

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX – Amendments to Toronto Stock Exchange Company Manual to add Part XI – Requirements Applicable to Non-Corporate Issuers – Notice of Approval

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

AMENDMENTS TO TORONTO STOCK EXCHANGE COMPANY MANUAL TO ADD PART XI – REQUIREMENTS APPLICABLE TO NON-CORPORATE ISSUERS

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 for recognized exchanges, Toronto Stock Exchange (“TSX”) has adopted, and the Ontario Securities Commission (“OSC”) has approved, amendments (the “Public Interest Amendments”) to add Part XI – Requirements Applicable to Non-Corporate Issuers to the TSX Company Manual (the “Manual”) and to make ancillary amendments to Parts I and VII of the Manual. The Public Interest Amendments were published for comment in a request for comments on January 15, 2015 (the “Request for Comments”). Since the Request for Comments, TSX has made other non-material amendments to Parts III, IV and VI of the Manual (such amendments, together with the Public Interest Amendments, the “Amendments”).

Reasons for the Amendments

The Amendments relate to the listing of Exchange Traded Products (also referred to as ETPs), Closed-end Funds and Structured Products, each of which is defined in **Appendix B**.

The Manual is intended to provide a detailed and well-indexed compendium of the requirements applicable to all applicants for listing and all listed issuers to ensure a transparent, fair and orderly market for listed securities. The rules are intended to accommodate issuers that are diverse in size and activity. The rules and requirements currently set out in the Manual are principally designed for corporate entities.

Over the years, the structure and nature of listed issuers has evolved from the more traditional corporate issuers to include issuers and securities such as ETPs, Closed-end Funds and Structured Products. TSX proposed the Public Interest Amendments for transparency and to facilitate the listing of ETPs, Closed-end Funds and Structured Products.

Summary of the Amendments

The following is a summary of the Amendments. The Amendments that relate to matters other than original listing requirements generally codify TSX’s existing practice. Non-Corporate Issuers¹ generally have very little transactional activity after initial listing.

Requirement	ETPs	Closed-end Funds	Structured Products
Minimum IPO Raise or Market Capitalization	\$1 million	\$10 million	\$1 million
Distribution	-	1,000,000 freely tradable securities 300 public board lot holders	-

¹ A Non-Corporate Issuer means an ETP, Closed-end Fund and/or Structured Product.

Requirement	ETPs	Closed-end Funds	Structured Products
Principal listing documents	Prospectus (continuous offering)	Prospectus	Base shelf prospectus + Pricing supplement
Board & Management	<p>ETPs other than those issued by Financial Institutions – Issuer or its Manager: CEO, CFO, Secretary and Independent Review Committee (“IRC”).</p> <p>Management responsible for day-to-day operations of the ETP will be reviewed to ensure they meet the requirements of Section 325 of the Manual.</p>	<p>Issuer or its Manager: CEO, CFO + Secretary and IRC.</p> <p>Management responsible for day-to-day operations of the Closed-end Fund will be reviewed to ensure they meet the requirements of Section 325 of the Manual.</p>	<p>Structured Products other than those issued by Financial Institutions – Issuer or its Manager: CEO, CFO, Secretary and two independent directors.</p> <p>Management responsible for day-to-day operations of the Structured Product will be reviewed to ensure they meet the requirements of Section 325 of the Manual.</p> <p>Non-Financial Institutions proposing to list Structured Products are encouraged to have preliminary discussions with TSX in advance of filing a listing application.</p>
Net Asset Value (NAV)	ETPs, Closed-end Funds and Structured Products must have and maintain a publicly accessible website. Issuers must provide TSX with a representation that the NAV will be calculated no less frequently than daily for ETPs, as required under applicable securities law for Closed-end Funds and weekly for Structured Products and will be made available to the public on such website.		

Requirements applicable to transactions

Requirement	ETPs	Closed-end Funds	Structured Products
Issuance of Securities (General)	Immediate notification to TSX of any transaction involving the issuance or potential issuance of any new class of securities that is convertible into a listed class of securities.	Immediate notification to and pre-approval by TSX of any transaction involving the issuance or potential issuance of any securities other than unlisted, non-voting, non-participating securities.	
Additional Listing	<p>Any creation of securities to be effected in accordance with constating documents and National Instrument 81-102 – <i>Investment Funds</i> if applicable.</p> <p>No prior approval required from TSX for issuance or potential issuance of securities of a class already listed on TSX.</p> <p>Issuers will provide TSX with a legal opinion or officer’s certificate on a quarterly basis for all new security issuances during the previous quarter.</p>	The issuance of additional securities should be at a price that yields net proceeds per security of no less than 100% of the most recently calculated NAV per security calculated prior to the pricing of such issuance other than by way of distributions to all security holders on a pro rata basis.	

