

13.2.2 TSX – Housekeeping Amendments to the TSX Company Manual – Notice of Housekeeping Rule Amendments

TORONTO STOCK EXCHANGE

NOTICE OF HOUSEKEEPING RULE AMENDMENTS

HOUSEKEEPING AMENDMENTS TO THE TSX COMPANY MANUAL

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (the “**Protocol**”), Toronto Stock Exchange (“**TSX**”) has adopted, and the Ontario Securities Commission has approved, amendments (the “**Amendments**”) to Parts III, IV, V and VI of the TSX Company Manual (the “**Manual**”). The Amendments are Housekeeping Rules under the Protocol and therefore have not been published for comment. The Ontario Securities Commission has not disagreed with the categorization of the Amendments as Housekeeping Rules.

Reasons for the Amendments

The Amendments represent a collection of changes designed to simplify use of the Manual as well as to improve process efficiency, clarify drafting and update references.

The Amendments also relate to non-public interest changes to expedite TSX’s review process with respect to rights offerings documents and ancillary changes to harmonize the rights offering rules in the Manual with the amendments to the rights offering regime adopted by the Canadian Securities Administrators in December, 2015.

Summary of the Amendments

Section	Amendment	Rationale
354.2 and 643 – conflicts of interest or potential conflicts of interest relating to the initial listing or continued listing of a competitor on TSX.	Delete.	Simplify Manual. Subject matter already covered by the Provisions Respecting Conflicts of Interest and Competitors of TMX Group Limited policy that is required pursuant to TSX’s recognition order and the policy is in the Manual.
431 – notice to TSX of dividend declaration.	Delete requirement for issuers to call the Exchange to confirm receipt of Form 5 – Dividend / Distribution Declaration	Simplify process for issuers. Automated process is already in place to confirm receipt of Form 5.
432 – notice to TSX of omitted or deferred dividend.	Amend the manner in which issuers notify TSX of an omitted or deferred dividend by adding a requirement to file Form 5 – Dividend / Distribution Declaration.	Improve process efficiency by requiring issuers to file Form 5 rather than notifying Listed Issuer Services staff.
608(a) and addition of new 607(i) – pricing of warrants.	Move the requirements pertaining to the exercise price of warrants (“Warrant Pricing Requirements”) from Section 608 – <i>Unlisted Warrants</i> to Section 607 – <i>Private Placements</i> , along with certain ancillary changes. More specifically, Subsection 608(a) will become new Subsection 607(i).	Clarify drafting and facilitate use of the Manual by consolidating all requirements in respect of private placements in one section. Originally, the Warrant Pricing Requirements had been included in Section 608 on the premise that the vast majority of warrants issued by way of private placement would be unlisted. TSX proposes to move these requirements to the private placement section since the Warrant Pricing Requirements are relevant at the time warrants are issued in connection with a private placement.

613(j) – reporting grants of stock options.	Clarify that Form 1 – Change in Outstanding and Reserved Securities should be filed within ten (10) days after the end of the month for which the form was due.	Clarify drafting to provide certainty regarding the timeframe for filing Form 1.
614 – rights offerings.	Amend Section 614 by incorporating the guidance outlined in Staff Notice 2016-0002, expediting TSX’s review of rights offering documents from seven trading days to five, thereby reducing the advance notification period for issuers to set the record date from seven to five trading days. Ancillary amendments as required by the adoption by the Canadian Securities Administrators of securities law amendments related to rights offerings (the “ CSA Amendments ”).	Changes to harmonize the rights offering requirements in the Manual as a result of the CSA Amendments.
631 – regarding sales from control blocks pursuant to an order or exemption.	Update references to legislation.	Update references to securities legislation.
501(a), 501(g) 608(a), 619(c), 620(c), 620(f), 621(d), 622(a), 629.2(b), 635(c), 637 and 639(j). 616	Delete references to filing and substitutional listing fees payable. Amend reference to listing fees payable.	Amend relevant sections of the Manual to reflect the elimination of filing and substitutional listing fees in the TSX Listing Fee Schedule that came into effect on February 1, 2016.

Text of the Amendments

The Amendments to the Manual are set out as blacklined text at **Appendix A**. For ease of reference, a clean version of the Amendments to the Manual is set out at **Appendix B**.

Timing and Transition

The Amendments become effective today, **May 5, 2016**.

