APPENDIX A
Comparative Analysis

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
1. Not all TSX practices are written and/or published.	All TSX standards and practices will be in writing and published for issuers and their advisors.	Transparency of TSX policies will create greater certainty for issuers and their advisors. This will reduce the expense and time required for issuers to complete transactions.
2. Non-exempt TSX listed issuers must pre-clear all material changes with the TSX. [ss.502 through 519]	The TSX will require notice of all material changes and will review only those transactions which involve insiders or materially affect control. [s.501]	Limiting the types of transactions requiring TSX review will reduce the expense and time required for issuers to complete transactions. The TSX will continue to monitor transactions of non-exempt issuers as they require additional supervision.
3. TSX does not specify the time period for responding to a filing. [none]	Issuers will receive notice of acceptance or non-acceptance within 7 business days. For transactions not involving insiders or a material effect on control, the response time will be 3 business days. [ss.501(e), 602(c), 607(c)]	Specifying service response times provides issuers with certainty and guarantees quality customer service.
4. Not all terms and phrases used in the Manual are defined. [none]	All terms and phrases have been defined. [s.601]	Definitions create transparency and consistency of interpretation.
5. Market price is defined as the closing price on the day before the TSX	Market price is based on a 5-day volume weighted average trading price	Weighted average trading prices are less susceptible to market manipulation

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
receives notice of the transaction. [s.619(b)]	[definition of market price in s.601]	to market manipulation.
6. Any transaction resulting in an issuance of more than 25% of an issuer's share capital in a 6 month period requires security holder approval. [s.620]	Subject to 7. below, transactions done at or above market price will not be reviewed. [s.607(c)] In addition, the 25% limit on share capital issuances will be on a per transaction basis rather than the previous 6 months. [s.607(g)]	While unrestricted below market transactions affect the quality of the marketplace, transactions done at or above market are economically neutral to all security holders. This practice is similar to that of other exchanges.
7. The TSX currently has unspecified discretion to impose conditions on transactions that may affect the quality of the marketplace. [none]	The TSX continues to have discretion to impose conditions or grant exemptions in situations where marketplace quality may be compromised. In order to create certainty in the marketplace, this discretion will be limited to transactions involving insiders or that materially affect control. Specifically, the TSX will be able to require security holder approval for such transactions. [s.603]	The TSX currently acts to ensure a quality marketplace. Specific mention of this discretion creates greater transparency. Other exchanges retain supervision over transactions involving insiders or that materially affect control.
8. Only certain share compensation arrangements are subject to security holder approval. [ss.629, 630]	All share compensation arrangements will require security holder approval. Management and board insiders benefiting under such arrangements will not be permitted to vote. [s.613(a)]	Share based compensation is significant enough to security holders to always require their approval. We note that U.S. exchanges have proposed changes to their standards requiring shareholder approval for all share based compensation arrangements.

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
9. The TSX mandates certain terms for all share compensation arrangements. [ss.633, 634]	The TSX will only mandate the disclosure required by issuers in respect of share compensation arrangements. [s.613(c)]	The importance of share based compensation arrangements varies based on the size and industry of the issuer. While security holders need to know and approve the content of these arrangements, it is not appropriate for the TSX to determine the terms of such arrangements.
10. Issuers cannot apply for an exemption from security holder approval requirements. [none]	Issuers will be able to apply for an exemption from security holder approval requirements (other than share compensation arrangements). This exemption will be automatically granted to issuers meeting quantitative continued listing requirements if the issuer (1) is in serious financial difficulty, (2) the transaction is designed to improve the issuer's financial situation and (3) the transaction is reasonable in the circumstances. The issuer's board, upon the recommendation of a committee of independent directors, must determine that these 3 requirements are met. Issuers applying for this exemption will be required to disclose in a press release the transaction and the fact that the exemption has been applied for prior to the completion of the	It is in the best interest of security holders and the marketplace for issuers to enter into transactions in a timely manner when faced with financial difficulty. It is appropriate for the TSX to defer to the decision of an issuer's independent directors in this regard. The Ontario Securities Commission makes this exemption available in respect of related party and other special transactions.

