2026-0001

January 31, 2026

Dividends and Distributions

Sections 428 to 435.2

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

Toronto Stock Exchange ("TSX") staff is providing guidance on TSX's dividend policy as set out in Sections 428 to 435.2 ("TSX Dividend Policy") of the TSX Company Manual (the "Manual") for frequently asked questions in respect of dividends. For the purposes of this Staff Notice, "dividends" also includes distributions to holders of listed securities other than shares, such as units.

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A. General Filing Requirements

1. What is the purpose of the Form 5?

The Form 5 - Dividend/Distribution Declaration ("Form 5") is the single, integrated form that issuers must access and file via TMX LINX (a centralized file submission portal) to notify TSX of a dividend.

On January 31, 2026, TSX amended the TSX Dividend Policy, including the Form 5, to streamline and centralize certain dividend reporting requirements, transforming the process into a more integrated and efficient "one-stop shop" (the "Amendments"). Previously, TSX issuers were required to complete and submit a Form 5 via TMX LINX, provide a separate filing to CDS (the central clearing house for all Canadian issuers) and, if applicable, provide a separate filing to TSX Trust (which acts as a transfer agent for some issuers). The Amendments significantly simplify the dividend declaration process for issuers, reduce administrative burden, and establish a single, "golden" copy of issuer dividend information, thereby eliminating duplication efforts and mitigating the potential for transposition errors.

2. How many days in advance of the record date is an issuer required to file the Form 5?

For all dividends, other than notional dividends, the Form 5 must be filed at least five trading days prior to the record date. This ensures that TSX has sufficient time to inform its Participating Organizations and the downstream stakeholders of the details of each dividend declared, as well as the date that ex-dividend trading will commence. There must be a clear understanding in the marketplace as to who is entitled to receive the dividend declared. Due to practical considerations, such as holidays and weekends, TSX requires adequate notice in advance of the dividend record date.

Since notional dividends do not result in the setting of an ex-dividend date, the notification period above does not apply to notional dividends. Notice of notional dividends must be filed within 60 days after the record date of such notional dividend.

3. What types of dividends require a Form 5 filing?

A Form 5 must be filed for cash dividends and non-cash dividends, including notional distributions.

Dividend means any dividend, distribution, interest, security or right to which holders of listed securities have an entitlement, based on a specific record date. For clarity, any reference to dividends shall also include payments made by issuers that are not considered corporations for purposes of the *Income Tax Act* (Canada) (including, but not limited to, distributions by investment funds, exchange traded funds and closed end funds) to security holders. A Form 5 for a rights offering (Section 614 of the Manual) or a stock split (Section 620 of the Manual) will not be required. For a spin-off transaction, please contact your TSX Listings Manager to determine if a Form 5 will be required.

A notional distribution is a dividend by an issuer that is to be paid entirely in securities which are immediately consolidated following the dividend, resulting in no change to the number of securities held by security holders.

4. Can an issuer declare a conditional dividend?

An issuer must not, without the prior consent of TSX, establish a firm record date for a dividend or other *pro rata* dividend to holders of listed securities if such dividend or *pro rata* dividend is subject to a condition which has not been met.

5. What specific information is required in the Form 5?

The information required in the Form 5 include:

- The exact amount of the dividend per security. Where the exact amount of the dividend is unknown, issuers should provide their best estimate of the anticipated amount of the dividend and indicate that such amount is an estimate. Upon determination of the exact amount of any estimated dividend, issuers must file an updated Form 5;
- Details regarding the payment of the dividend in cash, units and/or other securities;
- For corporate issuers using TSX Trust as transfer agent, the resolution of the board of directors or equivalent document approving the dividend may be attached; and
- Certain tax reporting information for certain types of dividends, to be reported annually (with reporting starting in 2027 for 2026) within 60 days of the calendar year-end or the issuer's fiscal year-end.

Please refer to the Form 5 for further details on the information required to be included in the form.