Requirement	ETPs	Closed-end Funds	Structured Products
Supplemental Listings	<p>The minimum distribution requirement is the prescribed number of units if the new class of securities is convertible into a currently listed class of securities.</p> <p>If the new class of securities is not convertible into an already listed class of securities then the minimum requirements for an original listing apply.</p>	<p>The minimum market value is \$2 million for the new class of securities provided that such securities are convertible into a currently listed class. There must also be at least 100,000 publicly held securities by at least 100 public board lot holders at the time of listing.</p> <p>If the new class of securities is not convertible into an already listed class of securities, then the minimum requirements for an original listing apply.</p>	N/A*
Dividends & Other Distributions	<p>In accordance with Sections 428 – 435 of the Manual.</p> <p>Due Bill trading will not apply to special distributions to be paid in securities where the securities to be distributed are immediately consolidated after the distribution, resulting in no change to the number of securities held by security holders.</p> <p>For distributions that are payable in securities, and where those securities will be re-invested and the resulting securities immediately consolidated so that the number of securities held by each investor will not change, TSX will require issuers to press release the estimated distribution amount four days prior to the declared record date. Upon determination of the exact amount of any estimated distribution, the issuer must disseminate the final details by news release.</p>		
Management Fees	Any management fees payable with securities issued from treasury will be subject to Section 613 of the Manual – <i>Security Based Compensation Arrangements</i> .		
Security holder Approval	<p>In addition to the matters requiring security holder approval under Section 5.1 of NI 81-102 – <i>Investment Funds</i>, security holder approval may be required for the following items:</p> <p>(i) Any amendments to the issuer’s constating documents (or equivalent) that are not covered by the amendment provisions of such documents that materially affect the rights of security holders; and</p> <p>(ii) Extension beyond the originally contemplated termination date, unless security holders are given an opportunity to redeem securities at NAV within three months of the originally contemplated termination date and notice of the extension at least 30 days prior to the redemption deadline.</p>		
Termination/ Voluntary Delisting	<p>Unless they have a fixed termination date, TSX will require that all Closed-end Funds, ETPs and Structured Product issuers provide 30 days’ notice to security holders.</p> <p>Voluntary delistings in accordance with Section 720 of the Manual.</p>		
Notification to TSX	Non-Corporate Issuers must pre-clear any information circulars and other materials related to corporate actions sent to security holders.		
Continued Listing Requirements	N/A	<p>\$3 million per Closed-end Fund</p> <p>150 public board lot holders</p>	N/A
Personal Information Forms (PIFs)	<p>Directors and officers of the issuer, the manager or management responsible for day-to-day operations will be required to submit a PIF for any original listing and a Form 3 – Change in Officers/Directors/Trustees for any changes once a Non-Corporate issuer is listed.</p> <p>Clearance valid for one year. PIF valid for three years.</p>		

* A supplemental listing by issuers of Structured Products will be reviewed as an Original Listing.

TSX received nine (9) comment letters in response to the Request for Comments. A summary of the comments submitted, together with TSX's responses, is attached as **Appendix A**. TSX respects the public comment process and appreciates the value such public input provides. TSX thanks all commenters for their submissions. As a result of the comment process, TSX has made non-material changes to the Amendments. These non-material changes include revising the definition of "Closed-end Fund", reducing the market capitalization requirement for Closed-end Funds, clarifying when TSX may require security holder approval for amendments to the constating documents (or equivalent) of ETPs and Closed-end Funds, clarifying which materials sent to security holders must be pre-cleared with TSX and requiring Closed-end Funds to calculate NAV no less frequently than required under applicable securities law.

TSX is also repealing Section 604(g) of the Manual because the Canadian Securities Administrators (the "CSA") have amended the requirements for Closed-end Funds that propose to merge with another Closed-end Fund or convert into an open-ended mutual fund trust. The CSA rules impose the same requirements as Section 604(g), making this section of the Manual redundant. TSX is also clarifying the notification requirements in Sections 428 to 430 of the Manual for Non-Corporate Issuers instead of including these notification requirements in Part XI. Finally, TSX has made ancillary changes to Part III and the Original Listing Application to reflect the addition of Part XI to the Manual.

A blacklined version of the Amendments is available at **Appendix C**. The blacklined version of the Amendments shows the changes since publication of the Request for Comments.

Text of the Amendments

The final Amendments are attached as **Appendix B**.

Effective Date

The Amendments will become effective on September 17, 2015 (the "Effective Date"). The original listing requirements in Sections 1101 to 1105 of the Amendments will not have any retroactive effect, so that any Non-Corporate Issuer listed before the Effective Date will continue to be listed in the category under which it was originally listed.