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
	transaction. [s.604(e)]	
11. Charitable options may be granted with security holder approval and must meet TSX requirements. [ss.637.1 through 637.10]	Terms of charitable options are set by the issuer, other than exercise price which must be at least market price. Options for more than 2% of an issuer's capital to one registered charity or an aggregate of 5% on annual basis require security holder approval. [s.612]	While security holders need to know and approve the content of these options, it is not appropriate for the TSX to determine the terms of such arrangements.
12. The TSX sets the standards for warrants issued to private placees. [s.622] The TSX has unwritten standards for requirements for changes to existing warrants.	The TSX will allow issuers to set the terms of warrants other than the exercise price, which must be at least market price. [s.608(a)] Issuers may amend warrants provided that details of the changes are press released 10 days prior to the effective date. If insiders hold amended warrants, these must be approved by security holders. [s.608(b)]	Transparency creates certainty and results in more efficient access to capital markets. Subject to restrictions on exercise price and the making of amendments, the TSX believes that issuers are in the best position to determine the commercial terms of warrants.
13. The TSX has unpublished standards for insider participation in private placements. Currently, insider participants may not benefit from more than one "advantage" (i.e., an insider could not receive a warrant and purchase shares at a discount even if all other placees are able to do so). [none]	All TSX standards in respect of private placements are published. In addition, insider participants may participate on the same terms as other private placement participants. Insider participation above 10% of the issuer's share capital, calculated on a 6 month basis rather than per transaction, will require	Transparency creates certainty and results in more efficient access to capital markets. The potential for undue influence by insiders is limited by the security holder approval requirement.

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
	security holder approval. [s.607(g)]	
14. TSX EXCHANGE BIDS a. An offeror shall not attach conditions (other than with respect to a maximum number of securities and receipt of required Competition Act approvals) to any exchange bid. [Appendix F, s. 6-202(2)]	a. An offeror may attach conditions to an exchange bid. [s.629]	a. This restriction is not contained in securities laws. Generally, issuers offering to purchase securities want to ensure that a minimum number of securities (i.e. 66 2/3%) are tendered before they proceed. The removal of the restriction on conditions will more closely align the TSX rules with securities legislation on circular take-over and issuer bids.
b. An exchange bid shall not be withdrawn (other than for exchange take-over bids where a superior offer is made, previously undisclosed material information is discovered or there is material adverse change in the target). [Appendix F, s. 6-202(4)]	b. An exchange bid may be withdrawn. [no section]	b. This provision is related to item a. above. If a condition is not satisfied the bid will effectively be withdrawn and accordingly if conditions to bids are permitted, withdrawals should similarly be permitted.
c. The terms of a bid may only be amended to increase the consideration, the number of share sought or the seller's commission. [Appendix F, s. 6-207]	c. An exchange bid may be amended. [s.629(m)]	c. The removal of the restriction on conditions will more closely align the TSX rules with securities legislation on circular take-over and issuer bids. The TSX will ensure that the amendment does not negatively impact market quality. Where the proposed amendment is

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
		made relatively close to the expiry of the bid, the TSX may delay the timing of the book for tenders in order to ensure that security holders are aware of the amendment.
15. SMALL SHAREHOLDER SELLING AND PURCHASE ARRANGEMENTS TSX parametres for renewal of arrangements are not published.	2 automatic renewals of 30 days each will be permitted provided that the TSX is pre-notified and a press release is issued. [s.639(h)]	Transparency creates certainty and results in more efficient access to our capital market.
16. Issuers on a post-consolidation basis must meet certain financial tests. [s.691]	Issuers on a post-consolidation basis must meet continued listing requirements. [s.621(b)]	As security holders must approve the consolidation, the TSX should concentrate solely on continued listing requirements.
17. Following a period during which they can remedy their non-compliance, issuers are suspended from the TSX but remain listed for a 12 month period. During this period, the issuer remains subject to TSX requirements and must meet the TSX's original listing requirements to be reinstated. [Part VII]	Issuers will be suspended and delisted from the TSX 30 days after the expiry of the 120 day remedy period and the right to be heard. Where an issuer is subject to an expedited review, the issuer will be suspended immediately and delisted 30 days following the suspension date. Issuers will be required to meet TSX original listing requirements in order to be reinstated. [Part VII]	Issuers are currently provided with the opportunity to remedy their deficiencies and security holders also have adequate time to liquidate their positions prior to any suspension decision. The 12 month suspension period is of limited value to issuers. Historically, reinstatement following suspension has been a rare occurrence. Under the Universal Market Integrity Rules issuers listed but not trading on the TSX could trade on another trading system. This would

