



2017-0007

September 5, 2017

**Section 614
Rights Offerings
TSX Company Manual**

STAFF NOTICE TO APPLICANTS, LISTED ISSUERS, SECURITIES LAWYERS AND PARTICIPATING ORGANIZATIONS

*****This Staff Notice replaces TSX Staff Notice 2016-0002, which is repealed in its entirety.*****

Toronto Stock Exchange ("TSX") is providing guidance with respect to Section 614—*Rights Offerings* of the TSX Company Manual (the "Manual") in light of the recent adoption by the Canadian Securities Administrators (the "CSA") of amendments relating to rights offerings (the "CSA Amendments"). TSX Venture Exchange is also concurrently publishing a Corporate Finance Bulletin providing guidance with respect to Policy 4.5—*Rights Offerings* of the TSX Venture Exchange Corporate Finance Manual.

TSX intends to amend the Manual to formally incorporate the guidance contained in this Staff Notice. In the meantime, TSX is providing listed issuers and their advisors with the following guidance.

Pre-clearance of Rights Offering Documents

Notwithstanding that a rights offering circular is no longer subject to CSA review and approval prior to delivery to a listed issuer's security holders, TSX still requires the pre-clearance of rights offering documents including the rights offering notice (Form 45-106F14), together with the rights offering circular (Form 45-106F15), or rights offering prospectus (the "Rights Offering Documents") under Subsection 614(c) of the Manual. The Rights Offering Documents should be filed in draft form with TSX at least five (5) trading days prior to finalization in order to provide sufficient time for TSX to review the pricing, mechanics and timing of the rights offering in order to maintain an orderly market for the trading of the listed securities and the rights.

Determination of Record Date

The CSA Amendments were designed to make prospectus-exempt rights offerings more attractive to reporting issuers by streamlining the review and approval process. TSX has also examined its requirements in respect of time periods for rights offerings. Subsection 614(e) currently requires that all deficiencies raised by TSX be resolved at least seven (7) trading days in advance of the record date, which effectively means that the record date cannot be determined until the Rights Offering Documents are in final form. Effective immediately, TSX has reduced the advance notification period to set the record date for all rights offerings from seven (7) trading days to five (5) trading days. TSX believes that five (5) trading days is sufficient time to advise market participants of the commencement of ex-rights trading in the listed securities which typically begins at the opening of business one (1) trading day prior to the record date.

If you have any questions about this Staff Notice, please contact your TSX Listed Issuer Services manager. Contact information for your Listed Issuer Services manager is available at <http://www.tsx.com/listings/tsx-and-tsxv-issuer-resources/tsx-issuer-resources/tsx-listings-staff>.