 1106(b), of its decision to accept or not to accept the notice, indicating any conditions of acceptance or its reasons for non-acceptance. Further information or documentation may be requested before TSX decides to accept or not accept notice of a transaction. In reviewing the transaction described in the notice, TSX will consider the applicable provisions of this Manual.

(iii) Where a Closed-end Fund or Structured Product proposes to enter into transaction which requires notification under Subsection 1106(b), any public announcement of the transaction must disclose that the transaction is subject to TSX acceptance or approval.

(iv) The issuance of additional listed securities must yield net proceeds per security to the issuer of no less than 100% of the most recently calculated NAV per security, calculated prior to the pricing of such issuance, other than distributions to all security holders on a pro rata basis. All transactions must close within 30 days of the pricing of such issuance.

(v) Closed-end Funds and Structured Products must notify the Exchange whether an "if, as, and when issued" market may be requested.

Sec. 1108. Supplemental Listings

An ETP or Closed-end Fund proposing to list securities of a class that is not already listed should apply for the listing by letter addressed to TSX. The letter must be accompanied by one copy of the preliminary prospectus describing the provisions of the securities. The Exchange recommends that ETPs and Closed-end Funds without a preliminary prospectus contact the Exchange to obtain a preliminary opinion as to the eligibility to list the supplemental securities.

Structured Product issuers proposing to list securities of a class that is not already listed will be considered under original listing requirements set out in Section 1104, other than the Management requirements in Subsection 1104(c).

If TSX conditionally approves the listing of the securities:

(i) This fact may be disclosed in the final prospectus or in other documents, in accordance with Section 346, and TSX will so advise the securities regulatory authorities.

(ii) The following documents must be filed with TSX within ninety (90) days of its conditional acceptance of the supplemental listing (or within such later time as TSX may stipulate):

(1) a notarial or certified copy of the resolution of the board of directors (or equivalent body) of the ETP, Closed-end Fund or the Manager (as the case may be) authorizing the application to list the securities;

(2) a notarial or certified copy of the amended declaration of trust or equivalent document, giving effect to the creation of the securities;

(3) one commercial copy of the final prospectus, or other offering document, if applicable;

(4) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities are validly issued as fully paid and non-assessable;

(5) a definitive specimen of the generic or customized security certificate, if any, in accordance with the requirements set out in Appendix D;

(6) a copy of the unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to the securities (see Section 350); and

(7) for Closed-end Funds, evidence of satisfactory distribution of the securities to be listed, which evidence may take the form of a letter from the underwriters/agents setting out the anticipated distribution of the securities based on the subscriptions received as of the date of the letter and that, at the time of listing, the distribution requirements set out in Section 1108(b)(i) or (ii) will be met.

(a) **ETPs**

(i) If the new class of securities to be listed is convertible into a currently listed class of securities, the number of securities of the new class must be not less than the minimum prescribed number of units determined by the Manager.

(ii) If the new class of securities to be listed is not convertible into a currently listed class of securities, the minimum original listing requirements for ETPs found in Subsections 1102 (a) and (b) apply.

In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as and when issued" basis.

(b) **Closed-end Funds**

(i) If the new class of securities to be listed is convertible into a currently listed class of securities: (1) the market value of the securities of the new class listed must not be less than $2,000,000; and (2) at least 100,000 freely tradeable securities must be held by at least 100 public holders, each holding one board lot or more.

(ii) If the new class of securities to be listed is not convertible into a currently listed class of securities, the minimum original listing requirements for Closed-end Funds in Subsections 1103(a), (b) and (c) apply.

In the case of the listing of securities being offered to the public, the listing may take place prior to the closing of the offering, at the listed issuer's request. TSX staff will advise the listed issuer of the requirements in this regard. Any trading that takes place prior to closing will be on an "if, as and when issued" basis.

Sec. 1109. Dividends and Other Distributions

Refer to Sections 428 to 435 of the Manual for the requirements applicable to dividends and other distributions.

Sec. 1110. Management Fees

Any management fees payable in respect of a Non-Corporate Issuer providing for an issuance of securities from treasury will be subject to the requirements of Section 613 of the Manual.

Sec. 1111. Security Holder Approval for Amendments

For ETPs and Closed-end Funds, in addition to the matters requiring security holder approval pursuant to Section 5.1 of NI 81-102—*Investment Funds* and as otherwise required by the Manual, the Exchange may require security holder approval for:

(i) any amendments to the constating documents (or their equivalent) that are not covered by the amendment provisions of such documents and that may materially affect the rights of security holders; and,

(ii) the extension of an ETP or Closed-end Fund beyond the originally contemplated termination date, unless security holders are provided with: (a) the opportunity to redeem securities at NAV within three (3) months of the originally contemplated termination date; and (b) notice of the extension at least thirty (30) days prior to the redemption deadline.

Sec. 1112. Termination / Voluntary Delisting

Unless a Non-Corporate Issuer has a fixed termination date, the Non-Corporate Issuer must provide security holders with at least 30 days' notice prior to termination.

A Non-Corporate Issuer wishing to have all or any class of its listed securities voluntarily delisted from TSX should refer to Section 720 of the Manual.

Sec. 1113. Preclearance of Materials with the Exchange

Non-Corporate Issuers must pre-clear any information circulars and other materials related to corporate actions sent to security holders at least five business days in advance of finalization of the materials. For this purpose, a corporate action includes any material change regarding the operations of the Non-Corporate Issuer, including a change to the investment objectives of the Non-Corporate Issuer.

Sec. 1114. Continued Listing Requirements

Please refer to Part VII of the Manual. All of Part VII of the Manual applies to Non-Corporate Issuers, except for (D)—Delisting Criteria (Section 712).

The securities of Closed-end Fund may be suspended or delisted if:

(i) the market value of its securities listed on TSX is less than $3,000,000 over any period of 30 consecutive trading days;

(ii) the number of freely-tradable, publicly held securities is less than 500,000; or

(iii) the number of public security holders, each holding a board lot or more, is less than 150.

The securities of an ETP or Structured Product may be suspended or delisted if, in the opinion of the Exchange, the continued listing of such securities would not be consistent with preserving the overall quality of the market. In making its determination, the Exchange will consider factors about the securities, including the following and any other relevant considerations:

(i) the level of trading;

(ii) the market value;

(iii) in the case of an ETF, the absence of a designated broker;

(iv) in the case of a Structured Product, where the Financial Institution (or other similar institution) that has issued the Structured Product has ceased to act as a market maker for the Structured Product; and

(v) the bid and ask spread.

No set of criteria can effectively anticipate the unique circumstances which may arise in any given situation. Accordingly, each situation is considered individually on the basis of relevant facts and circumstances. As such whether or not any of the delisting criteria has become applicable to a listed issuer or security, TSX may, at any time, suspend from trading and delist securities if, in the opinion of TSX, such action is consistent with the objective cited above or further dealings in the securities on TSX may be prejudicial to the public interest.

Provisions Respecting Conflict of Interest and Competitors of TMX Group Limited

General

Toronto Stock Exchange ("TSX") is recognized as a stock exchange by the Ontario Securities Commission ("OSC") under a recognition order which contains certain terms and conditions (the "Recognition Order"). TSX is operated by TSX Inc. which is a wholly-owned subsidiary of TMX Group Limited ("TMX Group") (formerly Maple Group Acquisition Corporation). The Recognition Order has certain special listing-related conditions to ensure TSX follows appropriate standards and procedures with respect to the initial and continued listing of a TMX Group entity and Competitors of TMX Group (as defined below). These procedures require TSX to provide the following disclosure on its website and in the Toronto Stock Exchange Company Manual.

Definition of Competitor

For the purposes of these provisions, "Competitor" means any person, the consolidated business and operations or the disclosed business plans of which are in competition, to a significant extent, with the listing functions, trading functions, market data services, clearing and settlement functions or other material line of business of TMX Group or its affiliates.

Conflicts Committee

TSX has established a Conflicts Committee to review any matters brought before it regarding a conflict of interest or potential conflict of interest relating to a TMX Group entity's listing on TSX or the initial listing or continued listing of Competitors on TSX.

Referrals to Director of the OSC

Where a Competitor certifies to TSX that information required to be disclosed to the Conflicts Committee or in connection with an initial listing or continued listing matter of the Competitor is competitively sensitive and the disclosure of that information would in its reasonable view put it at a competitive disadvantage with respect to TMX Group, TSX will refer the matter to the OSC's Director, Market Regulation requesting that the Director review issues relating to the competitively sensitive information. The Conflicts Committee will consider all other aspects of the matter in accordance with the listing-related conditions.

If at any time a Competitor believes it is not being treated fairly by TSX as a result of TSX being in a conflict of interest position, TSX will refer the matter to the OSC's Director, Market Regulation.

Waiver by Competitor

In any initial listing or continued listing matter of a Competitor, the Competitor may waive the application of the listing-related conditions by providing a written waiver to TSX and the OSC's Director, Market Regulation. Where a waiver is provided, TSX will deal with the initial listing or continued listing matter in the ordinary course as if no conflict of interest exists.

Listing-Related Procedures

A complete copy of the listing-related procedures is attached.

TSX Inc. Listing-Related Conflicts Policy

1. Definitions and Interpretation

1.1 For purposes of this Listing-Related Conflicts Policy (the "Policy"):

"affiliated entity" has the meaning ascribed to it in the Order;

"Competitor" means any person, the consolidated business and operations or the disclosed business plans of which are in competition, to a significant extent, with the listing functions, trading functions, market data services, clearing and settlement functions, or other material lines of business of TMX Group or its affiliated entities;

"Commission" means the Ontario Securities Commission;

"exchange" means a TMX recognized exchange (as such term is defined in section 1(a) of Schedule 2 to the Order) that has a listings business;

"Order" means the varied and restated order of the Commission dated April 24, 2015 recognizing each of TMX Group Limited, TMX Group Inc., TSX Inc., Alpha Trading Systems Limited Partnership and Alpha Exchange Inc. as exchanges pursuant to section 21 of the Securities Act (Ontario), as amended from time to time;

"TMX Group" means TMX Group Limited; and

"TMX entity" means TMX Group or any of TMX Group's affiliated entities.

1.2 For the purposes of this Policy, an individual is independent if the individual is independent as defined in section 1(b) of Schedule 2 to the Order.

1.3 For the purposes of this Policy, an individual is unrelated to original Maple shareholders if the individual is unrelated to original Maple shareholders as defined in section 1(c) of Schedule 2 to the Order.

2. Underlying Principles

2.1 Each exchange shall report to the Commission certain matters provided for in this Policy regarding TMX Group or certain other issuers listed on that exchange that raise issues of conflict of interest or potential conflict of interest for that exchange.

2.2 The purpose of this Policy is to ensure that each exchange follows appropriate standards and procedures regarding the initial and continued listing of a TMX entity and Competitors, to ensure that a TMX entity is dealt with appropriately in relation to, and Competitors are treated fairly and not disadvantaged by, the listing of a TMX entity on that exchange.

3. Initial Listing Arrangements

3.1 To the extent not completed prior to the date of the Order, the exchange shall review, in accordance with its procedures, the initial listing application of a TMX entity. The exchange shall provide a copy of the application to the Commission's Director, Corporate Finance at the same time that the application is filed with the exchange.

3.2 On completing its review of the application and after allowing the TMX entity to address any deficiencies noted by the exchange, the exchange shall provide a summary report to the Commission's Director, Corporate Finance, with its recommendation for listing approval, if made. The summary report shall provide details of any aspects of the application that were atypical as well as any issues raised in the process that required the exercise of discretion by the exchange. Any related staff memoranda, analysis, recommendations and decisions not included in the summary report shall be attached for review by the Commission's Director, Corporate Finance. If requested, a copy of the exchange's current listing manual shall also be provided to the Commission's Director, Corporate Finance.

3.3 The Commission's Director, Corporate Finance shall have the right to approve or disapprove the initial listing of the TMX entity. In the event of disapproval, the TMX entity shall have the opportunity to address the concerns of the Commission's Director, Corporate Finance and may resubmit an amended application for listing, or amended parts thereof, to the exchange. The exchange shall provide a revised summary report and any new materials to the Commission's Director, Corporate Finance in accordance with section 3.2, along with a copy of the amended application.

4. Conflicts Committee

4.1 The exchange has established and shall continue to maintain a committee ("Conflicts Committee") that shall review any matters brought before it regarding a conflict of interest or potential conflict of interest relating to a TMX entity's listing on an exchange or the initial or continued listing of Competitors on an exchange (each, a "Conflicts Committee Matter") as follows:

(a) matters relating to the continued listing of a TMX entity or a Competitor or of a listing of a different class or series of securities of a TMX entity or a Competitor from a class or series already listed;

(b) any applications for exemptive relief or applications for approval made by a TMX entity or a Competitor to the exchange;

(c) any other requests to the exchange made by a TMX entity or a Competitor that require an exercise of discretion by the exchange; and

(d) any listings matter related to an issuer listed on an exchange or listing applicant that asserts that it is a Competitor.