Existing Standard [current reference]	Amended Standard [new reference]	Rationale
		compromise the quality of the marketplace. This amendment also avoids duplication of regulatory oversight for suspended issuers who transfer to the TSX Venture Exchange.
18. Only non-exempt issuers are required to submit a Personal Information Form for new officers and directors. [s.516]	New officers, directors and other insiders of all listed issuers will be reviewed by the TSX. Personal Information Forms will only be required if requested by the TSX. [s.716]	A quality marketplace is fostered by having quality participants. Ensuring the suitability of those persons in a position to influence management of a listed issuer is part of the TSX's current mandate under s. 716 of the Manual.
19. Private placees are required to undertake not to trade their securities for the longer of 4 months or the hold period under applicable securities legislation. [s.621]	The TSX will not require an undertaking from private placees not to trade securities. [none]	Securities legislation provides for a complete regime in respect of the resale of securities purchase pursuant to an exemption from prospectus requirements.

APPENDIX B

Revised Parts V, VI and VII of the TSX Company Manual

PART V - SPECIAL REQUIREMENTS FOR NON-EXEMPT ISSUERS

501. (a) This Part is applicable only to ''non-exempt issuers''. The decision as to whether an issuer is non-exempt is made by the TSX at the time the issuer is originally approved for listing. Reference should be made to Section 309.1 (Industrial companies), 314.1 (Mining companies) or 319.1 (Oil and Gas companies) of this Manual, which outline the requirements for eligibility for exemption from this Section 501. If these requirements are not met at the time of original listing, the exemption may be granted at such later time as they are met either (i) on application in writing accompanied by the applicable fee by the non-exempt issuer (see Part VIII), or (ii) upon review by the TSX. The TSX may revoke a previously granted exemption in appropriate circumstances. Non-exempt issuers are designated in stock quotations in the financial press as ''subject to special reporting rules''.

(b) Every non-exempt issuer shall give prompt notice to the TSX of any proposed material change in the business or affairs of the issuer. See Section 410 for a list of developments likely to require such notice. Material changes other than those described in Section 501(c) do not require TSX acceptance under this Part V.

(c) Transactions involving insiders or other related parties of the non-exempt issuer (both as defined in Section 601) or that materially affect control (as defined in Section 601) require TSX acceptance under this Part V before the non-exempt issuer may proceed with the proposed transaction. Failure to comply with this provision may result in the suspension and delisting of the non-exempt issuer's listed securities (see Part VII of this Manual).

(d) The TSX will advise the non-exempt issuer in writing generally within seven (7) business days of the TSX's acceptance of a transaction described in Section 501(c).

(e) Where a non-exempt issuer proposes to enter into a transaction described in Section 501(c) any public announcement of the proposed transaction must disclose that TSX acceptance is required. A statement that the transaction is subject to TSX acceptance is sufficient for this purpose.

(f) The requirements of this Section 501 are in addition to the timely disclosure obligations of listed issuers, as set out in Sections 406 to 423.4 of this Manual, the provisions of Section 602 and all the other requirements set out in Part VI of this Manual, and to all applicable corporate and securities legislation.

(g) The notice required by this Section 501 should initially take the form of a letter addressed to the TSX's Advisory Affairs division, requesting acceptance of the notice for filing. Transactions described in Sections 501(c) must be accompanied by the applicable filing fee (see Part VIII). If applicable, the notice should include the appropriate Company Reporting Form (Appendix H: Company Reporting Forms). A press release or information circular filed with the TSX does not constitute notice under this Section 501.

The letter should contain the essential particulars of the proposed transaction, and should state whether: (i) any insider has a beneficial interest, directly or indirectly, in the proposed transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the non-exempt issuer. Copies of all applicable executed agreements must be filed as part of the Section 501 notice as soon as they are available.

(h) If the proposed change entails an issuance, or potential issuance, of securities, the Section 501 and 602 notices should be combined in a single letter (see Part VI of this Manual).

(i) The TSX normally considers notices on Thursday of the week following the week of receipt of the notice. Further information or documentation may be requested before the TSX decides to accept or not accept notice of a transaction.

(j) The provisions of Sections 601 and 603 of Part VI of this Manual apply to transactions under this Part V.