APPENDIX A

SUMMARY OF COMMENTS AND RESPONSES

List of Commenters:

Borden Ladner Gervais LLP (BLG)	Invesco Canada Ltd. (Invesco)
Canadian Exchange-Traded Fund Association (CETFA)	Portfolio Management Association of Canada (PMAC)
Global Digit II Management Inc. (GD-II)	RBC Global Asset Management Inc. (RBC GAM)
Fasken Martineau DuMoulin LLP (Fasken)	Two commenters requested confidentiality (Confidential Comment Letter)

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning in the Request for Comments.

Summarized Comments Received	TSX Response
1. Are the proposed original listing requirements for ETPs, Closed-end Funds and Structured Products appropriate? In particular, are the proposed minimum initial public offering conditions appropriate?	
Commenters were generally supportive of the original listing requirements for ETPs, Closed-end Funds and Structured Products (BLG, CETFA, Confidential Comment Letter, Invesco, PMAC, RBC GAM).	TSX thanks these commenters for their input.
One commenter submitted that a minimum market capitalization lower than \$1 million for ETPs could be justified given the way additional ETPs are continuously created and redeemed, and requested that TSX continue to monitor market developments in this regard (Invesco).	TSX thanks this commenter for its input. TSX intends to monitor market developments in this area.
One commenter submitted that the minimum market capitalization requirement for Closed-end Funds in Section 1103 should be reduced to \$10 million from \$20 million. This commenter stated that the \$20 million minimum became the standard during a different Closed-end Fund market, during which the average deal size was in the hundreds of millions of dollars. With the increased variety of investment offerings, the average size of Closed-end Fund offerings has declined. A minimum \$20 million market capitalization requirement creates deal uncertainty and a “chilling effect” because investment advisors do not recommend the investment to clients until the minimum is achieved. Conversely, a minimum market capitalization requirement of \$10 million would remove the uncertainty regarding whether the offering will close, resulting in a greater number of larger, more liquid transactions, while reducing the number of withdrawn transactions. While it may not be profitable to manage a fund that raises less than \$20 million, managers would be satisfied if a few funds raise less than \$20 million as long as, on average, fund raises are large enough to be profitable. Additionally, a \$10 million market capitalization requirement ensures sufficient liquidity and trading in the secondary market (Confidential Comment Letter).	TSX has reduced the minimum capitalization requirement in Section 1103 to \$10 million. TSX proposed a minimum capitalization requirement of \$20 million because it understood that Closed-end Fund issuers would typically not list a fund if they were unable to raise at least \$20 million, as it would be unprofitable to manage a publicly-listed fund with an asset base of less than \$20 million. However, TSX acknowledges that this requirement may inadvertently create uncertainty and a chilling effect on Close-end Fund offerings. TSX agrees that a minimum capitalization requirement of \$10 million will ensure sufficient liquidity in the secondary market.
2. For Closed-end Funds that do not calculate NAV on a daily basis, what is a reasonable time period within which they should be required to price an offering of additional listed securities?	
One commenter submitted that a reasonable time period would be to price the offering within seven days. This commenter advised that the offering price for a listing of	TSX thanks this commenter for its input. As set out in the response below, TSX believes that the price for an offering of additional listed securities should be done with reference to