4.2 Notwithstanding section 4.1, where a Competitor certifies to the exchange that information required to be disclosed to the Conflicts Committee or to the exchange in connection with an initial listing or continued listing matter of the Competitor is competitively sensitive and the disclosure of that information would, in its reasonable view, put it at a competitive disadvantage with respect to a TMX entity, the exchange shall refer the matter to the Commission's Director, Market Regulation requesting that the Commission's Director, Market Regulation review issues relating to the competitively sensitive information. The Conflicts Committee shall consider all other aspects of the matter in accordance with the procedures set out in section 4.8. In addition, at any time that a Competitor believes that it is not being treated fairly by the exchange as a result of the exchange being in a conflict of interest position, the exchange shall refer the matter to the Commission's Director, Market Regulation.

4.3 In any initial listing or continued listing matter of a Competitor, the Competitor may waive the application of this Policy by providing a written waiver to the exchange and the Commission's Director, Market Regulation. Where a waiver is provided, the exchange shall deal with the initial listing or continued listing matter in the ordinary course as if no Conflicts Committee Matter exists.

4.4 The Conflicts Committee shall be composed of: the general counsel of the exchange ("Committee Secretary"), the senior officer responsible for listings for the exchange, the senior officer responsible for trading operations for the exchange, and two other persons who shall be independent of TMX Group and, for so long as any Maple nomination agreement (as such term is defined in section 1(a) of Schedule 2 to the Order) is in effect, unrelated to an original Maple shareholder. At least one such independent member shall participate in meetings of the Conflicts Committee, in order for there to be a quorum.

4.5 The exchange shall provide instructions to relevant officers and staff at the exchange so that they are able to identify a Conflicts Committee Matter that may exist or arise in the course of the performance of their functions. Without limiting the generality of the foregoing:

(a) the exchange shall provide instructions that any matter concerning a TMX entity that is brought to the attention of staff at the exchange shall be immediately brought to the attention of the Committee Secretary.

(b) the exchange shall maintain a list, in an electronic format, of all Competitors that are listed on the exchange. The exchange shall regularly, and in any event at least quarterly, update the list of Competitors. The Conflicts Committee shall review and approve the list of Competitors at least quarterly and, following approval, shall promptly provide the list to managers at the exchange who supervise departments that:

(i) review continuous disclosure;

(ii) review requests/applications for exemptive relief;

(iii) perform timely disclosure and monitoring functions relating to issuers listed on the exchange; and

(iv) otherwise perform tasks and/or make decisions of a discretionary nature regarding issuers listed on the exchange.

In maintaining this list, the exchange shall ensure that the relevant officers and staff responsible for listings for the exchange regularly prepare, review and update the list and promptly provide it to the Conflicts Committee and, upon request, to the Commission's Director, Market Regulation.

(c) The exchange shall provide instructions to relevant staff at the exchange that any initial listing or continued listing matter or a complaint of a Competitor or of any issuer listed on the exchange or listing applicant to the exchange that asserts that it is a Competitor shall be immediately brought to the attention of the Committee Secretary.

(d) The exchange shall provide to staff who review initial listing applications and to relevant officers and staff responsible for listings for the exchange a summary of the material lines of

business of TMX Group and its affiliated entities and shall update the list as these material lines of business change, in order that relevant officers and staff responsible for listings for the exchange may recognize a Competitor.

4.6 Unless a waiver of procedures pursuant to section 4.3 or section 5.1 has been provided to the exchange, where a Conflicts Committee Matter has been brought to the attention of the Committee Secretary, the Committee Secretary shall convene a meeting of the Conflicts Committee to be held following receipt of a substantially complete application from the Competitor or the TMX entity, as the case may be, in no later than:

(a) in the case of a Competitor, three business days; or

(b) in the case of a TMX entity, five business days

The Committee Secretary or any member of the Conflicts Committee may also convene a meeting of the Conflicts Committee whenever he or she sees fit, in order to address any conflict issues that may not be related to any one specific matter or issuer.

4.7 Where a Conflicts Committee meeting is called in response to a Conflicts Committee Matter, the exchange shall immediately notify the Commission's Director, Market Regulation that it has received notice of a Conflicts Committee Matter. In addition to such notice, the exchange shall provide the Commission's Director, Market Regulation with: (i) a written summary of the relevant facts; and (ii) an indication of the required timing for dealing with the matter.

4.8 The Conflicts Committee shall consider the facts and form a determination regarding whether a conflict of interest exists or not, or is likely to arise or not, with respect to the Conflicts Committee Matter. The Conflicts Committee shall then proceed as follows depending on the circumstances:

(a) If the Conflicts Committee determines that a conflict of interest relating to the exchange's proposed course for dealing with the TMX entity's listing or Competitor's listing on the exchange does not exist and is unlikely to arise, it shall notify the Commission's Director, Market Regulation of this determination. If the Commission's Director, Market Regulation approves such determination, the exchange shall deal with the matter in its usual course. When it has dealt with the matter, the exchange shall make a brief written record of such determination, including details of the analysis undertaken and the manner in which the matter was disposed of, and provide it to the Commission's Director, Market Regulation. If the Commission's Director, Market Regulation does not approve the determination and provides notice of such non-approval to the exchange, the exchange shall follow the procedures set out in section 4.8(b).

(b) If the Conflicts Committee determines that a conflict of interest relating to the exchange's proposed course for dealing with the TMX entity's listing or Competitor's listing on the exchange does exist or is likely to arise or if the Commission's Director, Market Regulation provides the exchange with a non-approval notice pursuant to section 4.8(a), the exchange shall:

(i) formulate a written recommendation of how to deal with the matter; and

(ii) provide its recommendation to the Commission's Director, Market Regulation for his or her approval, together with a summary of the issues raised and details of any analysis undertaken.

If the Commission's Director, Market Regulation approves the recommendation, the exchange shall take steps to implement the terms of its recommendation.

4.9 Where the Commission's Director, Market Regulation has considered the Conflicts Committee Matter based on the information provided to him or her by the Conflicts Committee under section 4.8(b) and has determined that he or she does not agree with the recommendation of the exchange, the Commission's Director, Market Regulation may:

(i) require the exchange to reformulate its recommendation; or

(ii) direct the exchange to take such other action he or she considers appropriate in the circumstances.

4.10 Where the Commission's Director, Market Regulation is requested to review a matter pursuant to section 4.9 or 4.2, respectively, the exchange shall provide to the Commission's Director, Market Regulation any relevant information in its possession and, if requested by the Commission's Director, Market Regulation any other information in its possession, in order for the Commission's Director, Market Regulation to review or, if appropriate, make a determination regarding the matter, including any notes, reports or information of the exchange regarding the issue, any materials filed by the issuer or issuers involved, any precedent materials of the exchange, and any internal guidelines of the exchange. The exchange shall provide its services to assist the matter, if so requested by the Commission's Director, Market Regulation.

4.11 The exchange shall conduct its usual review process in connection with all prescribed periodic filings of a TMX entity. Any deficiencies or irregularities in the Company Reporting Forms or other prescribed filings of a TMX entity shall be communicated to the Commission's Director, Market Regulation and brought to the attention of the Conflicts Committee, which shall follow the procedures outlined in this section 4. Upon request, the exchange shall make available to the Commission's Director, Corporate Finance, copies of the Company Reporting Forms and any other disclosure documents of a TMX entity that are filed with the exchange but not with the Commission.

5. Waiver of Procedures

5.1 Notwithstanding the provisions in section 4, the Commission's Director, Market Regulation may, in his or her discretion on a case by case basis, grant the exchange a waiver from the requirement to comply with the procedures outlined in section 4 of this Policy regarding matters related to the listing of a TMX entity on the exchange. Where such waiver is provided, the exchange shall deal with the matter in the ordinary course as if no Conflicts Committee Matter exists.

6. Timely Disclosure and Monitoring of Trading

6.1 The exchange shall use its best efforts to ensure that the Investment Industry Regulatory Organization of Canada at all times is provided with the current list of the issuers listed on the exchange that are Competitors.

7. Miscellaneous

7.1 Information provided by a Competitor to the Conflicts Committee in connection with a Conflicts Committee Matter shall not be used by the exchange for any purpose other than addressing the Conflicts Committee Matter. The exchange shall not disclose any confidential information obtained under this Policy to a third party other than the Commission unless:

(a) prior written consent of the other parties is obtained;
(b) it is required or authorized by law to disclose the information; or
(c) the information has come into the public domain otherwise than as a result of its breach of this clause.

7.2 The exchange shall provide disclosure on its website and in its Rules (as such term is defined in section 1(a) of Schedule 2 to the Order) to the effect that an issuer can assert that it is a Competitor and shall outline the procedures for making such an assertion, including appeal procedures.

Appendices

Appendix A Original Listing Application

Please click **here** to access the Listing Application.

Please click here to download the Listing Agreement in **PDF** format. An executed copy of the Listing Agreement must be printed and signed when submitting your final Listing Application.

Appendix B Disclosure Standards for Companies Engaged in Mineral Exploration, Development & Production

1.0 Introduction

The disclosure of the results of exploration and development activity on mineral properties must comply with the requirements of the Toronto Stock Exchange Policy Statement on Timely Disclosure, the Ontario *Securities Act* and all applicable policies and rules of the Ontario Securities Commission and any other securities regulatory body having jurisdiction over an issuer listed on the Exchange. In particular, the requirements of National Instrument 43-101 must be followed.

The purpose of the standards is to set out the requirements of the Toronto Stock Exchange when a company provides information to investors, regulators and/or the media regarding its properties, whether such information is contained in a news release, a continuous disclosure document such as an annual report, or other form of communication, including, but not limited to, printed investor relations material and electronic publications such as Internet Web sites. These standards do not apply to prospectuses or listing applications, the standards for which are contained in the policies and rules of the securities commissions and the Exchange. These standards are also not intended to establish requirements for the content of technical reports.

Any information published by or on behalf of a company must comply with these standards. If a company becomes aware of information published by others regarding its mineral properties which is materially misleading to investors, it should take appropriate action to correct such information or otherwise make it known that it is not responsible for publishing such information and does not necessarily agree with such statements.

Disclosure concerning mineral properties should identify the "qualified person" as defined in NI 43-101 who is responsible for the work conducted on the property and such person shall have read and approved of the technical disclosure.

1.1 News Releases

The standards herein provide guidelines for the content of news releases which when combined with the disclosure requirements of NI 43-101 require more comprehensive disclosure. While this may result in additional time and money being expended on news releases, it is intended that the public receive more and better information in order that it can make better informed investment decisions.

The prescribed information may be provided by reference to previous news releases or other documents, as long as they are readily obtainable from the company by e-mail, fax, mail or in a web site. For instance, when a company first announces exploration results from a property, it must describe the geological environment of the property; however, it may not be necessary to repeat that information in every news release subsequently issued regarding the same property. The subsequent news releases may instead refer to previous releases or other documents and indicate how they may be obtained.

1.2 Continuous Disclosure Documents

Disclosure in documents such as annual and quarterly reports must be as complete as possible in compliance with these standards and NI 43-101. Periodic reports must provide summary information on

activities on all material properties. Where work has been discontinued on properties about which the company has made prior disclosure, there must be further information provided as to any undisclosed results and reasons for the cessation of work. Such disclosure should be provided even on properties which are no longer material so that shareholders are reasonably well informed of the company's activities.

1.3 Web Sites

Companies which maintain corporate Web sites must provide the address of the Web site in all corporate disclosure materials. Any such disclosure should also be posted on the Web site immediately after it has been otherwise published. All news releases containing information on a material exploration property should be posted on the Web site until such time as the company has disclosed that it has discontinued work on a property, or no longer has an interest in the property, or the information has been superseded by disclosure of further work on the property.

2.0 Exploration Results

2.1 General Requirements

When disclosing the results of exploration activity on its properties, a company shall state the source of the information when it was not obtained by the company itself. The company shall also provide the name(s) of the qualified person(s) responsible for the design and conduct of the exploration program. The relationship of such person(s) to the company shall also be disclosed.

Apart from disclosure of results of exploration activities as described in more detail below, a general description of the geological environment must be disclosed, including any known potential for problems, such as extremely erratic results or significant metallurgical difficulties.

If the company releases partial results, e.g., the first two holes of a six hole program, it must ensure that the balance of the results are disclosed in a timely manner whether the results are positive or negative.

Where possible, the company should provide information in table form for ease of understanding and publish maps, plans or sections as appropriate to the information and the stage of development of the property.

2.2 Preliminary Results

Early exploration activity designed to yield information as to the possible existence and location of minerals of value, e.g., geophysical surveys or soil sampling, when disclosed, must be clearly described as preliminary in nature and not conclusive evidence of the likelihood of the occurrence of a mineral deposit. A description of the type of survey or the sampling methods, e.g., grab, chip or channel samples, and spacing intervals must be included. The company must also disclose who undertook the program, and their relationship to the company.