6. Is a press release required to be issued when an issuer declares a dividend?

Issuers are required to evaluate the necessity of issuing a press release upon dividend declaration, the filing of a Form 5, and/or any subsequent amendments in accordance with the TSX Timely Disclosure Policy.

B. Ex-Dividend Trading

1. What is ex-dividend trading?

Determining whether a seller or buyer of listed securities is entitled to a dividend that has been declared by an issuer is accomplished through the procedure known as “ex-dividend trading”. When securities trade 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 required for the settlement of a securities transaction, the securities will generally commence trading on an ex-dividend basis at the opening of trading on the record date for the dividend, unless TSX imposes due bills for a dividend (see “Due Bills” below).

2. What is the ex-dividend date?

The ex-dividend date (also referred to as the “ex-date”) is usually the day of the record date (there are some exceptions, for example, due bill trading, for which the ex-dividend date is deferred to the first trading day after the payment date).

TSX will set the ex-dividend date for all dividends, excluding notional dividends. The ex-dividend date is typically published through TMX Datalinx subscription products. No other resources should be relied upon to confirm the ex-dividend date.

3. Who sets the record date and payable date for a dividend?

TSX will set the ex-dividend date for all dividends (except notional dividends) and the issuer will set the record date and payment date.

C. Due Bills

1. What is due bill trading and when is it used?

Due bills are entitlements that attach to listed securities to carry the value of the dividend until it is paid.

TSX will normally defer ex-dividend trading and use due bills in cases where:

- the dividend per listed security represents 25% or more of the value of the listed security on the declaration date; and/or
- the listed securities are inter-listed in the United States and TSX implements due bill trading in alignment with the U.S. market.

TSX makes the determination if due bills will be used.

2. How do due bills impact trading?

For trading purposes, due bills attach to securities between the opening of business on the record date and the close of business on the payment date, allowing listed securities to carry the value of

the entitlement until it has been paid. The ex-dividend date is deferred to the first trading day after the payment date.

By deferring the ex-dividend 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. Purchasers of the securities during the due bill period therefore pay full value for the securities, including the value of the dividend represented by the due bill. The seller, who is the holder on the record date and the prospective recipient of the dividend, therefore sells the right to the dividend to the purchaser.

D. Consequences of Late Filing and Filing/Reporting Errors

1. What are the consequences for the issuer in case of a late filing or error?

Failure to follow proper procedure creates market confusion and potential disputes over entitlement. The issuer is liable for any dividend claims made by both buyers and sellers of the securities involved due to late filing or where the filed Form 5 contains an error.

2. When will ex-dividend trading commence following a late notification of a dividend?

In the event that TSX receives late notification of a dividend, TSX will not back-date ex-dividend trading. This generally means that ex-dividend trading will commence on the first trading day following such notification.

3. What should an issuer do if an error is found in a filed Form 5?

The issuer must immediately file an amended Form 5 via TMX LINX and contact the TSX Dividend Administrator at 416-947-4663.

E. Dividend Reinvestment Plans ("DRIPs")

1. What are DRIPs?

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

2. When does TSX need to be notified about a DRIP?

DRIPs that provide for the issuance of additional listed securities from treasury are subject to TSX pre-clearance. Issuers must provide a draft copy of the DRIP to TSX for pre-clearance at least five (5) trading days prior to the effective date of the DRIP. Any amendments to a plan must also be pre-cleared by TSX.

DRIPs providing for the payment of dividends solely with securities purchased on the secondary market do not require TSX approval, but may be subject to the normal course issuer bid policy if the purchasing trustee is deemed to be non-independent (Section 629(j)).

3. Are DRIPs allowed for unlisted securities of an issuer?

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.

Please refer to Sections 428 to 435.2 (Dividends and Other Distributions to Security Holders) of the Manual and Form 5 for additional details and requirements regarding dividends.

If you have any questions about this Staff Notice, please contact your TSX Listings Manager.