APPENDIX A

BLACKLINES OF
NON-PUBLIC INTEREST AMENDMENTS TO THE TSX COMPANY MANUAL

Sec. 354.2

~~Where a Conflict of Interest (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.) or potential Conflict of Interest arises relating to initial listing of a Competitor (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.), reference should be made to the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc. [Deleted]~~

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 SecureFile immediately following, or even during, the directors' meeting at which the decision to declare the dividend is made. All Form 5 filings must be followed by a telephone call to the Exchange to confirm that the Form 5 has been received by the Exchange.~~

Sec. 432. Dividend Omission or Deferrals

Listed companies should notify the Exchange's Listed Issuer Services immediately in writing by filing a Form 5 – Dividend/Distribution Declaration via SecureFile 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).

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 ~~accompanied by the applicable fee~~ by the non-exempt issuer ~~(see Part VIII)~~, or (ii) upon review by TSX. ~~If an applicant is granted an exemption, the fee will be refunded. If an applicant is not granted an exemption, the fee is non-refundable.~~ 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”.

[...]

(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. ~~For those transactions described in Subsection 501(c), notices must also be accompanied by the applicable filing fee (see Part VIII).~~ 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.

Sec. 607. Private Placements

[...]

(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 TSX SecureFile, by email or by courier.

~~(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.~~

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.

Sec. 608. Unlisted Warrants

~~(a) 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. This Subsection 608(a) does not apply to warrants issued pursuant to prospectus offerings described in Section 606 and rights offerings described in Section 614. (b) A listed issuer may apply to TSX to amend the warrant exercise price or the term of the warrant warrants to purchase listed securities provided that:—i) disclosure of such amendments is made by way of press release ten (10) business days prior to the effective date of the change; and—~~

~~ii) the application is accompanied by a filing fee (see TSX Listing Fee Schedule).~~

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) (e) 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. 613

[...]

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.

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 ~~cleared~~filed with the securities commissions having jurisdiction (see section 2.1 of National Instrument 45-404106).

The rights offering must receive final acceptance from TSX ~~and the securities commissions~~ at least ~~seven~~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. ~~Exceptions to this requirement will be permitted by TSX only in cases where applicable legislation renders the requirement impracticable.~~

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 circular ("~~circular~~" ~~includes a prospectus, if notice (Form 45-106F14) together with the rights offering circular or the preliminary prospectus for the rights offering (the "Rights Offering Documents"), as applicable,~~ must be filed with TSX ~~concurrently with the filing thereof with the securities commissions~~ 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 ~~draft circular~~Rights Offering Documents 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 (final) ~~circular~~Rights Offering Documents. 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, TSX will advise the securities commissions whether 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 so advise the securities commissions.~~

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

- (i) all deficiencies raised by TSX must be resolved;
- (ii) ~~clearances for the rights offering must be obtained from all securities commissions having jurisdiction, and the listed issuer must so advise TSX;~~ (iii) all the terms of the rights offering must be finalized; and

~~(iv)~~(iii) TSX must receive all requested documents, including a copy of the final 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 ~~a rights offering circular~~the Rights Offering Documents is prescribed in the rules and policies of the securities commissions. ~~See National Instrument 45-401 and Form 45-104F.~~ 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 circular~~ 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 ~~rights offering circular~~ 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 on the second trading day preceding 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 offering circular~~ and rights certificates are mailed to the participating security holders, the listed issuer must concurrently file with TSX ~~two (2) commercial copies of the rights offering circular~~ and 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 circular~~ Rights Offering Document is sent to participating security holders ~~or such longer period as is necessary to ensure that participating security holders, including participating security holders residing in foreign countries, will have sufficient time to exercise or sell their rights on an informed basis;~~ ;
 - (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.

Sec. 616. Documentation

[...]

- (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; ~~and~~

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

Sec. 619. Name or Symbol Changes

[...]

- (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).

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

Sec. 620. Stock Split

[...]

- (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 seven, and preferably not less than ten, 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 seven 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 seven 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).

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

[...]

- (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.

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

Sec. 621. Stock Consolidation

[...]

- (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.

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

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.

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

Sec. 629.2. Debt Substantial Issuer Bids

[...]

- (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, ~~together with a filing fee~~ and shall not proceed with the bid until the notice has been accepted by TSX.