Analytical results should be reported in a timely and responsible manner. In circumstances where extremely high grades are encountered, it is important that the qualified person provide disclosure as to the comparability of the results with past results or, if there are no past results, with expected results

based on geology. The sample grades reported should conform to industry best practices, such as ounces per ton or grams per tonne for precious metals, so as not to confuse the reader.

Visual estimates of quantity or grade of mineralization should not be reported. Observations of mineralization from outcrop, trench or drill samples should be reported only when analytical results will not be readily available and the presence of the mineralization is deemed to be material by the qualified person responsible for the project. What is then reported should be carefully and completely described in terms that will not lead unsophisticated investors to conclude that the information can be interpreted with the same confidence as assay results.

Similarly, results of exploration for a polymetallic property must not be reported in "metal equivalents" prior to disclosing resources or reserves, and then only in limited circumstances as set out in NI 43-101 and the CIM Standards on Mineral Resources and Reserves.

If the property is one of the company's material properties, the company must also disclose any independent sampling or audit programs that have been or will be undertaken, by whom, and what their qualifications are. Data verification programs undertaken should be disclosed, including sampling methods, location and number of samples, and comparisons with the company's own results.

Recommended programs for further exploration should be described, including proposed methods, time frame and cost. The company should state whether it intends to carry out the program(s) and whether it has the funds available to do so.

2.3 Advanced Results

When the company is releasing information as to advanced results, it must provide a description of the work undertaken and include all relevant details as to the methods used and who conducted the program in a similar manner as for preliminary results.

Results must not be disclosed selectively. If for example, six holes are drilled and three return mineralization of interest, details of all six holes must be released, including location, direction, geological formations encountered, etc., so as to provide the reader with as complete a picture as possible as to the nature of the prospect.

Grades reported should conform to industry best practices, such as ounces per ton or grams per tonne for precious metals, and a complete and accurate portrayal of the drill intersections, true widths, cut grades, etc., should be included.

For any material properties, the company must also disclose whether any independent sampling or audit programs have been or will be undertaken, by whom, and what their qualifications are. Data verification programs should be disclosed, including sampling methods, location and number of samples, and comparisons with the company's own results.

Care should be taken to provide consistent reporting throughout the life of the exploration program. Estimations of tonnage and average grade of mineralization may not be reported until the company has performed a resource calculation as set out in paragraph 3.1.

2.4 Assay Results

The name of the analytical laboratories which assayed the material sampled must be disclosed together with their relationship to the company, if any. The accreditation of each laboratory, or lack thereof must also be disclosed.

Assay results must include disclosure of the analytical method(s) used. If these are not standard procedures for the prospective minerals on the property, this should be disclosed in detail, including a discussion of the reasons for their use.

Complete disclosure of check assay results is not required. It is, however, a requirement that the company disclose the nature of the check assay program and whether the results are confirmatory.

3.0 Resources and Reserves

3.1 Definitions

The use of the terms "resources" and "reserves" must conform to the definitions contained in NI 43-101, which adopts those published by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). These include the sub-categories of measured, indicated and inferred for resources, and proven and probable for reserves. Other terms, though they have been often used within the industry, such as "in situ" resources or "geological" reserves, must not be used in public disclosure. If the location of the property is in another jurisdiction which has a definition of resources and reserves recognized by the Toronto Stock Exchange, such definition may be used, provided an exemption to NI 43-101, if necessary, has been obtained from the relevant securities commission and the definition used is identified. Significant differences between the definition used and that of the CIM must be described. For the purpose of these standards, recognized definitions include those of the 1MM of the United Kingdom, the USGS of the United States and the JORC Code of Australia.

3.2 Use

All resource and reserve estimations disclosed must provide the name of the qualified person responsible for the calculation and his/her relationship to the company. The company must also state whether, and how, any independent verification of the data has been performed.

Particular care should be taken to distinguish between resources and reserves so that they are not assumed to be equivalent in the mind of the reader.

Resources and reserves should, whenever possible, be published in a manner so as not to confuse the reader as to the potential of the deposit. Inferred resources must not be aggregated with measured and indicated resources nor proven and probable reserves, as the case may be. Any categories of resources and reserves which are aggregated must also be disclosed separately.

When reserves are first reported, the key economic parameters of the analysis must be provided, such as operating and capital cost assumptions, and the assumed prices of the mineral commodities which could be produced. If the prices used differ from the current prices of the commodities, an explanation should be given, including the effect on the economics of the project if current prices were used. Sensitivity analyses may be used to provide a better understanding of the effects of changes in commodity prices on the economics of the project.

All reported quantities of resources and reserves must be expressed in terms of tonnage and grade. Contained ounces of gold, for example, should not be disclosed out of the context of the tonnage and grade of a deposit, with the possible exception of the resources and reserves of mining companies which have more than one mine in production. In that case, the company should not aggregate contained minerals from properties that are not in production with those that are in production.

Polymetallic resources and reserves must not be expressed in terms of 'metal equivalents" except in the limited circumstances as set out in NI 43-101, F1, 19(k) and the CIM Standards on Mineral Resources and Reserves. It is also inappropriate to refer to the gross value or in situ value of resources and reserves. Ascribing gross values to resources and reserves remaining in the ground without disclosing potential capital and operating costs and Other economic factors is meaningless and potentially misleading.

4.0 Development

Companies with properties which are at or near the development stage must avoid disclosure which leads investors to conclude prematurely that a mine is in production or is about to be placed in production. Care should be taken to distinguish between current and planned production rates. Operating capacities and production rates must be expressed in terms generally used in the mining industry and in a manner which is easily translated into gross revenues. Significant transportation costs, smelter losses, tolls or penalties for unwanted minerals should be disclosed for the same reason.

4.1 Feasibility Studies

Feasibility studies (including pre-feasibility studies) are undertaken for the purpose of determining whether or not a mineral deposit can be developed into a viable operating mine. Such a study is necessary to establish the presence of reserves on a property. When a company discloses the results of a feasibility study, it must disclose the purpose and scope of the study as well as the conclusions. The identity and qualifications of the firm or individuals that prepared the report must be provided as well as their relationship to the company.

Key parameters of the feasibility study must be disclosed as in the case of the reporting of reserves.

4.2 Valuations

Reporting of a valuation of a property must include the valuation method and all key assumptions. The purpose and scope of the valuation must also be disclosed. The author(s) of the valuation, their professional qualifications and their relationship with the company, if any, must be disclosed.

5.0 Tenure and Permitting

Upon acquisition of a material property, companies must disclose the basic tenets of the regulatory system of granting the rights for exploration and exploitation of minerals in the jurisdiction where the property is located. This would include a brief description of the permitting process, including required environmental assessments and what progress has been made during the course of an exploration or development program.

Companies must also disclose their proportionate ownership at successive stages of property development and any significant constraints or obligations. This should encompass cash or share

payments, work commitments and production royalties. Any adverse claims or disputes as to title or rights to the property must be described including what steps the company must take to resolve the dispute and how long it may take to reach a resolution. Properties located in foreign jurisdictions will require more complete disclosure of tenure and permitting issues. Disclosure must address any constraints on access to the property including whether or not the company owns the surface rights to the property and what impact this may have on the company's ability to explore and mine on the property.

6.0 Production

Companies which publish their cost or anticipated cost of production, on a cost per unit basis, must clearly set out what costs are and are not included in the calculation. This provides investors with the ability to compare results of different companies which use different calculations. The Gold Institute has published a reporting standard for gold mines which is recommended for use by listed companies.

Production figures, including costs, that are disclosed on the basis of equivalents of a particular mineral (e.g., ounces of silver converted to equivalent ounces of gold) must include the amount of production of the secondary mineral and the value used for the conversion. Such conversions should be restricted to similar commodities, such as platinum group metals, and not used to convert base metals to precious metals, for example.

A similar breakdown of by-product production should be provided when it is treated as a cost reduction rather than as additional revenue.

Companies which do not have a 100% interest in the production from operating mines must avoid disclosure which provides gross production figures without also providing net figures or plain disclosure of the company's proportional interest in the operation.

Appendix C Toronto Stock Exchange Escrow Policy Statement

I. Introduction

Effective June 30, 2002, the Canadian Securities Administrators ("CSA") introduced National Policy 46-201, *Escrow for Initial Public Offerings,* (the "National Policy") and a standard form of escrow agreement, Form 46-201F1, *Escrow Agreement* (the "Escrow Form"), in connection with the National Policy.

As determined by the CSA, the fundamental objective of escrow is to encourage continued interest and involvement in an issuer, for a reasonable period after its initial Public Offering ("IPO"), by those principals whose continuing role would be reasonably considered relevant to an investor's decision to subscribe to the issuer's IPO.

All terms contained in the TSX Escrow Policy are as defined in the National Policy.

II. Application of the National Policy

Under the National Policy, escrow is not required for an issuer listing on TSX that, immediately after completion of its IPO, is:

i) classified by TSX under sections 309.1, 314.1, or 319.1 of this Manual, as applicable, as an exempt issuer; or

ii) a non-exempt issuer with a market capitalization of at least $100 million.

All other issuers completing initial public offerings and listing on TSX will be subject to the National Policy. Principals of such issuers will be required to place their securities in escrow under an escrow agreement in accordance with the terms of the National Policy, to be administered by the relevant CSA jurisdiction and not by TSX.

III. Application of the TSX Escrow Policy

The TSX Escrow Policy applies to issuers not otherwise subject to the National Policy that have:

i) listed on TSX by completing reverse takeovers of TSX listed issuers ("backdoor listings"); or

ii) listed on TSX by completing a qualifying acquisition with a SPAC as contemplated in Part X; or

iii) conducted their IPOs in markets outside of a CSA jurisdiction within the 12 months preceding the date of the TSX listing application.

In deciding whether escrow is appropriate for such issuers, TSX will apply the principles of the National Policy. The provisions of the National Policy will be applied by TSX, including the use of the Escrow Form. TSX will administer escrow agreements entered into under the TSX Escrow Policy.

Subject to such terms and conditions as it may impose, TSX may:

i) exempt a person or issuer from the provisions of the TSX Escrow Policy otherwise applicable; or

ii) impose restrictions on a person or issuer beyond, or in addition to, those contained in the National Policy as applied to the TSX Escrow Policy where, in TSX's opinion, it would be in the public interest to do so.

Exchange discretion with respect to the escrow requirements applicable to founding securities may only be exercised after discussions with, and the concurrence of, the OSC.

For issuers where escrow is required, other than the founding securities held by founding securityholders of issuers listed on TSX by completing a qualifying acquisition with a SPAC as contemplated in Part X, a principal's escrow securities are to be released as follows:

On the date issuer's securities are listed on TSX (the listing date)	1/4 of the escrow securities
6 months after the listing date	1/3 of the remaining escrow securities
12 months after the listing date	1/2 of the remaining escrow securities
18 months after the listing date	the remaining escrow securities

For issuers where escrow is required, for founding securities held by founding securityholders of issuers listed on TSX by completing a qualifying acquisition with a SPAC as contemplated in Part X, the founding securityholders' founding securities are to be released as follows:

On the date issuer's securities are listed on TSX (the listing date)	1/10 of the founding securities
6 months after the listing date	1/3 of the remaining founding securities
12 months after the listing date	1/2 of the remaining founding securities
18 months after the listing date	the remaining founding securities

For issuers listed on TSX by completing a qualifying acquisition with a SPAC as contemplated in Part X, the listing date for purposes of this Escrow Policy is the date of closing of the qualifying acquisition by the SPAC.

IV. Administration of Existing Escrow Agreements

Issuers may apply to TSX to amend the terms of existing TSX escrow agreement and to request the transfer of securities within escrow or the early release of securities from escrow to reflect the release terms of the National Policy. For non-TSX escrow agreements, issuers must apply to the relevant exchange or relevant CSA jurisdiction under which the escrow agreement was originally entered into for any specific request to approve the transfer of securities within escrow or for the early release of securities from escrow.

The National Policy and the Escrow Form may be found on the web sites of CSA members including, but not limited to, the Ontario Securities Commission (www.osc.gov.on.ca).

Appendix D Toronto Stock Exchange Evidence of Security Ownership

I. Requirements

As provided in Section 349, this Appendix D sets out the requirements regarding evidence of security ownership.

Evidence of security ownership may take various forms. The table below describes these forms of evidence of ownership and provides TSX's corresponding filing requirements.

