13.2 Marketplaces

13.2.1 TSX Notice of Approval – Amendments to TSX Company Manual

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

**AMENDMENTS TO THE TORONTO STOCK EXCHANGE ("TSX")
COMPANY MANUAL**

Introduction

In accordance with the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals (the "Protocol"), TSX has adopted, and the Ontario Securities Commission (the "OSC") has approved, amendments (the "Amendments") to the TSX Company Manual (the "Manual") which are attached at **Appendix A.**

Reasons for the Amendments

Representatives of the Canadian securities industry have endorsed and approved a Canadian Due Bill initiative. A Due Bill process is being introduced in Canada to help improve the accuracy and timeliness of the valuation reporting of client's holdings when securities undergo certain material corporate events. The Canadian Depository for Securities Limited ("CDS") currently expects to implement Due Bill processing in February 2012. The Amendments are necessary to enable TSX to implement the Due Bill process.

Due Bills are entitlements which attach to listed securities undergoing certain material corporate events. Due Bills attach to such securities between the second trading day prior to the record date and payment date, for trading purposes, to allow listed securities to carry their appropriate value until the entitlement has been paid.

Under the current Canadian process, listed securities normally start trading on an ex-distribution basis at the opening two trading days prior to the record date (the ex date). For example, in the event of a material corporate event, such as a stock split, listed securities begin to trade on a post-split basis at the opening of trading on the ex date. Since regular settlement occurs three trading days after the trade date (T+3), purchases that occur on or after the ex date are settled without entitlement to the additional securities. Valuation issues may occur because the market price drops on the ex date, but the receipt of the additional split securities does not occur until the payment date. The client's account position may therefore not be adjusted until the payment date which can lead to confusion. With Due Bills, trading on an ex-distribution basis is deferred as Due Bills are attached to the listed security until the payment date of the distribution. Trades until the payment date settle on a pre-split basis. The Due Bills represent the right to receive the additional entitlement at the payment date.

Due Bill trading is currently used in the United States. Due Bills are used for material corporate actions to set the ex date on the first trading day after the payment date. For TSX listed issuers also listed on a U.S. exchange, the differences between Canada and the U.S. are particularly problematic as listed securities will trade on TSX at a different price than the U.S. market during the Due Bill period, which causes confusion. Implementing a Due Bill process in Canada will align the process for TSX listed securities with the U.S. process, whether or not such securities are also listed in the U.S.

Due Bill trading will be determined at the discretion of the Exchange, based on factors relevant to the distribution. For securities interlisted on a U.S. exchange, if the U.S. exchange implements Due Bill trading for a particular corporate event, TSX expects to also implement Due Bill trading. Due Bills will typically be used when the distribution per security represents 25% or more of the value of the listed security, consistent with rules in the U.S. Due Bills may be used for events such as stock splits, distributions, spin-offs or other security issuances that are subject to a condition. In the case of a conditional distribution, the use of Due Bills and deferral of the ex date may prevent losses if the condition is not met. Sellers of the listed security prior to the ex date are able to realize the value of the distribution to which they are entitled as security holders on the record date, as well as the value of the listed securities they hold. The use of Due Bills will avoid confusion regarding the market value of the listed security. Sellers will deliver Due Bills to purchasers together with the listed securities being sold. Other relevant factors that the Exchange may consider in determining whether to implement Due Bill trading may include, without limitation, the estimated value of the distribution relative to the value of the listed securities, the absolute value of the distribution, the liquidity of the listed security, the nature of the corporate transaction, the mechanics of the distribution, and any impact on the quality of the market.

Summary of the Amendments

The Amendments provide for amendments in Parts I, IV and VI of the Manual, and in Appendix H – Form 5 – Dividend/Distribution Declaration, to put the Due Bill tracking system into practice for its listed issuers.

1. Part I – adds a definition of "Due Bill".

2. Part IV – provides procedures for the use of Due Bills.

3. Parts IV and VI – indicates when Due Bill trading may be used in the context of material corporate action events undertaken by listed issuers, such as stock splits.

4. Appendix H – Form 5 – Dividend/Distribution Declaration – adds a check box for a Due Bill alert.

Text of the Amendments

TSX received no comments in response to the Request for Comments and no changes have been made since that publication. The Amendments are attached at **Appendix A**.

Timing and Transition

The Amendments become effective **February 3, 2012**. However, TSX will not use Due Bills until the Due Bill process is implemented by CDS.

APPENDIX A
PROPOSED AMENDMENTS TO THE TSX COMPANY MANUAL

Part I – Interpretation

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

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Section 429.1.

Due Bill Trading

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.

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Section 435.2.

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

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Section 614.

(j) Rights are listed on TSX on the second trading day preceding the record date. At the same time, the underlying listed securities of the listed issuer commence trading on an ex-rights basis, which means that purchasers of the listed securities at that time are not entitled to receive the rights. Due Bill trading may be used in certain circumstances for conditional rights offerings as determined at the discretion of the Exchange. See Section 429.1.

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Section 620. Stock Split

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

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Form 5

☐	Click here if Amount per Share is or exceeds 10% of the share value as at Declaration Date (Call Dividend Administrator at (416) 947-4663 to determine if Due Bill trading will apply)