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 ~~subsection 72(1)Part XVII~~ of the OSA ~~or Part 2 of OSC Rule 45-501, 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. 635. Filing and Listing Procedure

[...]

- (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. ~~There is a filing fee that is payable to TSX for its review of the plan.~~

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, ~~and (iii) the requisite filing fee payable to TSX~~. 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).

Sec. 639. Procedures Applicable to Odd Lot Selling and Purchase Arrangements

[...]

- ~~(j) A filing fee is required in connection with each Arrangement filed with TSX, and with each renewal thereof (see Part VIII).~~ ~~(k)~~ 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.

Sec. 643

~~Where a conflict of interest (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.) or potential Conflict of Interest arises relating to the continued listing of a Competitor (as defined in the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc.), reference should be made to the Special Provisions Respecting Conflict of Interest and Competitors of TSX Group Inc. **[Deleted.]**~~

APPENDIX B

NON-PUBLIC INTEREST AMENDMENTS TO THE TSX COMPANY MANUAL

Sec. 354.2

[Deleted.]

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 SecureFile immediately following, or even during, the directors' meeting at which the decision to declare the dividend is made.

Sec. 432

Listed companies should notify the Exchange's Listed Issuer Services immediately in writing by filing a Form 5 – Dividend/Distribution Declaration via SecureFile 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).

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".

[...]

(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.

Sec. 607. Private Placements

[...]

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

- a. 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
- b. 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 TSX SecureFile, by email or by courier.

(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.

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.

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:

$$\frac{(\text{number of warrants exercised} \times \text{market price at time of exercise}) - (\text{number of warrants exercised} \times \text{exercise price})}{\text{market price at time of exercise}}$$

Sec. 613

[...]

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.

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 (the "Rights Offering Documents"), 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 Documents 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 (final) Rights Offering Documents. 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, TSX will advise the securities commissions whether the rights offering is acceptable to TSX (subject only to the correction of minor deficiencies, if any, and the filing of the required documents).
- (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 final 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 on the second trading day preceding 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.

Sec. 616. Documentation

[...]

- (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. 619. Name or Symbol Changes

[...]

- (c) The following documents must be filed with TSX in connection with a name change:
 - iv) a notarial or certified copy of the Certificate of Amendment, or equivalent document;
 - v) definitive specimens of the new generic or overprinted customized security certificates, if any, in accordance with the requirements set out in Appendix D; and
 - vi) 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).

Sec. 620. Stock Split

[...]

- (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 seven, and preferably not less than ten, 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 seven 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 seven trading days in advance of the record date:

- vi) written confirmation of the record date including the time of day ("close of business" will be sufficient for this purpose);
- vii) 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;
- viii) 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;
- ix) 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
- x) if the stock split is accompanied by a security reclassification,
 - iii. definitive specimens of the new generic or customized security certificates, if any, in accordance with the requirements set out in Appendix D; and
 - iv. an unqualified letter of confirmation from CDS disclosing the CUSIP number assigned to each class of listed securities (see Section 350).

[...]

(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:

- vii) two copies of the Letters of Transmittal;
- viii) 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;
- ix) 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;
- x) definitive specimens of the new generic or customized security certificates, if any, in accordance with the requirements set out in Appendix D;
- xi) 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
- xii) a written statement as to the intended mailing date of the Letters of Transmittal.

Sec. 621. Stock Consolidation

[...]

(d) The following documents must be filed with TSX in order for the stock consolidation to be effected on TSX:

- viii) one copy of the Letters of Transmittal;
- ix) a notarial or certified copy of the Certificate of Amendment, or equivalent document;
- x) opinion of counsel that all the necessary steps have been taken to validly effect the consolidation in accordance with applicable law;
- xi) 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;

- xii) a definitive specimen of the new generic or customized security certificates, if any, in accordance with the requirements set out in Appendix D;
- xiii) a copy of the unqualified letter of confirmation from CDS disclosing the new CUSIP number assigned to the securities (see Section 350); and
- xiv) a written statement as to the intended mailing date of the Letters of Transmittal.

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.

Sec. 629.2. Debt Substantial Issuer Bids

[...]

- (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.

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. 635. Filing and Listing Procedure

[...]

- (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. 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).

Sec. 639. Procedures Applicable to Odd Lot Selling and Purchase Arrangements

[...]

- (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.

Sec. 643

[Deleted.]