Evidence of Security Ownership	TSX Filing Requirements
Certificated Issue: The listed securities are represented by one or more physical certificates held in registered form.	Issuer must file: • Colour copy of the generic certificate along with a letter from the issuing entity confirming that it meets the STAC requirements (see section II below); or • Specimen of the customized security certificate (see section III below).
Certificated Issue—BEO: The listed securities are subject to a CDS BEO securities services agreement and are represented by a physical global certificate held under custody at CDS.	Issuer must file: • Copy of the global certificate issued to CDS.
Uncertificated Issue—BEO: The listed securities are subject to a CDS BEO securities services agreement and are held uncertificated at a CDS approved transfer agent. The appointed transfer agent acts as the custodian of the listed securities in the CDSX system.	Issuer must file: • Confirmation from the appointed transfer agent that the uncertificated issue is eligible for BEO.
Uncertificated Issue—Non-Certificated Inventory (NCI): The listed securities are held by registered owners through a CDS approved transfer agent acting as the custodian of the	Issuer must file: • Colour copy of the generic certificate along with a letter from the issuing entity confirming that it meets the STAC requirements (see section II below); or

securities in the CDSX system. Registered owners may require the transfer agent to issue physical certificates.	• Specimen of the customized security certificate (see section III below).
Direct Registration System (DRS): Form of registration that allows listed securities to be held in electronic form without having a physical security certificate issued as evidence of ownership.	Issuer must file: • Confirmation from the appointed transfer agent that the securities are held through a DRS operated by the appointed transfer agent.

If the Corporate statutes under which the listed issuer is constituted provide that security holders may require a certificate to evidence their security ownership, the listed issuer must meet the Certificated Issue or Uncertificated Issue - Non-Certificated Inventory described above.

II. Generic Certificates

Listed issuers may use generic certificates that comply with the STAC requirements (the "STAC Requirements"). When proposing to use generic certificates, listed issuers must provide TSX with a definitive specimen of the certificate or a generic certificate produced on demand together with a letter from the issuing transfer agent confirming that the generic certificate is in compliance with all STAC Requirements. Listed issuers interested in using generic certificates and obtaining information on STAC Requirements should contact their transfer agent.

III. Customized Security Certificates

General

1. All certificates representing listed securities of issuers shall be printed in a manner acceptable to TSX by a recognized bank note company (or its affiliates) which has been approved by TSX for this purpose.
2. All security certificates shall be 12" × 8" (30.48 cm. × 20.32 cm.) in size.
3. All dies, rolls, plates and other engravings used in the manufacture of certificates shall, at all times, be and remain in the possession of the producing bank note company.
4. The design of security certificates shall include:
    a) a "title" or legal name of the listed issuer;
    b) a general or promissory text;
    c) a colour panel or panels, or a colour border in lathe pattern, of not less than 10 square inches in total area;
    d) a space to indicate ownership and denomination, generally referred to as the "open throat" area;
    e) a printed underlay in black or in colour in the area of the "open throat";

f) a CUSIP number (as provided in Section 350 of the Manual);

g) a prominent indication of the class of securities to which the certificate refers;

h) a denomination "counter" separate and distinct from the "open throat" area;

i) a transferability clause, indicating where certificates are transferable;

j) the names of the transfer agent(s) and registrar(s), if other than the issuing company;

k) original or facsimile signatures of one or more officers of the listed issuer;

l) a document control or serial number; and

m) the name of the bank note company producing the certificate.

5. Certificates shall provide for transfer and registration in the principal office of, one or more, of the cities of Vancouver, British Columbia; Calgary, Alberta; Toronto, Ontario; Montréal, Québec; or Halifax, Nova Scotia. When securities are transferable in more than one city, the certificates shall be identical in colour and design, except as to the names of the transfer agent and registrar, as the case may be, and shall bear a legend naming all cities where transferable.

6. Where a single denomination certificate is issued, it shall be completed in accordance with the above requirements using a penetrating ink ribbon.

7. The denomination of a security certificate shall be indicated:

   a) in the upper right-hand quadrant of the certificate in an area bearing an underlay of fine intaglio lines;

      i) in the case of a board lot certificate by printing in numerical form; or

      ii) in the case of a certificate for less than 100 securities by computer printing or typewriting using a penetrating ink ribbon or by a process of paper maceration in numerical form.

   b) in the "open throat" area:

      i) by computer printing or typewriting using a penetrating ink ribbon in alphabetized form; or

      ii) by a process of paper maceration in numerical form.

      Where a single denomination security certificate is issued, the denomination shall be indicated by using a penetrating ink ribbon to express the denomination numerically in the "open throat" area using the matrix concept in which the number is inscribed in successively staggered positions on five consecutive lines or, alternatively, using a process of paper maceration in which the number is inscribed in a single line.

8. Security certificates shall be printed on paper produced exclusively for use by a bank note company, containing a multi-toned and multi-directional watermark design acceptable to TSX.

Intaglio Content

9. Security certificates shall be so printed that an intaglio printing in colour other than black is made of the border or panel portions of the design, and of an underlying tint in the denomination "counter"

   For the purpose of these regulations, intaglio printing is defined as that process commonly used in bank note production in which ink is transferred to the paper from line engravings.

10. Where a listed issuer has two or more classes of securities listed, the certificates representing the different classes shall be substantially different in colour, as produced by the intaglio printing.

Vignettes [Deleted]

Miscellaneous

11. A form of assignment shall be printed legibly on the back of each certificate in a colour other than black.

12. No impression shall be made on the face of a security certificate by means of a hand stamp, except to inscribe a date or the name of the registered holder.

13. Temporary or interim security certificates may be used for an emergency only and for a period not exceeding four months, subject to prior approval of TSX. In such circumstances, the promissory text and legal name of the listed issuer may be printed by other than the intaglio process and a vignette maybe omitted, so long as the certificates comply with all other technical requirements for security certificates. All temporary or interim security certificates shall be imprinted with the words "interim" or "temporary" in prominent colour and size at the top of the face.

14. Any listed issuer changing its name or revising or changing its share capital by redesignating its securities may overprint the security certificates to give effect to such change, preferably by the silvering-over process, subject to prior approval of TSX.

15. Security certificates containing any additional security features not mentioned above, such as a vignette or latent image, are acceptable to TSX provided the minimum requirements as set out herein are met.

Issuers in the Mining Oil and Gas Category and Non-Exempt Issuers [Deleted]

Requirements Respecting Certificates for Rights and Security Purchase Warrants

16. Certificates for rights and security purchase warrants shall be printed in a manner acceptable to TSX by a recognized bank note company (or its affiliates) which has been approved by TSX for this purpose.

17. Certificates for rights and security purchase warrants must be of the same size as security certificates and shall meet the same requirements for intaglio printing in colour of the border or panels, including CUSIP numbers. However, under certain circumstances, such as when timing is critical, listed issuers will be permitted to use a true continuous form of lithographed certificate for rights or security purchase warrants only, subject to prior approval of TSX.

Appendix E Deleted

See Section 624

Appendix F Take-Over Bids and Issuer Bids Through the Facilities of Toronto Stock Exchange

Effective January 1 2005, all rules in Appendix F were repealed and replaced with Section 627, with the exception of those rules which apply only to normal course issuer bids.

Effective June 1, 2007, all remaining rules in Appendix F are repealed and replaced with Sections 628-629.3. Appendix F will remain in the Manual only for the benefit of those normal course issuer bids that continue to be subject to Appendix F until their expiry, pursuant to Section 629.3.

Part 6 of the Exchange's Rule Book — Exchange Take-Over Bids and Exchange Issuer Bids

Division 1 — Definitions and Interpretation

Sec. 6-101. Definitions

In this Part:

"average bid value" means the amount obtained by dividing:

i) the aggregate of the bid price times the number of shares of the class of securities sought plus the market price times the number of shares of such class of securities not sought, by

ii) the aggregate of the number of shares of the class of securities sought plus the number of shares of such class of securities not sought.

"bid" means either a stock exchange take-over bid or a substantial issuer bid, as the case may be.

"circular bid" means a take-over bid or an issuer bid made in compliance with the requirements of Part XX of the *Securities Act* or, if applicable, Part XVII of the *Canada Business Corporations Act*.

"closing price" means:

1. the price per share at which the last trade in that class of securities was effected on the Exchange on that day as shown on the record of sales published by the Exchange; or
2. if there were no trades in that class of securities on the Exchange, the price per share at which the last trade in that class of securities was effected on another exchange recognized for this purpose; or
3. if there were no trades in that class of securities on the Exchange or any recognized exchange, but closing bid and ask prices were published therefor, the average of such bid and ask prices as shown on the list of closing quotations published by the Exchange.

"competing stock exchange take-over bid" means a stock exchange take-over bid announced while another stock exchange take-over bid for the same class of securities of an offeree issuer is outstanding.

"insider bid" means a stock exchange take-over bid made by an insider of a listed offeree issuer, by any associate or affiliate of an insider of a listed offeree issuer, by any associate or affiliate of a listed offeree issuer or by an offeror acting jointly or in concert with any of the foregoing.

"issuer bid" means an offer to acquire listed securities made by or on behalf of a listed company for securities issued by that listed company, unless:

a) the securities are purchased or otherwise acquired in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are purchased to meet sinking fund or purchase fund requirements;

b) the purchase or other acquisition is required by instrument creating or governing the class of securities or by the stature under which the issuer was incorporated, organized or continued; or

c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right.

"last bid" means the stock exchange take-over bid, notice of which was accepted by the Exchange at the latest point in time.

"market price" means the simple average of the closing price of the shares for each of the twenty Trading Days preceding the Exchange's acceptance of the notice in respect of the initial stock exchange take-over bid.

"normal course issuer bid" means an issuer bid where the purchases (other than purchases by way of a substantial issuer bid):

a) do not, when aggregated with the total of all other purchases in the preceding 30 days, whether through the facilities of a stock exchange or otherwise, aggregate more than 2% of the securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by the Exchange; and

b) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of

    i) 10% of the public float, or

    ii) 5% of such class of securities issued and outstanding, excluding any held by or on behalf of the issuer on the date of acceptance of the notice of normal course issuer bid by the Exchange, whether such purchases are made through the facilities of a stock exchange or otherwise.

"normal course purchase" means a take-over bid made by way of a purchase on the Exchange of such number of a class of securities of a listed offeree issuer that, together with all purchases of such securities made by the offeror and any person or company acting jointly or in concert with the offeror in the preceding 12 months through the facilities of a stock exchange or otherwise, do not aggregate more than 5% of the securities of that class outstanding at the time such purchase is made.

"notice" means a notice of a stock exchange takeover bid filed in accordance with Rule 6-203 or a notice of stock exchange substantial issuer bid filed in accordance with Rule 6-203 or, if applicable, Rule 6-402.

"principal shareholder" of a company means a person or company who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding shares of any class of voting securities or equity securities of the company.

"public float" means the number of shares of the class which are issued and outstanding, less the number of shares of the class beneficially owned, or over which control or direction is exercised by:

a) every senior officer or director of the listed company;

b) every principal shareholder of the listed company; and

c) the number of shares that are pooled, escrowed or non-transferable.

"ranking bid" means the stock exchange take-over bid that yields the highest average bid value.

"shares sought" means the number of shares of the class of securities for which a bid is made.

"shares not sought" means the number of shares outstanding of the class of securities for which the bid is made minus the aggregate of the number of such shares sought and the number of such shares owned directly or indirectly by the offeror, its insiders, associates, affiliates, and any person or company acting jointly or in concert with the offeror.

"stock exchange take-over bid" means a take-over bid, other than a normal course purchase, made through the facilities of the Exchange.

"substantial issuer bid" means an issuer bid, other than a normal course issuer bid, made through the facilities of the Exchange.

"take-over bid" means an offer to acquire such number of the listed voting or listed equity securities of an offeree issuer that will in the aggregate constitute:

a) 20% or more of the outstanding securities of that class, together with the offeror's securities; or

b) in the case of an offeree issuer that is subject to the *Canada Business Corporations Act*, 10% or more of the outstanding shares of a class of listed voting shares, together with:

   i) shares already beneficially owned or controlled, directly or indirectly by the offeror or an affiliate or associate of the offeror, and

   ii) securities held by such persons or companies that are currently convertible into such shares, and

   iii) currently exercisable rights and options to acquire such shares or to acquire securities that are convertible into such shares, on the date of the offer to acquire.

Sec. 6-102. Interpretation

(1) For the purposes of this Part, a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted.

(2) For the purposes of this Part,

a) the beneficial ownership of securities of an offeror or of any person or company acting jointly or in concert with the offeror shall be determined in accordance with section 90 of the *Securities Act*; and

b) where any person or company is deemed by Rule 6-102(2)(a) to be the beneficial owner of unissued securities, the number of outstanding securities of a class in respect of an offer to acquire shall be determined in accordance with subsection 90(3) of the *Securities Act*.

(3) For the purposes of this Part, whether a person or company is acting jointly or in concert with an offeror shall be determined in accordance with section 91 of the *Securities Act*.

Division 2 — General Rules Applicable to Bids

Sec. 6-201. Compliance with Exchange Requirements

An offeror shall not make a takeover bid or issuer bid through the facilities of the Exchange except in accordance with Exchange Requirements.