<p>additional securities is also subject to negotiation among the underwriters and management to ensure the offering price is not dilutive to existing holders (Confidential Comment Letter).</p>	<p>the most recently calculated NAV per security.</p>
<p>A number of commenters questioned the anti-dilution requirement for additional listings by Closed-end Funds in Section 1107(b)(iv) (BLG, Fasken). One commenter advised that declarations of trust and National Instrument 81-102 <i>Investment Funds</i> ("NI 81-102") already address the issuance of additional securities by Closed-end Funds, and TSX should not impose further requirements in this regard (BLG). Another commenter submitted that the appropriate manner of regulating the pricing of offerings is to require issuers to price based on the most recently calculated NAV and prior to the next calculated NAV, and that this timeframe is appropriate whether the issuer calculates its NAV daily or less frequently (Fasken).</p>	<p>TSX agrees that the price for an offering of additional listed securities should be done with reference to the most recently calculated NAV per security and prior to the next calculated NAV per security, whether or not the issuer calculates NAV daily or less frequently. TSX has revised Section 1107(b)(iv) to clarify that all additional issuances must close within 30 days of the pricing of the issuance.</p>
<p>One commenter submitted that the TSX acceptance timeframes set out in Section 607(c) of the Manual should continue to apply to private placements effected by Non-Corporate Issuers and therefore should be carved out of, or built into, the timeframe set out in Section 1107(b)(ii). This commenter submitted that there are no additional policy concerns that would distinguish Non-Corporate Issuers from other TSX-listed issuers in the case of private placements (Fasken).</p>	<p>The timeframes for Non-Corporate Issuers generally align with the private placement timeframes for corporate issuers under Section 607. TSX agrees that there are no additional policy concerns for Non-Corporate Issuers, but in TSX's experience a Non-Corporate Issuer is unlikely to have the same urgency a corporate issuer might have in closing a private placement. Therefore, TSX does not believe a framework for an expedited review is necessary in Part XI.</p>
<p>3. For Closed-end Funds, is it appropriate to require new funds to publish a daily NAV on their website? Should exemptions be made for certain fixed-income funds or alternative asset funds?</p>	
<p>A number of commenters submitted that it is not appropriate to require new funds to publish a daily NAV. These commenters submitted that the publication requirements in applicable securities law are sufficient (Confidential Comment Letter, Fasken). The requirement to calculate a daily NAV when not required by applicable securities law would increase costs and the management expense ratio for Closed-end Funds without providing additional benefit to security holders (Confidential Comment Letter). Should TSX require new funds to publish a daily NAV, TSX should consider exemptions for funds that invest in asset classes where prices are more time consuming to determine or costly to obtain (Confidential Comment Letter).</p>	<p>TSX thanks these commenters for their input. TSX agrees that the Manual requirement regarding the calculation of NAV by Closed-end Funds should align with the requirements in applicable securities law. TSX has revised Section 1103(b) in this regard.</p>
<p>One commenter submitted that Section 1103(a) should be revised to require Closed-end Funds to calculate and publish their NAV with the same frequency required by securities regulators. This commenter noted that it has been granted exemptive relief by securities regulators allowing it to calculate and publish its NAV twice a month, and such a revision to Section 1103(a) would prevent conflicts between TSX requirements and the requirements of securities regulators (GD-II).</p>	<p>TSX thanks this commenter for its input. As discussed above, TSX has revised Section 1103(b) to require the calculation of NAV as required under applicable securities law, including any exemptive relief granted by securities regulators from the applicable requirements.</p>
<p>4. Does Independent Review Committee approval for fund mergers provide any value to the TSX? Is there any other way to provide comfort to TSX, when security holder approval is not sought, that the merger of two funds is fair and reasonable for current security holders of both funds?</p>	
<p>A number of commenters submitted that the requirements of NI 81-102 provide substantial comfort for TSX with respect to the approval of Closed-end Fund and ETP mergers and no additional rules are necessary in the Manual. Depending on the circumstances, NI 81-102 requires Independent Review</p>	<p>TSX agrees that the requirements of NI 81-102 provide substantial comfort regarding the approval for fund mergers and no additional rules are necessary in the Manual.</p> <p>TSX notes that Section 604(g) of the Manual is duplicative of</p>

<p>Committee as well as regulatory and/or shareholder approval for fund mergers. In addition, National Instrument 81-107 <i>Independent Review Committee for Investment Funds</i> provides further protections in this regard. These requirements, along with TSX's own review of the transaction, provide TSX with comfort regarding whether the merger of two funds is a fair and reasonable result for security holders of both funds and additional rules are not necessary (CETFA, Confidential Comment Letter, RBC GAM).</p>	<p>the requirements in NI 81-102 and, therefore, has been repealed.</p>
<p>5. Should TSX require security holder approval for any other matters for ETPs, Closed-end Funds and Structured Products?</p>	
<p>A number of commenters submitted that TSX should not require security holder approval for any other matters for Closed-end Funds or ETPs (CETFA, Confidential Comment Letter, RBC GAM).</p>	<p>TSX thanks these commenters for their input. TSX agrees and has not added additional security holder approval requirements to the Amendments.</p>
<p>A number of commenters submitted that the security holder approval requirement Section 1111(i) of the Amendments is too broad because it requires security holder approval of any amendments to the articles of incorporation or declaration of trust of a Non-Corporate Issuer not covered by the "general amendment provisions thereof". Commenters submitted that the terms of constating documents and NI 81-102 already address the circumstances under which security holder approval must be sought and it is not necessary for TSX to require security holder approval for additional matters. The requirement for security holder approval will impose greater costs on Non-Corporate Issuers (BLG, CETFA, Fasken, Invesco, PMAC, RBC GAM).</p> <p>Some commenters submitted that if there are specific amendments to constating documents that TSX is attempting to capture through Section 1111(i), TSX should revise Section 1111(i) to clarify the intended amendments (BLG, CETFA, Fasken, Invesco, PMAC).</p>	<p>TSX agrees that the language in the proposed Section 1111(i) potentially captured amendments that TSX does not believe should require security holder approval. However, NI 81-102 does not address all circumstances under which TSX may require security holder approval. For example, TSX would consider amendments to redemption rights or the redemption price to be amendments that require security holder approval. Therefore, TSX has revised Section 1111(i) to provide that TSX may require security holder approval for any amendments to an ETP's or Closed-end Fund's constating documents (or equivalent) that are not covered by the general amendment provisions of such documents and that materially affect the rights of security holders.</p>
<p>One commenter submitted that Section 1111(ii) should be revised to clarify that a redemption right within three months of the originally contemplated termination date is acceptable rather than requiring Closed-end Funds to offer security holders a redemption right for proceeds equal to NAV on or about the original contemplated termination date before extending the term of the fund. The commenter submitted that a three month timeframe is appropriate provided security holders are notified by press release of the final NAV-based redemption at least 30 days prior to the deadline for exercising the redemption rights. As most Closed-end Funds provide security holders with the right to redeem at NAV once annually, this change would mean such funds would not be required to offer two such rights in rapid succession (Fasken).</p>	<p>TSX agrees that if there has been a redemption right within three months of the originally contemplated termination date and notice of the extension at least 30 days prior to the deadline for exercising the redemption rights, there is no need to offer another redemption right before extending the term of the fund. TSX has revised Section 1111(ii) accordingly.</p>
<p>6. Are the proposed continued listing requirements appropriate?</p>	
<p>A number of commenters submitted that the requirement in Section 1113 for Non-Corporate Issuers to pre-clear any materials sent to security holders, other than continuous disclosure documents, is too broad. These commenters submitted that Non-Corporate Issuers are required send materials to security holders that are not considered continuous disclosure documents and it is unclear whether</p>	<p>TSX thanks these commenters for their input. TSX has revised Section 1113 to clarify that Non-Corporate Issuers must pre-clear information circulars and other security holder materials related to corporate actions (for example, redemptions, consolidations or stock splits). TSX has revised Section 1113 to provide that Non-Corporate Issuers must provide draft materials to TSX for review at least five</p>