Sec. 6-202. Obligations of Offeror

(1) An offeror shall not attach any conditions to a stock exchange take-over bid other than:

a) establishing a maximum number of shares sought, which shall be the number of shares the offeror is obliged to take up; and

b) in the case of a transaction in respect of which notice must be given to the Director of Investigation and Research under the provisions of the *Competition Act* (Canada), making the bid conditional on no action being taken by the Director under the provisions of such Act within the time period specified in such Act for a transaction effected through the facilities of a stock exchange in Canada.

(2) An offeror shall not attach any conditions to a substantial issuer bid other than establishing a maximum number of shares sought, which shall be the number of shares the offeror is obliged to take up.

(3) An offeror shall not take up more than the number of shares sought without the approval of the Exchange.

(4) A stock exchange take-over bid shall not be withdrawn except:

a) pursuant to Rule 6-302(b); or

b) if the Exchange is satisfied that any undisclosed action prior to the date of the offer or any actions subsequent to that date by the board of directors or senior officers of the offeree issuer or by a person or company other than the offeror, effects an adverse material change in the affairs of the offeree issuer.

(5) A substantial issuer bid shall not be withdrawn.

(6) An offeror making a bid shall file with the Exchange, and shall not proceed with the bid until the notice has been accepted by the Exchange.

(7) Except where otherwise provided, an offeror making a bid shall take the following steps to inform shareholders of the offeree issuer of the terms of the bid forthwith after the Exchange has accepted notice of the bid:

a) disseminate details of the bid to the news media in the form of a press release;

b) communicate the terms of the bid:

i) by sending a copy of the notice filed pursuant to Rule 6-203 by first class mail to each registered holder of the class of securities that is the subject of the bid in Canada and in each other jurisdiction where the bid is made and such communication is not prohibited by law, and to each such registered holder of securities convertible or exchangeable for such class of securities or that otherwise has a right to participate in the offer, and

ii) by advertising in the manner prescribed by the Exchange, or by such other means as may be approved by the Exchange.

(8) If an offeror makes or intends to make a bid, neither the offeror nor any person' or company acting jointly or in concert with the offeror shall enter into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

(9) An offeror filing a notice shall pay a filing fee in such amount as may be prescribed by the Exchange.

Sec. 6-203. Notice by Offeror

(1) A notice of a stock exchange take-over bid filed by an offeror with the Exchange shall provide the following information, in a form acceptable to the Exchange:

a) the identity of the offeree issuer;

b) the class of securities that are the subject of the bid and a description of the rights of the holders of any other class of securities that have a right to participate in the offer by conversion or otherwise;

c) the cash price to be paid per share and the number of shares sought;

d) the terms of the bid, including the date of the book, method of tendering to the bid and settlement of tenders, any commissions to be paid to Participating Organizations, the names of any person or company retained to make solicitations in respect of the bid, and any other relevant information with respect to such terms;

e) the number and percentage of each class of outstanding equity or voting securities of the offeree issuer owned directly or indirectly by:

i) the offeror,

ii) each of the offeror's directors and senior officers and their associates,

iii) any other person or company acting jointly or in concert with the offeror,

iv) where known after reasonable enquiry, any person or company holding 10 percent or more of any class of equity or voting securities of the offeror, and

v) where known after reasonable enquiry, any person or company holding 10 percent or more of any class of equity or voting securities of the offeree issuer;

f) where known after reasonable enquiry, the number of each class of equity or voting securities of the offeree issuer traded by each of the persons or companies referred to in Rule 6-203(1)(e) during the six-month period preceding the date of filing of the notice, including the purchase or sale price and the date of each such transaction;

g) details of any commitments made by any of the persons or companies referred to in Rule 6-203(1)(e) hereof to acquire any equity or voting securities of the offeree issuer (other than pursuant to the bid) and the terms and conditions of such commitments;

h) a summary showing in reasonable detail the volume of trading and price range of the securities for which the bid is made in the twelve- month period preceding the date of filing of the notice, on the Exchange and on any other principal market, and the market price of such securities immediately before the announcement of the bid;

i) the particulars of any arrangement or agreement made or proposed to be made between the offeror and any of the directors or senior officers of the offeree issuer, including particulars of any payment or other benefit proposed to be made or given by way of compensation for loss of office or for remaining in or retiring from office if the bid is successful;

j) the particulars of any information known to the offeror of any material change in the affairs of the offeree issuer, or any material fact concerning the securities of the offeree issuer that has not been generally disclosed;

k) information regarding any plans or proposals of the offeror to liquidate the offeree issuer, to sell, lease or exchange all or substantially all of the assets of the offeree issuer or to amalgamate such issuer with any other company, or to make any other major change in the business, operations, corporate structure, management or personnel of the offeree issuer;

l) a statement of any right of appraisal that shareholders of the offeree issuer may have under applicable laws and whether the offeror intends to exercise any right of acquisition it may have under applicable legislation;

m) a statement of the rights provided by subsection 131(1) of the *Securities Act*;

n) a statement to the effect that the bid may only be withdrawn pursuant to Rule 6-302(b), or in the circumstances referred to in Rule 6-202(4),

o) information satisfactory to the Exchange regarding the identity and financial resources of the offeror, including:

i) if it is a corporation, the names of its directors, officers and principal shareholders,

ii) if it is a partnership, the names of its partners, and suitable disclosure regarding any corporate partners, and

iii) the source of funds to be used to pay for securities tendered to the bid and the terms of any financing obtained;

p) where a valuation is provided pursuant to a legal requirement or otherwise,

i) a summary of the valuation disclosing the basis of computation, scope of review, relevant factors and their values, and the key assumptions on which the valuation is based, and

ii) where copies of the valuation are available for inspection and a statement that a copy of the valuation will be mailed upon payment of a charge covering copying and postage;

q) details of any important business relationship between the offeror and the offeree issuer;

r) any other information not disclosed in the foregoing that would reasonably be expected to affect the decision of the security holders of the offeree issuer to accept or reject the bid.

(2) The notice shall conclude with a signed statement certifying that:

a) the information provided is complete and accurate, and in compliance with Part 6 of the Rules;

b) the contents of the notice and the mailing of the offer have been authorized by the offeror, and in the case of an offeror that has directors, by its board of directors; and

c) the notice contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

(3) A notice of a substantial issuer bid filed by an offeror with the Exchange shall provide the information contained in Rules 6-203(1) and (2) with appropriate modifications for a transaction that is not a take-over bid and such notice shall contain such additional information as may be required by the Exchange.

(4) A copy of the notice shall be filed with the Commission and, in the case of a stock exchange take-over bid, with the offeree issuer forthwith after acceptance by the Exchange.

Sec. 6-204. Book for Receipt of Tenders

A book for receipt of tenders to the bid shall be opened on the Exchange not sooner than the twenty-first calendar day after the date on which notice of the bid is accepted by the Exchange and at such time, and for such length of time, as may be determined by the Exchange.

Editorial Note: In accordance with the power granted to the Exchange under Rule 6-601 (c)(iii), the Exchange will require that the book for tenders be opened not sooner than the 35th calendar day after acceptance of notice of the bid in order to parallel the time periods for take-over bids and issuer bids subject to section 95 of the *Securities Act* (Ontario).

Sec. 6-205. Conduct of Participating Organizations

In respect of a bid:

a) no Participating Organization shall knowingly assist or participate in the tendering of more shares than are owned by the tendering party; and

b) tendering, trading and settlement by Participating Organizations shall be in accordance with such rules as the Exchange shall specify to govern each bid.

Sec. 6-206. Allotment Procedure

(1) Where in a bid more shares are tendered than the number of shares sought, the offeror shall take up a proportion of all shares tendered equal to the number of shares sought divided by the number of shares tendered, and Participating Organizations shall make allocations in respect of shares tendered in accordance with the instructions of the Exchange.

(2) As soon after the closing of the book for receipt of tenders as may be possible, the Exchange shall announce the total number of shares acquired by the offeror pursuant to the terms of the bid and the allocation thereof

Sec. 6-207. Amendments to Bids and Notices

(1) The terms of a bid may only be amended to increase the price per share offered or the number of shares sought or to agree to pay an amount in respect of the seller's commission or a combination thereof and such amendment shall be made by filing with the Exchange a notice of amendment in a form acceptable to the Exchange.

(2) Forthwith upon acceptance of the notice of amendment by the Exchange, the offeror shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book and the offeror shall disseminate such notice of amendment in such manner as the Exchange may deem to be appropriate in the circumstances.

(3) Where the offeror becomes aware of a material change in any of the information contained in the notice in respect of a bid, the offeror shall file with the Exchange forthwith a notice of change in a form acceptable to the Exchange.

(4) Forthwith upon acceptance of the notice of change by the Exchange, the offeror shall issue a press release containing a summary of the information set forth in such notice of change, including reference to any change in the date of the book and the offeror shall disseminate such notice of change in such manner as the Exchange may deem to be appropriate in the circumstances.

Division 3 — Special Rules Applicable to Stock Exchange Take-Over Bids

Sec. 6-301. Offeree Directors' Press Release

(1) The board of directors of the offeree issuer shall, within seven Trading Days of the date of acceptance by the Exchange of the notice of a stock exchange take-over bid, issue a press release recommending acceptance or rejection of the offer and the reasons therefor, or

indicating that they are not making a recommendation and the reasons therefor and such press release shall also contain the following information:

a) a summary of any agreement entered into or proposed between the offeree issuer and its senior executives in regard to any payment or other benefit granted as indemnity for the loss of their positions or in regard to their retaining or losing their positions if the bid is accepted; and

b) a summary of any transaction, board resolution, agreement in principle or signed contracts in response to the bid, indicating whether or not the offeree issuer has undertaken any negotiations that relate to or would result in one of the following:

i) an extraordinary transaction such as a merger or reorganization involving the offeree issuer or one of its subsidiaries,

ii) the purchase, sale or transfer of a material amount of assets of the offeree issuer or of one of its subsidiaries,

iii) the acquisition of its own securities by way of an issuer bid or of the securities of another company, or

iv) any material change in the present capitalization or dividend policy of the offeree issuer.

(2) The press release required by Rule 6-301(1) should disclose negotiations underway, without giving details if there has been no agreement in principle.

(3) A copy of the press release required by Rule 6-301(t) shall be delivered to the Exchange prior to its release.

(4) A stock exchange take-over bid may proceed notwithstanding failure by the board of directors of the offeree issuer to comply with the requirements of Rule 6-301(1).

Sec. 6-302. Competing Stock Exchange Takeover Bids

If a competing stock exchange takeover bid is announced, the stock exchange takeover bids shall be governed by the following additional provisions:

a) neither the ranking bid nor the last bid may be withdrawn, and the offerors making such bids must take up and pay for all shares tendered to them, up to the maximum numbers of shares sought by each respectively;

b) a bid that is neither the ranking bid nor the last bid may be withdrawn within one clear Trading Day of the announcement of the last bid; and

c) the terms of the ranking bid may not be altered except to increase the average bid value thereof.

Sec. 6-303. Purchases During a Take-over Bid

If granted an exemption under Rule 6-601, an offeror making a stock exchange take-over bid and any person or company acting jointly or in concert with the offeror may purchase shares that are the subject of the bid through the facilities of the Exchange provided that:

a) a press release is issued announcing the offeror's intention to make such purchases;

b) such purchases do not begin until the second clear Trading Day following the date of the issuance of the press release;

c) such purchases, together with all purchases of such securities made by the offeror and any person or company acting jointly or in concert with the offeror during the preceding 90 days through the facilities of a stock exchange or otherwise, do not aggregate more than 5 percent of the securities of that class outstanding at the time such purchases are made;

d) the offeror issues and files with the Exchange a press release forthwith after the close of each Trading Day on which shares are purchased under this Rule disclosing:

   i) the identity of the purchaser,

   ii) the number of shares of the offeree issuer purchased that day,

   iii) the highest price paid per share,

   iv) the aggregate number of shares of the offeree issuer purchased up to and including that day under this Rule during the currency of the take-over bid,

   v) the average price paid for such shares,

   vi) the total number of shares owned by the purchaser at the time; and

e) if the offeror or any person or company acting jointly or in concert with the offeror pays a price for any such shares that is higher than the price offered pursuant to the stock exchange take-over bid, then the price offered pursuant to the stock exchange take-over bid shall be increased to equal such higher price.

Sec. 6-304. Notice of Insider Bid

A notice in respect of an insider bid shall, in addition to the information required by Rule 6-203, provide the information required by the Exchange.

Sec. 6-305. Normal Course Purchases

An offeror making a normal course purchase is not subject to any notice requirement under this part.

Division 4 — Special Rules Applicable to Substantial Issuer Bids

Sec. 6-401. Purchases During A Substantial Issuer Bid

Notwithstanding any other provision of this Part, an offeror and any person or company acting jointly or in concert with an offeror shall not make any other purchases or agreements or commitments to purchase securities that are the subject of the issuer bid during the course of such bid unless such purchases are permitted by the Exchange.

Sec. 6-402. Special Procedures for Issuer Bids for Securities that are Neither Equity nor Voting Securities

(1) The provisions of this Rule shall apply to a substantial issuer bid for securities that are neither voting nor equity securities provided that:

a) there is no legal or regulatory requirement to provide a valuation of the securities that are the subject of the bid to shareholders; or

b) exemptions from all applicable requirements have been obtained.

(2) The provisions of Rules 6-202(7), 6-203 and 6-204 shall not apply to a bid made pursuant to this Rule.

(3) A notice filed with the Exchange pursuant to this Rule shall provide the following information in a form acceptable to the Exchange:

a) the name of the offeror;

b) the class of securities that are the subject of the bid and a description of the rights of the holders of any other class of securities that have a right to participate in the offer by conversion or otherwise;

c) the cash price to be paid per share and the number of shares sought;

d) the terms of the bid, including the date of the book, method of tendering to the bid and settlement of tenders, any commissions to be paid to Participating Organizations, the names of any person or company retained to make solicitations in respect of the bid, and any other relevant information with respect of such terms;

e) the purpose or business reasons for the bid;

f) information satisfactory to the Exchange regarding the financial resources of the offeror, including the source of funds to be used to pay for securities tendered to the bid and the terms of any financing obtained;

g) the particulars of any material change in the affairs of the offeror or any material fact concerning the offeror that has not been generally disclosed;

h) a statement of any right of appraisal that security holders may have under applicable laws and whether the offeror intends to exercise any right of acquisition it may have under applicable legislation; and

i) any other information not disclosed in the foregoing that would reasonably be expected to affect the decision of the security holders to accept or reject the bid.

(4) The notice shall conclude with a signed statement certifying that:

a) the information provided is complete and accurate, and in compliance with Part 6 of the Rules;

b) the contents of the notice and the making of the offer have been authorized by the board of directors of the offeror; and

c) the notice contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

(5) Forthwith after the Exchange has accepted notice of the bid, the offeror shall:

a) disseminate details of the bid to the media in the form of a press release; and

b) communicate the terms of the bid by advertising in the manner prescribed by the Exchange, or by such other means as may be approved by the Exchange.

(6) A book for receipt of tenders to the bid shall be opened on the Exchange not sooner than the twenty-first calendar day after the date on which notice of the bid is accepted by the Exchange and at such time, and for such length of time, as maybe determined by the Exchange.

(7) In all other respects, the provisions of this Part shall apply to a bid made pursuant to this Rule.

Division 5 — Normal Course Issuer Bids

Sec. 6-501. Normal Course Issuer Bids

A normal course issuer bid shall be made in accordance with the prescribed terms and procedures.

Division 6 — Powers of the Exchange

Sec. 6-601. Powers of the Exchange

The Exchange may, subject to such terms and conditions as it may impose:

a) require additional disclosure or impose additional obligations on a person or company proposing to make or making a stock exchange take-over bid, substantial issuer bid, normal course purchase or normal course issuer bid where, in the opinion of the Exchange, it would be beneficial to the public interest to do so;

b) determine that any person or company shall not be permitted to purchase shares through the facilities of the Exchange;

c) delay the date upon which the book in respect of a stock exchange take-over bid or substantial issuer bid is to be opened to such date as it may, in its discretion, determine on the occurrence of any of the following:

i) the announcement or making of a competing stock exchange bid or circular bid for securities of the same offeree issuer,

ii) the acceptance of a notice of change or a notice of amendment of the terms of the stock exchange take-over bid or of a competing bid, or the announcement of a change in the terms of a circular Bid for securities of the same offeree issuer, or

iii) any other event that, in the opinion of the Exchange, justifies such a delay;

d) permit an offeror to extend a stock exchange take-over bid or substantial issuer bid after the announcement referred to in Rule 6-207;

e) determine whether a stock exchange takeover bid is the ranking bid;

f) deem any transaction made through the facilities of the Exchange to be a stock exchange take-over bid; and

g) exempt any person from any Exchange Requirements where in the opinion of the Exchange it would not be prejudicial to the public interest to do so.

Compliance with Exchange Requirements

Part 6 — Exchange Take-Over Bids and Exchange Issuer

6-201. — Compliance with Exchange Requirements

(1) Background and Policy Premises

This Policy explains and expands on Part 6 of the Rules. It sets out the stock exchange take-over bid and substantial issuer bid process. Also, special rules applicable to insider bids, take-over bids where a "going private" transaction is contemplated and certain issuer bids for non-voting and non-equity securities are set out. Normal course issuer bids are addressed in Policy 6-501.

Statutory Rules—The statutory rules regulating take-over and issuer bids, form a comprehensive code. That is, all purchases made by an offeror (which, for the purposes of these rules, includes a listed company repurchasing its own shares) must proceed by way of the procedures stipulated by the relevant securities statute unless the transaction(s) may be brought within the ambit of an exemption from the rules. One of the exemptions in the *Securities Act* is for bids made through the facilities of a recognized stock exchange, provided that the bid is made in accordance with the rules of that Exchange. This exemption is found at clause 93(1)(a) of the Securities Act for take-over bids and clause 93(3)(e) for issuer bids. Equivalent exemptions exist in other provinces' rules. Although the exemptions apply to many of the statutory rules, certain provisions of the *Securities Act*, the Regulation under the *Securities Act* and policies of the Commission apply to bids made through the facilities of the Exchange. These are detailed below.

Rule 6-102 states that an offeror shall not make a take-over bid or issuer bid through the facilities of the Exchange except in accordance with Exchange Requirements. Failure to comply with Exchange Requirements will result in the Exchange advising the Commission that subsection 93(4) has been violated and shall result in a determination that the exemptions found in section 93 are not applicable because the applicable Exchange Requirements have not been observed.

Exchange Requirements—The Exchange Requirements also form a comprehensive code covering any take-over bid or issuer bid made through the facilities of the Exchange. The, rules that will govern a particular transaction will depend on the nature of that transaction. Separate requirements exist for the following bids:

Take-Over Bids

- "Formal" Take-Over Bids
- Insider Bids

- Normal Course Purchases

Issuer Bids

- Substantial Issuer Bids
- Certain Substantial Issuer Bids for Non Equity and Non Voting Securities
- Normal Course Issuer Bids

The Exchange Requirements governing take-over bids and issuer bids made through its facilities have been amended from time to time in the light of experience and in response to changing practices. The Exchange Requirements are intended to be simple and efficient, and to protect investors, while balancing the goals of maintaining confidence and neutrality as between the offerors, the management of the offeree management and competing offerors. The Exchange Requirements are not intended to (nor do they) reduce the effective protection available to shareholders in any transaction. Except that offers made through the facilities of the Exchange are restricted to cash consideration, cannot be withdrawn (except in limited circumstances) and may not specify a minimum number of shares that must be tendered before the offeror is bound to take them up, they are very similar to bids made by way of circular.

For example, as with the rules applicable to circular bids, the Exchange Requirements specify periods for disclosure, solicitation, and take-up of shares tendered pursuant to an offer. The Exchange Requirements are designed to give the offeree shareholders sufficient time to digest the notice of the bid and their directors' response to it, seek advice, and respond to the offer, thereby mitigating the pressure created by the offer of a premium price and limited time frame in which to consider the offer. They also counterbalance the offeror's informational advantage by requiring it to disclose all relevant facts known to it, as well as its intentions for the target company if the offer should succeed. In the case of offers for less than all the shares, shares tendered must be taken up pro rata, thereby allowing all shareholders to participate in the offer. In effect, the rules require that all shareholders have an equal opportunity to participate when a take-over bid or issuer bid is made.

Additional provisions govern insider bids and substantial issuer bids. In these cases, the offeror must normally prepare a valuation of the target company, so that shareholders will have the same information that is available to the offeror to judge whether the bid price is fair.

Small purchases by offerors are governed by the Exchange Requirements on normal course purchases and normal course issuer bids.

(2) Take-over Bids

Definitions—Rule 6-101 defines stock exchange take-over bid" as "a take-over bid, other than a normal course purchase, made through the facilities of the Exchange." "Take-over bid" means an offer to acquire a sufficient number of listed voting or listed equity securities to bring the offeror's holdings to 20% or more of the outstanding securities of the class.

Purchase thresholds are determined in accordance with section 89 of the *Securities Act*. In accordance with Rule 1-101, certain definitions in the *Securities Act* apply. For the purposes of

determining whether the threshold for a take-over bid has been met and whether the normal course purchase limits have been observed, each class of shares is viewed separately. Therefore, if a purchaser offers to acquire 20% or more of a particular class of voting or equity securities it is a take-over bid within the meaning of the definition. A security is an equity security if it carries a residual right to participate both in the earnings of the issuer and the assets of the issuer upon liquidation or winding-up, and includes restricted shares that are listed on the Exchange if they fall within this definition.

A purchaser must count the number of target shares owned or controlled on the date of the offer to acquire by the purchaser and by any person acting jointly or in concert with the purchaser, together with the number of target shares proposed to be acquired through the offer.

The purchaser must also count the number of target shares that it has the right to acquire within 60 days of the date of the offer to acquire by conversion, subscription, option, warrant or otherwise. If the total number of target shares owned and proposed to be acquired is 20% or more of the total number of target shares outstanding, the purchaser is making a take-over bid.

If the offeree company is incorporated under the *Canada Business Corporations Act*, the threshold is 10% of the issued and outstanding securities in the case of voting securities, including securities already beneficially owned or controlled, directly or indirectly, by the offeror of an affiliate or associate of the offeror, and securities held by such persons or companies that are currently convertible or exerciseable into such securities or into convertible securities.

Restrictions on Acquisitions Before, and After a Bid—The definition of "formal bid" in subsection 89(1) of the *Securities Act* includes a bid made pursuant to the stock exchange exemption. Section 94 of the *Securities Act* applies to stock exchange bids since for the purposes of that section an "offeror" is defined as an offeror making a formal bid. Section 94 restricts acquisitions of target securities by an offeror during a take-over bid to purchases made on a stock exchange. Purchases are limited to 5% of the shares outstanding on the date of the bid. (Exchange Requirements further limit purchases by an offeror, as explained below.)

Section 94 contains rules governing private transactions in the 90 days preceding a bid and restricts acquisitions for 20 business days after expiry of a bid. However, normal course purchases on a stock exchange are exempt from these restrictions. Exchange Requirements on normal course purchases must be observed. Offerors are also restricted by the provisions contained in OSC Policy 9.3.

Going Private Transactions—Where an offeror making a stock exchange take-over bid anticipates that a "going private transaction" (as defined in Ontario Securities Commission Rule 61-501) will follow the take-over bid, the valuation requirements set out in section 182 of the Regulations to the *Securities Act* and OSC Policy 9.1 must be complied with.

Procedure Applicable to Stock Exchange Takeover Bids

1. *Intention to Make a Stock Exchange Takeover Bid*—A person proposing to make a stock exchange take-over bid should first consult with staff of the Regulatory and Market Policy Section of the Exchange. This facilitates effective market surveillance and timely disclosure, in addition to providing an early opportunity to discuss applicable procedures.

2. *Timely Disclosure*—Pursuant to Exchange Requirements on timely disclosure, an offeror must publicly announce its intention to make a bid as soon as the final decision to proceed with a bid is made.

3. *Submission of Draft Notice*—The offeror must prepare and submit to the Regulatory and Market Policy Section a draft of the notice required under Part 6 of the Rules. The disclosure requirements are set out in Rule 6-203. All drafts are filed on a confidential basis.

   Rule 6-203(1)(m) requires that the notice include a statement of the rights provided by subsection 131(1) of the *Securities Act*. Subsection 131(10) of the *Securities Act* deems a disclosure document filed with the Exchange pursuant to a stock exchange take-over or issuer bid to be a circular for the purposes of section 131. The following language is recommended:

   "Securities legislation in certain of the provinces and territories of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer."

   For the purpose of calculating the closing price pursuant to Rule 6-101, the Exchange recognizes the New York Stock Exchange and the American Stock Exchange.

4. *Evidence of Satisfactory Financial Arrangements*—Rule 6-203(1)(o) requires the offeror to provide information satisfactory to the Exchange regarding its identity and financial resources. Normally, the Exchange will require a bank letter or some other satisfactory evidence that the offeror has access to sufficient funds to pay for any shares that it must take up pursuant to the offer.

5. *Acceptance of Notice*—When the draft notice is in satisfactory form, the offeror submits a copy of the final version, duly executed, for acceptance by the Exchange. A bid commences once it is formally accepted.

6. *Press Release*—The offeror must issue a press release announcing that the notice has been accepted by the Exchange and specifying the terms of the offer. The press release must be filed with the Exchange in advance of its release.

7. *Communication to Shareholders*—Rule 6-202(7) requires that the terms of the offer be communicated by first class mail to all holders of the target securities to whom the bid

is made in Canada and in each other jurisdiction where the bid is made and such communication is not prohibited by law. The offer must also be mailed to each registered holder of securities convertible or exchangeable into the class of securities that the bid is for, and to each holder that has a right to participate in the offer on some other basis.