<p>Section 1113 requires issuers to pre-clear these materials with TSX. Commenters submitted that Section 1113 should be clarified to identify specific types of materials that require TSX pre-clearance (BLG, CETFA, Confidential Comment Letter, Fasken, Invesco, PMAC, RBC GAM).</p> <p>A number of commenters submitted that Section 1113 should be revised to reflect the pre-clearance process, including the number of days TSX requires to review such material (CETFA, PMAC).</p>	<p>business days in advance of finalization of the materials.</p>
<p>A number of commenters submitted that Section 1107(a)(ii), which requires an opinion of legal counsel that all securities issued during the previous quarter have been validly issued as fully paid and non-assessable securities, should be revised to reflect recent guidance provided by TSX that TSX will also accept a senior officer's certificate that such securities have been validly issued as fully paid and non-assessable if the issuer's governing statute and/or constating documents provide that all such securities are issued as fully paid and non-assessable (CETFA, Invesco, RBC GAM).</p> <p>One commenter submitted that TSX should not require an opinion of legal counsel under Section 1107(a)(ii) and should only require the submission of a Form 1 – Change in Outstanding and Reserved Securities (“Form 1”). The requirement for a legal opinion does not offer comfort to TSX in addition to what is submitted in the Form 1 because legal counsel relies solely on certificates of the manager and transfer agent when providing such opinions (BLG).</p>	<p>TSX has revised Section 1107(a)(ii) to require ETPs to provide the Exchange on a monthly basis a Form 1 and on a quarterly basis either an opinion of legal counsel that all securities issued during the previous quarter have been issued as fully paid and non-assessable securities of the ETP or, 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.</p>
<p>A number of commenters questioned the requirement in Sections 1102, 1103 and 1104 for the Manager of a Non-Corporate Issuer to have adequate and appropriate experience in the asset management industry, as determined by TSX. These commenters submitted that Canadian securities regulators impose registration requirements on managers of investment funds and TSX should rely on the regulation of investment fund managers by these regulators without imposing additional requirements (BLG, CETFA). Should TSX impose additional requirements, TSX should provide specific requirements for what constitutes adequate and appropriate experience in the asset management industry (BLG, Fasken).</p>	<p>TSX thanks these commenters for their input. When determining whether a Non-Corporate Issuer is eligible for listing on the Exchange, TSX will review whether, in addition to complying with registration requirements under applicable securities law, Managers have appropriate experience with listed issuers. TSX has revised Sections 1102, 1103 and 1104 to clarify that the Manager must have appropriate listed issuer experience. TSX notes that pursuant to Section 325 of the Manual, the Exchange must be satisfied that the rules and regulations of the Exchange and all other regulatory bodies having jurisdiction will be complied with. TSX notes that this requirement is consistent with its current practice regarding original listings of Non-Corporate Issuers.</p>
<p>A number of commenters submitted that the requirement in Section 1108(ii)(4) for an opinion of legal counsel that securities issued pursuant to a supplemental listing have been validly issued as fully paid and non-assessable should be revised to reflect that TSX will accept a senior officer's certificate that such securities have been so issued if the issuer's governing statute and/or constating documents provide that all securities issued by the issuer are issued as fully paid and non-assessable (CETFA, RBC GAM).</p>	<p>TSX thanks these commenters for their input. When listing a new class of securities that is not already listed, TSX will require an opinion of legal counsel that such securities have been validly issued as fully paid and non-assessable and will not accept a senior officer's certificate. Given the lower risk profile, limited involvement of legal advisors and repetitive nature of additional listings, TSX will accept a certificate of a senior officer only for additional listings of securities offered on a continuous basis by ETPs as provided in Section 1107(a)(ii) and described above.</p>
<p>7. Are there any other rules or requirements contained in the Manual that should be adapted to better suit ETPs, Closed-end Funds and Structured Products?</p>	
<p>While most commenters did not identify other rules or requirements in the Manual that should be adapted to better suit ETPs, Closed-end Funds and Structured Products, one commenter submitted that the prohibition in Section 629(l)(8) of the Manual against an issuer purchasing securities</p>	<p>TSX thanks the commenter for its input. Changes to the normal course issuer bid rules in Sections 628 to 629.3 are outside the scope of the Amendments. TSX will take this commenter's suggestion under advisement.</p>

<p>pursuant to a normal course issuer bid (“NCIB”) at the opening of a trading session or during the last 30 minutes of a trading session should not apply to Closed-end Funds. This commenter submitted that Section 629(l)(1) of the Manual prohibits issuers from making purchases pursuant to an NCIB at a price higher than the last independent trade of a board lot of the securities subject to the NCIB. Given this restriction and the inability of a Closed-end Fund to purchase at a price higher than the last published NAV, it is not necessary to prevent a Closed-end Fund from participating at the opening of the trading session or in the last 30 minutes of the trading session (Confidential Comment Letter).</p>	<p>TSX also notes that the normal course issuer bid rules are subject to additional oversight by the CSA given the framework for the issuer bid exemption under Canadian securities law.</p>
Other Comments	
<p>One commenter submitted that the definition of “Closed-end Fund” is broadly worded and would lead to uncertainty regarding what entities may be captured. It would be preferable to more specifically define the category by using the definition of “non-redeemable investment fund” in the <i>Securities Act</i> (Ontario). If the intent is different from the definition of “non-redeemable investment fund”, the definition of “Closed-end Fund” should better clarify the breadth of that intention (Fasken).</p>	<p>TSX agrees and has amended the definition of “Closed-end Fund” in the Manual to correspond to the definition of “non-redeemable investment fund” in the <i>Securities Act</i> (Ontario). TSX notes that it retains the discretion to determine whether an issuer will be considered a Closed-end Fund, regardless of whether it qualifies as a “non-redeemable investment fund” under the <i>Securities Act</i> (Ontario).</p>
<p>One commenter submitted that instead of using the term “Non-Corporate Issuer”, a term such as “Investment Product” may be preferable. The commenter advised that some Closed-end Funds are corporations, so the defined term should not imply that it excludes corporations (Fasken).</p>	<p>TSX thanks this commenter for its input. The term “Non-Corporate Issuer” is meant to indicate that the issuer has not applied for listing pursuant to Sections 309 or 309.1 of the Manual and is not meant to exclude Closed-end Funds that are corporations. Therefore, TSX has not changed the term “Non-Corporate Issuer” in the new Part XI of the Manual.</p>

APPENDIX B

TEXT OF FINAL AMENDMENTS

Part I – Interpretation

Part I will be amended by adding each of the following definitions:

“**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;

“**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;

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

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

“**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.

A new section, Part XI, will be added to the Manual, as follows:

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)

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)
- (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

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.

Please refer to Sections 338 to 360 for the Listing Application Procedure.

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.

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.

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.

1105. Listing Related Procedures

Please refer to Sections 338 to 360.

B. Changes in Capital Structure

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.

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.

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.

1109. Dividends and Other Distributions

Refer to Sections 428 to 435 of the Manual for the requirements applicable to dividends and other distributions.

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.

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.

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.

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.

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.

Section 716 to be amended as follows:

716. Management

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, a Personal Information Form (Form 4 – Appendix H) is valid for a time period of three years, absent any material change in the information submitted. Once a Personal Information Form (Form 4 – Appendix H) has been cleared by the Exchange, such clearance is valid for a period of one calendar year for Non-Corporate Issuers. After one year, subject to there having been no material change in the information submitted to the Exchange in the original Personal Information Form (Form 4 – Appendix H), an insider of a Non-Corporate Issuers may submit a completed Declaration (Form 4B – Appendix H) in connection with a new listing application.

Part III to be amended as follows:

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.

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.