In the event of a disruption in postal service, or in cases where there are only a few shareholders in a particular province, direct communication with such shareholders by telephone, telegraph, telex, telecopier or e-mail would, subject to the approval of the Exchange, be acceptable. Participating Organizations shall make reasonable efforts to communicate the terms of the bid to all clients who are shown on their books as holding target shares.

The offer must also be advertised in the manner prescribed by the Exchange unless some other means of communication is approved. The Exchange normally requires that an advertisement containing a summary of the offer be placed in national newspapers of sufficiently wide circulation to assure dissemination of the offer to all shareholders resident in Canada.

The Exchange will disseminate the notice to its Participating Organizations. The offeror must provide the Exchange with such number of copies of the notice as may be required by the Exchange.

8. *Time Period of Bid*—Rule 6-204 provides that the book for receipt of tenders may not be opened until the morning of the twenty-first calendar day after acceptance of the notice. It is important to note that the time begins to run from acceptance of the notice and not from the time of mailing. Nevertheless, if the notice is not mailed to shareholders within a reasonably short period following acceptance, the Exchange will require that the time for the offer be extended in order to ensure adequate dissemination. If the offer is to remain open for the minimum period, i.e., until the morning of the twenty-first calendar day after acceptance of the notice, then mailing of the notice should occur within 24 hours of acceptance of the notice by the Exchange.

9. *Purchases During a Take-over Bid*—Pursuant to Rule 6-304, an offeror making a stock exchange take-over bid may only purchase shares through the facilities of the Exchange if granted an exemption by the Exchange under Rule 6-601 (Powers of the Exchange). An exemption will only be granted by the Exchange where there is a competing circular bid. If an exemption is granted, such purchases are limited 5 per cent of the issued and outstanding, including purchases by the offeror and persons or companies acting jointly or in concert with the offeror during the preceding 90 days. As noted above, reference should also be made to section 94 of the *Securities Act*.

10. *Competing Bids*—Rule 6-302 provides that where a competing stock exchange take-over bid is made neither the ranking bid nor the last bid may be withdrawn. The ranking bid is the bid that yields the highest average bid value. The calculation of each competing bid's average bid value should be made at the time of the announcement of the last bid.

If an offeror making a stock exchange bid also makes a circular bid, the date of the book may be the original date set or such later date as the Exchange determines to be necessary for proper dissemination.

11. *Amendments to Bids*—Rule 6-207 provides that the terms of a stock exchange take-over bid may be amended, but only to increase the price offered per share or the number of shares sought or to agree to pay an amount in respect of the seller's commission, or both. Notice must be given pursuant to Rule 6-207. In the case of ranking bids, Rule 6-302(c) provides that the terms of such bids may not be altered except to increase the average bid value.

12. *Withdrawal of Bids*—Subject to Rule 6-302(b), Rule 6-202(4) provides that a stock exchange take-over bid may not be withdrawn unless the Exchange is satisfied that any undisclosed action prior to the date of the offer or any actions subsequent to that date by the board of directors or senior officers of the target company or by any person other than the offeror, effects an adverse material change in the affairs of the target company. Rule 6-110(b) pertains to the situation where there are competing stock exchange takeover bids, and permits a bid that is neither the ranking bid nor the last bid to be withdrawn.

13. *Book for Receipt of Tenders*—Normally, a book for receipt of shares tendered to a stock exchange take-over bid is opened on the Exchange between 8:30 am. and 9:00 am. on a particular day. However, the Exchange recognizes that in certain circumstances—for example, to facilitate simultaneous acceptance and settlement—it may be desirable to open the hook at other times, such as between 4:00 p.m. and 5:00 p.m. The regular settlement rules shall normally apply to bids made before the opening; however, the Exchange may determine that other settlement rules shall apply to a particular bid. For bids made after the close, it may not be possible to enter the trades until the following morning. In such a case settlement shall be as determined by the Exchange.

14. *Extension of Bids*—Pursuant to Rule 6-601, the Exchange may, in its discretion and at the request of the offeror, grant an extension of the bid after the book has closed. An extension will normally be granted where the offeror has failed to acquire the number of shares that it originally intended to acquire in a bid for all outstanding shares.

15. *Rounding Up*—In order to simplify the pro-rating and to reduce the number of odd-lots, the Exchange may request the offeror to take up a number of shares slightly in excess of the number for which it originally bid.

16. *Conduct of Participating Organizations*—Rule 6-205(a) prohibits Participating Organizations of the Exchange from knowingly assisting or participating in the tendering of more listed voting shares than are owned by the tendering party. The Exchange's trading and tendering rules will be designed in each case to effectively protect the integrity of the prorate.

Participating Organizations should take note of Rule 4-203 which prohibits a Participating Organization from recording a price on the Exchange that, in the case of a sale by a client, is lower than the actual net price to the client. In other words, negative commissions are prohibited in the interests of the integrity of the tape. A client may not be paid more for their shares than the actual price of the trades pursuant to a take-over bid.

17. *Filing Fee*—A filing fee of $1000 shall be paid to the Exchange on filing a duly executed notice. In addition, the regular Exchange trading fees shall apply to purchases under the bid.

(3) Normal Course Purchases

A "normal course purchase" is defined in Rule 6-101 as a purchase of such number of a class of securities that, together with all other purchases in the preceding 12 months, constitutes no more than 5% of the securities outstanding. A normal course purchase is a take-over bid, and therefore the rules only apply to purchasers that hold, or would hold after the purchase, at least 20% of the outstanding shares of a class of voting or equity securities (10% of a class of voting securities in the case of a company incorporated under the *Canada Business Corporations Act*). Shares purchased by persons or companies acting jointly or in concert with the offeror are included in determining the total number of shares purchased.

An offeror may acquire up to 5% of the outstanding shares in a given 12 month period through the facilities of the Exchange without filing with the Exchange. An offeror may not acquire more than 5% of the outstanding shares in a 12 month period unless a formal take-over bid is made.

Note that for the purpose of determining whether an offeror is making a normal course purchase (i.e. calculating whether the 20% threshold has been or will be reached), the beneficial ownership of securities by the offeror and any person acting jointly or in concert with the offeror is determined in accordance with section 90 of the *Securities Act*. Refer to Rule 6-101(3). Similarly, the number of outstanding securities is determined in accordance with subsection 90(3) of the *Securities Act* if the offeror or any person acting jointly or in concert with the offeror is deemed to be the beneficial owner of any such securities by section 90.

(4) Insider Bids

Where a stock exchange take-over bid is made by any insider of a listed offeree company, by any associate or affiliate of an insider, by any associate or affiliate of a listed offeree issuer or by any person acting jointly or in concert with any of the foregoing (all as defined in the *Securities Act* and OSC Policy 9.1), or where the offeror anticipates that a going-private transaction will follow the bid, the procedure is basically the same as that outlined above. Unless a waiver is obtained from the Director of the Commission, a valuation of the target company must be prepared in accordance with section 182 of the Regulation. Further, unless exempted by OSC Policy 9.1, or a waiver is obtained from the Director of the Commission pursuant to OSC Policy 9.1, a valuation of the target company must be prepared in accordance with the requirements set out in the Policy. Form 33-type disclosure and disclosure on legal

matters must be included in the notice. In addition, corporate law may impose valuation requirements on offerors.

(5) Issuer Bids

Definition of an "Issuer Bid"—"Issuer Bid" is defined in Rule 6-101 as an offer to acquire listed securities made by or on behalf of a listed company for securities issued by that listed company, unless:

a) the securities are purchased or acquired in accordance with terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are acquired to meet sinking fund or purchase fund requirements;

b) the purchase or acquisition is required by the instrument creating or governing the class of securities or by the statute under which the issuer was incorporated, organized or continued; or

c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right.

Types of Issuer Bids—Issuer bids made through the Exchange facilities fall into two categories:

a) Normal Course Issuer Bids—Normal course issuer bids are limited to small market purchases made at the market price over an extended period of time. The term is defined in Rule 6-101. Generally, purchases may not exceed the greater of 5% of issued and outstanding shares or 10% of the public float over a 12-month period and 2% in any 30 day period. The Exchange Requirements with respect to normal course issuer bids are set out in the Policy 6-501.

b) Substantial Issuer Bids—Substantial issuer bids are issuer bids that are not normal course issuer bids. There are two types of substantial issuer bids: issuer bids for voting or equity securities, and issuer bids for non-voting and non-equity securities. Each type of bid is subject to separate requirements.

Pursuant to the Exchange's Requirements on timely disclosure, an issuer shall publicly disclose its intention to make an issuer bid as soon as the final decision to proceed with the bid is made.

Substantial Issuer Bids—The requirements applicable to substantial issuer bids for voting or equity securities are basically the same as those outlined above for a take-over bid. An issuer making a substantial issuer bid for voting or equity securities through the facilities of the Exchange shall file a notice with the Exchange in accordance with Rule 6-203, and with the procedures described in this Policy under the heading "Procedure Applicable to Stock Exchange Take-over Bids". In addition, unless a waiver is obtained from the Director or the Commission, a valuation of the target company must be prepared in accordance with s. 182 of the Regulation under the *Securities Act*. Further, unless exempted by OSC Policy 9.1, or a waiver is obtained from the Director of the Commission pursuant to OSC Policy 9.1, a valuation of the target

company must be prepared in accordance with the requirements set out in OSC Policy 9.1. OSC Policy 9.1 requires that Form 33-type disclosure and disclosure on legal matters be included in the notice. In addition, the notice must state the purpose or business reasons for the bid.

The Exchange will disseminate copies of the notice to its Participating Organizations, and the offeror shall provide the Exchange with such number of copies of the notice as may be required by the Exchange.

Substantial Issuer Bids for Non-Voting and Non- Equity Securities—A simpler procedure is available for issuer bids for securities that are neither voting nor equity securities if there is no requirement to provide a valuation or if exemptions from all applicable valuation requirements have been obtained. In this case, the issuer may file a less detailed form of notice with the Exchange, and is not required to mail a copy of the notice to each shareholder. The book for receipt of tenders may be held on the twenty-first day following acceptance of the notice of issuer bid by the Exchange.

The issuer shall issue a press release indicating its intention to make a substantial issuer bid immediately after the Exchange has accepted notice of the bid. The press release shall summarize the material aspects of the contents of the notice, including the class of securities sought, the maximum number of securities sought, the date of the book and procedures for tendering. Once a press release has been issued, the issuer is committed to making the bid. The Exchange will disseminate copies of the notice to its Participating Organizations, and the offeror shall provide the Exchange with such number of copies of the notice as may be required by the Exchange.

(6) Filing Fee

A filing fee of $1000 shall be paid to the Exchange on filing a duly executed notice. In addition, the regular Exchange trading fees shall apply to purchases under the bid.

(7) Exchange Discretion

Rule 6-601 allows the Exchange to relieve any person from the provisions of Part 6 of the Rules where it would not be prejudicial to the public interest to do so. The Exchange may impose additional obligations on a person as circumstances may warrant. The Exchange has discretion to deny any person or company the use of Exchange facilities. Exemptions will only be granted after prior discussions with and the concurrence of the Commission.

6-501.—Normal Course Issuer Bids

(1) Introduction

Rule 6-501 requires a normal course issuer bid to be made in accordance with this Policy. "Normal course issuer bid" is defined in Rule 6-101.

This Policy sets out the procedures and policies of the Exchange for normal course issuer bids made through its facilities. Subject to certain restrictions, a listed company is generally permitted to purchase through normal market purchases up to 2% of a class of its voting

securities in a given 30-day period up to a maximum in a 12-month period of the greater of 5% of outstanding shares or 10% of the public float.

The objectives of the Policy are to:

a) provide listed companies with a reasonable and flexible framework within which they may purchase their own shares;

b) provide shareholders with satisfactory disclosure;

c) encourage listed companies to treat shareholders equally;

d) ensure that purchases listed companies do not have a significant effect on the market price of the company's securities; and

e) set forth a clear set of rules for normal course issuer bids to facilitate compliance.

(2) *Securities Act* Exemption

The *Securities Act* exempts from its requirements an issuer bid (as defined in the *Securities Act*) where it is made through the facilities of a stock exchange recognized by the Commission. The Exchange has been recognized by the Commission. The *Canada Business Corporations Act* and the *Securities Acts* of certain other provinces have similar provisions.

Subsection 93(4) of the *Securities Act* requires a bid made through a stock exchange pursuant to any exemption in the *Securities Act*, including the stock exchange exemption, to be made in accordance with by-laws, regulations and policies of the Exchange. Rule 6-201 states that an issuer shall not make an issuer bid through the facilities of the Exchange except in accordance with Exchange Requirements. Where a notice filed with the Exchange contains a misrepresentation or where the issuer otherwise fails to comply with any of the provisions of this Policy, the Exchange will advise the Commission that subsection 93(4) has been violated. This may result in a determination that the *Securities Act* exemption does not apply and the issuer will therefore be in contravention of the *Securities Act* as well as Exchange Requirements.