309.1. Requirements for Eligibility for Listing – Exempt Issuers¹²

- a) net tangible assets of \$7,500,000¹³;
- 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.

Part IV to be amended as follows:

Notice to the Exchange

428.

All companies declaring a dividend on listed shares must promptly notify the Exchange's Listed Issuer Services of the particulars, except as provided below. Companies 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 company. Companies with tentative dividend plans should schedule their board meetings well in advance of the proposed record date.

A minimum seven (7) 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, companies 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, companies 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 Non-Corporate 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 Non-Corporate 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 Non-Corporate Issuer must disseminate the final details by way of news release in accordance with the TSX timely disclosure policy.

Ex-Dividend Trading

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 three trading days are 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 date which is two trading days prior to 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 on the preceding Wednesday (in the absence of statutory holidays). If the record date is Monday, the shares will commence trading on an ex-dividend basis on Thursday of the previous week (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.

Due Bill Trading

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 two trading days prior to 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., two trading days before 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

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.

Section 604 to be amended as follows:

604. Security Holder Approval

(g) [Deleted.]

Part I of the Listing Application to be amended as follows:

A. Listing Category

B.

Indicate the category pursuant to which the listing is sought.

Industrial

- Profitable (309 a)
- Forecasting Profitability (309 b)
- Profitable Exempt (309.1)
- Technology (309 c)
- Research & Development (309 d)
- Other

Mining

- Producing (314 a)
- Exploration & Development (314 b)
- Producing Exempt (314.1)

Oil & Gas

- Non exempt (319)
- Exempt (319.1)

Non-Corporate Issuers

- ETPs (1102)
- Closed-end Funds (1103)
- Structured Products (1104)

APPENDIX C

BLACKLINE OF THE FINAL AMENDMENTS

Part I – Interpretation

Part I will be amended by adding each of the following definitions:

“Closed-end Fund” means an investment fund, mutual fund, split share corporation, capital trust or other similarly formed entity that is managed in accordance with specific investment goals and strategies 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;

“Exchange Traded Product” or **“ETP”** means redeemable equity securities (an **“Exchange Traded Fund”** or **“ETF”**) or debt securities (an **“Exchange Traded Note”** or **“ETN”**) offered on a continuous basis under a prospectus, which gives 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;

“Manager” means a person or company who is a registered investment fund manager;

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

“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.

A new section, Part XI, will be added to the Manual, as follows:

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)

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)
- (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

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.

Please refer to Sections 338 to 360 for the Listing Application Procedure.

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 ~~on a~~ 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.

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 ~~\$20,000,000~~ 10,000,000;
- (b) **NAV.** NAV must be calculated ~~at least on a weekly basis~~ 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.

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 ~~at least on a~~ no less frequently than weekly basis 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.

1105. Listing Related Procedures

Please refer to Sections 338 to 360.

B. Changes in Capital Structure

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.

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 – ~~Mutual Investment Funds~~, if applicable; and
- (ii) ETPs must provide the Exchange on a ~~quarterly~~ monthly basis ~~with~~ 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 ~~immediately~~ 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 ~~most recently calculated NAV~~ 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.

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 ~~as set out in determined by the constating documents-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.

1109. Dividends and Other Distributions

Refer to Sections 428 to 435 of the Manual for the requirements applicable to dividends and other distributions.

~~Due Bill trading will not be implemented for special distributions of additional listed securities where such securities are immediately consolidated. Issuers 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 issuer must disseminate the final details by way of news release in accordance with the TSX timely disclosure policy.~~

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.

1111. Security Holder Approval for Amendments to ~~Constituting Documents~~

For ETPs and Closed-end Funds, in addition to the matters requiring security holder approval pursuant to Section 5.1 of NI 81-102 – ~~Mutual Investment Funds~~ and as otherwise required by the Manual, the Exchange ~~requires~~ may require security holder approval for:

- (i) any amendments to the ~~articles of incorporation or declaration of trust~~ constating documents (or their equivalent) that are not covered by the ~~general amendment provisions thereof~~ 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 on or about 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.

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.

1113. ~~Notification to~~ 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, ~~except for continuous disclosure documents such as financial statements or management report of fund performance, at least five business days in advance of finalization of the materials.~~

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 ~~liquidity of the listed securities~~;
- (ii) the market value ~~of the listed securities~~;
- (iii) in the case of an ~~ETP~~ ETPETE, the absence of a designated broker ~~for the listed securities~~;
- (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 ~~of the listed securities~~.

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.

Section 716 to be amended as follows:

716. Management

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, a Personal Information Form (Form 4 –Appendix H) is valid for a time period of three years, absent any material change in the information submitted. Once a Personal Information Form (Form 4 – Appendix H) has been cleared by the Exchange, such clearance is valid for a period of one calendar year for Non-Corporate Issuers. After one year, subject to there having been no material change in the information submitted to the Exchange in the original Personal Information Form (Form 4 – Appendix H), an insider of a Non-Corporate Issuers may submit a completed Declaration (Form 4B – Appendix H) in connection with a new listing application.