The requirements set out in this Policy must also be followed by an issuer purchasing shares of a class of the issuer through the facilities of the Exchange pursuant to any applicable exemption of the *Securities Act* other than the stock exchange exemption. This is required by subsection 93(4) of the *Securities Act*.

(3) Substantial Issuer Bids

A listed company may make repurchases of its shares in excess of those permitted under the normal course issuer bid rules by making a formal bid pursuant to the provisions of Part 6 of the Rules and the Policy on Stock Exchange Take-over Bids and Issuer Bids. Questions regarding formal bids through the facilities of the Exchange should be directed to the Regulatory and Market Policy Section of the Exchange.

(4) Definitions

Please refer to Part 6 of the Rules for the definitions applicable to this Policy, including definitions of "issuer bid", "normal course issuer bid" and "public float". The terms "issuer" and

"listed company" are used interchangeably herein. The definitions in Part I of the Rules also apply to this Policy.

(5) Restricted Shares

Where the issuer has a class of Restricted Shares, the notice shall include a description of the voting rights of all equity securities (as defined in the *Securities Act*) of the issuer. Reference is made to OSC Policy 1.3 and the Exchange Requirements on Restricted Shares. Where the issuer does not propose to make the same normal course issuer bid for all classes of voting and equity securities, Item 6 of the notice shall state the business reasons for so limiting the normal course issuer bid.

(6) Procedure for Making a Normal Course Issuer Bid

a) *Intention to Acquire Shares*—The filing of a notice is a declaration by the issuer that it has a present intention to acquire shares. The notice should set out the number of shares that the issuer's board of directors has determined may be acquired rather than simply reciting the maximum number of shares that may be purchased pursuant to this Policy. A notice is not to be filed if the issuer does not have a present intention to purchase shares.

The Exchange will not accept a notice if the company would not meet the criteria for continued listing on the Exchange, assuming all of the purchases contemplated by the notice were made.

b) *Contents and Filing of the Notice*—The Exchange requires that the issuer prepare and submit to the Exchange a draft of a notice containing the information prescribed by the Appendix to this Policy. When the notice is in a form acceptable to the Exchange, the issuer shall file the notice in final form, duly executed by a senior officer or director of the issuer, for acceptance by the Exchange.

c) *Duration*—A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

d) *Press Release*—The issuer will generally issue a press release indicating its intention to make a normal course issuer bid, subject to regulatory approval, prior to acceptance of the executed notice by the Exchange. The press release should summarize the material aspects of the contents of the notice, including the number of shares sought, the reason for the bid and previous purchases. If a press release has not already been issued, a draft press release should be provided to the Exchange and the issuer shall issue a press release as soon as the notice is accepted by the Exchange. A copy of the final press release shall be filed with the Exchange.

e) *Disclosure to Shareholders*—The issuer shall include a summary of the material information contained in the notice in the next annual report, annual information circular, quarterly report or other document mailed to shareholders. The document should indicate that shareholders may obtain a copy of the notice, without charge, by contacting the issuer.

f) *Commencement of Purchases*—A normal course issuer bid may commence on the date that is two trading days after the latest of

i) the date of acceptance by the Exchange of the issuer's notice in final Executed form; or

ii) the date of issuance of the press release required by Policy 6-501 (6)(d).

g) *Publication by the Exchange*—Upon acceptance of the notice the Exchange will publish summary notification of the normal course issuer bid in its Daily Record.

h) *Amendment*—During the course of a normal course issuer bid an issuer may determine that it wishes to amend its notice by increasing the number of shares sought while not exceeding the maximum percentages referred to in the definition of normal course issuer bid. The issuer may do so by issuing a press release and advising the Exchange in writing.

(7) Purchases by a Trustee or Agent

A trustee or other purchasing agent (hereinafter referred to as a "trustee") for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or shareholders of a listed company may participate is deemed to be making an offer to acquire securities on behalf of the listed company where the trustee is deemed to be non-independent. Trustees that are deemed to be non-independent are subject only to Policy 6-501(8) and (9) and to the limits on purchases of the issuer's securities prescribed by the definition of "normal course issuer bid". Trustees that are non-independent must notify the Exchange before commencing purchases.

A trustee is deemed to be non-independent where:

a) the trustee (or one of the trustees) is an employee, director associate or affiliate of the issuer; or

b) the issuer, directly or indirectly, has control over the time, price, amount and manner of purchases or the choice of the broker through which the purchases are to be made. The issuer is not considered to have control where the purchase is made on the specific instructions of the employee or shareholder who will be the beneficial owner of the shares.

The Exchange should be contacted where there is uncertainty as to the independence of the trustee.

(8) Reporting Purchases

Within 10 days of the end of each month in which any purchases are made, whether the securities were purchased through the facilities of the Exchange or otherwise, the issuer shall report its purchases to the Exchange stating the number of securities purchased during its purchases that month, giving the average price paid and stating whether the securities have been cancelled, reserved for issuance or otherwise dealt with. Nil reports are not required. The monthly reports are to be addressed to the attention of the Exchange's Advisory Affairs Division. The issuer may delegate the reporting requirement to the Participating Organization appointed to make its purchases; however, the issuer bears the responsibility of ensuring timely reports are made. The Exchange periodically publishes a list of securities purchased pursuant to normal course issuer bids.

This paragraph also applies to purchases by non-independent trustees pursuant to Policy 6-501(7) and to purchases by any party acting jointly or in concert with the issuer.

(9) Prohibited Purchases

The Exchange has set the following rules for issuers and Participating Organizations acting on their own behalf:

1. *Price Limitations*—It is inappropriate for an issuer making a normal course issuer bid to abnormally influence the market price of its shares. Therefore, purchases made by issuers pursuant to a normal course issuer bid shall be made at a price which is not higher than the last independent trade of a board lot of the class of shares which is the subject of the normal course issuer bid. In particular, the following are not "independent trades":

    a) trades directly or indirectly for the account of (or an account under the direction of) an insider of the issuer, or any associate or affiliate of either the issuer or an insider of the issuer;

    b) trades for the account of (or an account under the direction of) the Approved Trader making purchases for the bid; and

    c) trades solicited by the Approved Trader making purchases for the bid.

2. *Prearranged Trades*—It is important to investor confidence that all holders of identical shares be treated in a fair and evenhanded manner by the issuer. Therefore, across or pre-arranged trade is not permitted where the seller is an insider of the issuer, an associate of an insider, or an associate or affiliate of the issuer.

3. *Private Agreements*—It is the view of the Exchange that it is in the interest of shareholders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the *Securities Act*, which provides very limited exemptions for private agreement purchases. The Exchange, therefore, will not normally accept a notice which indicates that purchases will be made other than by means of open market transactions.

4. *Sales from Control*—Purchases pursuant to a normal course issuer bid shall not be made from a person effecting a sale from control block pursuant to subsection 72(7) of the *Securities Act* and Policy 4-305 on Sales from Control Blocks Through the Facilities of the Exchange. It is the responsibility of the Participating Organization acting as agent for the issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a Participating Organization is offering the same class of securities of the issuer under a sale from control.

5. *Purchases During a Take-Over Bid*—An issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a take-over bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

In addition, if the issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid pursuant to OSC Policy 9.3.

(10) Participating Organization

The issuer shall appoint only one Participating Organization at any one time as its broker to make purchases. The issuer shall inform the Exchange in writing of the name of the responsible broker. The Participating Organization shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions of this Policy and the terms of such notice. The Exchange will look to its Participating Organizations to make purchases in accordance with such instructions. To assist the Exchange in its surveillance function, the issuer is required to receive the written consent of the Exchange where it intends to change its broker.

(11) Powers of the Exchange

The powers of the Exchange with respect to normal course issuer bids are set out in Rule 6-601. They include the power to exempt any person from Exchange Requirements where in the opinion of the Exchange, it would not be prejudicial to the public interest to do so. Blanket exemptions will only be granted after prior discussions with and the concurrence of the Commission.

(12) Suspension for Non-Compliance

Failure to comply with any requirement herein may result in the suspension of the bid.

(13) Fees

A fee of $1000 shall be paid on filing a duly executed notice.

(14) Enquiries

Notices of normal course issuer bids and monthly reports regarding purchases should be addressed to the Regulatory and Market Policy Section of the Exchange. Questions and comments regarding the procedures and policies of the Exchange relating to normal course issuer bids should be directed to the Market Policy Section at 947-4566.

Notice of Intention to Make a Normal Course Issuer Bid

CONTENTS OF NOTICE — A notice shall provide the information set out below in the following form:

Item 1	**Name of Issuer**
Item 2	**Shares Sought**—State the class and maximum number (or percentage) of shares that may be acquired. Also state the percentage of shares outstanding or the public float, as the case may be, that the bid is for. Where the issuer has established a specific number of shares to be acquired, state the number of shares sought. A notice may relate to the acquisition of more than one class of shares of an issuer provided the bid for each class of shares qualifies as a normal course issuer bid. For example, an issuer with common shares and convertible preferred shares outstanding may wish to purchase up to 5% of each class over a 12 month period.

Item 3 **Duration**—State the dates on which the normal course issuer bid will commence and terminate. The normal course issuer bid may not extend for a period of more than one year from the date on which purchases may commence.

Item 4 **Method of Acquisition**.—Indicate clearly that purchases will be effected through the facilities of the Exchange and identify any other exchanges on which purchases will be made. State that purchase and payment for the shares will be made by the issuer in accordance with the requirements of the Exchange and that the price that the issuer will pay for any shares acquired by it will be the market price of the shares at the time of acquisition.

In addition, indicate whether purchases (other than by way of exempt offer) will be made other than by means of open market transactions during the period the normal course issuer bid is outstanding.

Item 5 **Consideration Offered**—Indicate any restrictions on the price the offeror is prepared to pay and any other restrictions relating to the issuer bid, such as specific funds available, method of purchasing, etc.

Item 6 **Reasons for the Normal Course Issuer Bid**—State the purpose or the business reasons for normal course issuer bid.

Item 7 **Valuation**—Include a summary of any appraisal or valuation of the issuer known to the directors or officers of the issuer after reasonable enquiry regarding the issuer, its material assets or securities prepared within the two years preceding the date of the notice, together with a statement of a reasonable time and place at which such appraisal or valuation, or a copy thereof may be inspected. For the purpose of this Item 7, the phrase "appraisal or valuation" means both an independent appraisal or valuation and a material non-independent appraisal or valuation.

Item 8 **Previous Purchases**—Where the issuer has purchased shares which are the subject of the normal course issuer bid within the past 12 months, state the method of acquisition, the number of shares purchased and the average price paid.

Item 9 **Persons Acting Jointly or In Concert with the Issuer**—Disclose the identity of any party acting jointly or in concert with the issuer.

Item 10 **Acceptance by Insiders, Affiliates and Associates**—State the name of every director or senior officer of the company who intends to sell shares of the issuer during the course of the normal course issuer bid and where their intention is known after reasonable enquiry, the name of every:

1. associate of a director or senior officer of the company;
2. person acting jointly or in concert with the company; or
3. **20.** person holding 10% or more of any class of equity securities of the company, who intends to sell shares.

Item 11 **Benefits from the Normal Course Issuer Bid**—State direct or indirect benefits to any of the persons or companies named in item 10 of selling or not selling shares of the issuer during the course of the normal course issuer bid. An answer to this item is not required where the benefits to such company of selling or not selling shares are the same as the benefits to any other shareholder who sells or does not sell.

Item 12 **Material Changes in the Affairs of the Issuer Company**—Disclose any previously undisclosed material changes or plans or proposals for material changes in the affairs of the issuer.

Item 13 **Certificate**—The notice shall be certified complete and accurate and in compliance with Part 6 of the Rules and Policies of the Exchange by a director or senior officer of the issuer duly authorized by the issuer's board of directors. The certificate shall include a statement to the effect that the notice contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

Appendix G Deleted

See Sections 634–637

Appendix H Company Reporting Forms

TSX Company Reporting Forms — User Guide

Refer to the "Filing Instructions" section of each Company Reporting Form or to the TMX LINX Reporting Forms User Guide, available on the TMX LINX website, to determine when the filing of such Form is required.

- All of the Company Reporting Forms are available on the TSX website at www.tsx.com and/or through TMX LINX at https://linx.tmx.com.
- Company Reporting Forms 1, 2, 3, 5, 8, 9, 10[1], 11, 12, 12, 13 and 14 may only be filed via TMX LINX.
- TSX requirement that each Company file an Annual Questionnaire has been repealed and replaced with the requirement that each Company must file the relevant Company Reporting Form in the appropriate circumstances.
- In this User Guide and in TSX Company Reporting Forms,
  (i) the term "Company" includes a trust, partnership or other form of TSX-listed business organization; and
  (ii) the term "share" includes any equity interest in a trust, partnership or other form of business organization or an equity interest in the net assets of any of them, as the case may be.

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[1] On TMX LINX, the content of former Company Reporting Form 10 is now located in Company Reporting Form 2.