Part III to be amended as follows:

307.

Companies applying for a listing on the Exchange are placed in one of three categories: Industrial (General), Mining or Oil and Gas. ~~All special purpose issuers such as exchange traded funds, split share corporations, income trusts, investment funds and limited partnerships are listed under the Industrial (General) category.~~ 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.

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 <u>and Non-Corporate Issuers</u>)	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.

309.1. Requirements for Eligibility for Listing – Exempt Issuers¹²

- a) net tangible assets of \$7,500,000¹³;
- 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 ~~exchange traded funds, split share corporations, income trusts, investment funds, limited partnerships and other 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.

Part IV to be amended as follows:

Notice to the Exchange

428.

All companies declaring a dividend on listed shares must promptly notify the Exchange's Listed Issuer Services of the particulars, except as provided below. Companies 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 ~~that at least seven trading days 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 company. Companies with tentative dividend plans should schedule their board meetings well in advance of the proposed record date.

~~The~~ A minimum seven (7) 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; ~~or (c) if the distribution is to be paid in securities, the securities to be distributed are immediately consolidated after the distribution, resulting in no change to the number of securities held by security holders.~~

Where the exact amount of the distribution is unknown, ~~issuers~~ companies 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 ~~and whether such securities will be immediately consolidated~~ must be provided.

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

~~Notification of a distribution must be provided to TSX in accordance with Sections 428 to 435.2 even when the distribution is~~ The dividend notification requirement does not apply to a distribution by a Non-Corporate 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. Such distributions may have tax consequences for security holders, which could impact the market price of the securities. In such case, the Non-Corporate 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 Non-Corporate Issuer must disseminate the final details by way of news release in accordance with the TSX timely disclosure policy.

Ex-Dividend Trading

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 three trading days are 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 date which is two trading days prior to 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 on the preceding Wednesday (in the absence of statutory holidays). If the record date is Monday, the shares will commence trading on an ex-dividend basis on Thursday of the previous week (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.

Due Bill Trading

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 two trading days prior to 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., two trading days before 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

430.

Failure of a company to give notice of a declared dividend ~~at least seven~~ at least seven ~~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.

Section 604 to be amended as follows:

604. Security Holder Approval

(g) ~~[Deleted.]~~When a listed issuer that is an investment fund: (i) is being acquired, or (ii) transfers its assets; and after the transaction will cease to continue and its security holders will become security holders of another investment fund, TSX will require that such listed issuer obtain security holder approval for the transaction, unless all of the following conditions are met:

- (i) ~~the listed issuer has a permitted merger clause in its constating documents which permits the transaction by the listed issuer without security holder approval;~~
- (ii) ~~the consideration offered to security holders of the listed issuer for the transaction has a value that is not less than NAV;~~
- (iii) ~~the manager of the listed issuer has determined that the investment objectives, valuation procedures and fee structure of the listed issuer and the acquiring issuer are substantially the same, has made such representations to its IRC, and has referred the transaction to its IRC for approval;~~
- (iv) ~~the IRC of the listed issuer has approved the transaction;~~
- (v) ~~the listed issuer is providing its security holders with a redemption right for cash proceeds which are not less than NAV, together with not less than 20 business days notice by press release including a description of such redemption right and the transaction; and~~
- (vi) ~~the investment funds participating in the transaction bear none of the costs and expenses associated with the transaction.~~

Part I of the Listing Application to be amended as follows:

A. Listing Category

Indicate the category pursuant to which the listing is sought.

Industrial	Industrial	Mining	Oil & Gas	<u>Non-Corporate Issuers</u>
<input type="checkbox"/> Profitable (309 a)	<input checked="" type="checkbox"/> Structured Products	<input type="checkbox"/> Producing (314 a)	<input type="checkbox"/> Non exempt (319)	<input type="checkbox"/> <u>ETPs (1102)</u>
<input type="checkbox"/> Forecasting Profitability (309 b)	<input checked="" type="checkbox"/> ETFs	<input type="checkbox"/> Exploration & Development (314 b)	<input type="checkbox"/> Exempt (319.1)	<input type="checkbox"/> <u>Closed-end Funds (1103)</u>
<input type="checkbox"/> Profitable Exempt (309.1)	<input checked="" type="checkbox"/> Other	<input type="checkbox"/> Producing Exempt (314.1)		<input type="checkbox"/> <u>Structured Products (1104)</u>
<input type="checkbox"/> Technology (309 c)				
<input type="checkbox"/> Research & Development (309 d)				
<input type="checkbox"/> <u>Other</u>				