PART VI – CHANGES IN CAPITAL STRUCTURE OF LISTED ISSUERS

GENERAL

601. Definitions.

In Parts V and VI of this Manual, the following words and phrases have these definitions:

"associate" has the same meaning as found in the OSA;

"CSA" means the Canadian Securities Administrators;

"insider" has the same meaning as found in the OSA and issuances to insiders include direct and indirect issuances to insiders and their associates;

"issuer" means a corporation, company, partnership, limited partnership, trust, income trust or investment trust or any other organized entity issuing securities;

"listed issuer" means any issuer having securities listed on the TSX;

"listed security" or **"listed securities"** means a security or securities listed on the TSX;

"market price" means the VWAP on the TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the relevant date. If the five day VWAP, in the opinion of the TSX, does not accurately reflect the securities' current market price, the VWAP may be for such shorter or longer period as the TSX determines based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period. Market price is to be determined as at the date provided for in the agreement which obligates

the issuer to issue the securities. If the listed securities are suspended from trading or have not traded on the TSX or another stock exchange for an extended period of time, the market price will be the fair market value of the listed securities as determined by the listed issuer's board of directors;

"materially affect control" means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances;

"OSA" means the *Securities Act* of the Province of Ontario as amended from time to time, the rules and policies thereunder and any replacement legislation;

"OSC" means the Ontario Securities Commission;

"related party" has the same meaning as found in the OSA;

"security" or **"securities"** has the same meaning as found in the OSA;

"TSX" means the Toronto Stock Exchange; and
"VWAP" means the volume weighted average trading price of the listed securities, calculated by dividing the total value by the total volume of securities traded for the relevant period.

602. General.

(a) Every listed issuer shall immediately notify the TSX in writing of any transaction involving the issuance or potential issuance of its securities.

(b) A listed issuer may not proceed with a Section 602(a) transaction unless accepted by the 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).

(c) Unless otherwise provided, the TSX will advise the listed issuer in writing generally within seven (7) business days of receipt of by the TSX of the Section 602(a) notice, of the TSX's decision to accept or not to accept the notice, indicating its reasons. In reviewing the transaction described in the notice, the TSX will consider the applicable provisions of this Manual.

(d) Where a listed issuer proposes to enter into a Section 602(a) transaction, any public announcement of the transaction must disclose that TSX acceptance is required. A statement that the transaction is subject to TSX acceptance is sufficient for this purpose.

(e) The notice required by Section 602(a) should initially take the form of a letter addressed to the TSX's Advisory Affairs division, requesting acceptance of the notice for filing, unless the applicable section of Part VI requires otherwise. A press release or information circular filed with the TSX does not constitute notice under Section 602. The letter should contain the essential particulars of the transaction, and should state whether: (i) any insider has a beneficial interest, directly or indirectly, in the transaction and the nature of such interest; and (ii) whether and how the transaction could materially affect control of the listed issuer. A copy of any written agreement in respect of the transaction must be provided with the notice. The TSX must be provided with prompt notice of any changes to the material terms of the transaction described in the notice.

(f) The requirements of Section 602 are in addition to the timely disclosure obligations of listed issuers, as set out in Sections 406 to 423.4 of this Manual and to all applicable corporate and securities legislation.

(g) The TSX normally considers notices on Thursday of the week following receipt of the Section 602(a) notice. Further information or documentation may be requested before the TSX decides to accept or not accept notice of a transaction.

603. Discretion.

The TSX has the discretion: (i) to accept notice of a transaction; (ii) to impose conditions on a transaction; and (iii) to allow exemptions from any of the requirements contained in Parts V or VI of this Manual.

In exercising this discretion, the TSX will consider the effect that the transaction may have on the quality of the marketplace provided by the TSX, based on factors including the following:

(i) the involvement of insiders or other related parties of the listed issuer in the transaction;
(ii) the material affect on control of the listed issuer;
(iii) the listed issuer's corporate governance practices; and
(iv) the listed issuer's disclosure practices.

604. Security Holder Approval.

(a) The TSX will generally require security holder approval as a condition of acceptance of a notice under Section 602 if, in the opinion of the TSX, the transaction:

(i) may materially affect control of the listed issuer;
(ii) has not been negotiated at arm's length; or
(iii) is of such a nature as to make security holder approval desirable, having regard to the interests of the listed issuer's security holders and the investing public.

(b) As specified in this Manual, security holder approval is a requirement for TSX approval of certain transactions. For other transactions, the TSX's decision as to whether to require security holder approval will depend on the particular fact situation having specific regard to those items listed in Section 604(a). For the purposes of Section 604(a)(ii), the insiders participating in the transaction are not eligible to vote their

securities in respect of such approval.

(c) If the TSX requires security holder approval of a transaction, the resolution to be voted upon must relate specifically to the transaction in question, rather than an unspecified transaction that may take place in the future.

(d) Security holder approval is to be obtained from a majority of security holders voting at a duly called meeting of security holders. In certain circumstances where the TSX requires security holder approval of a transaction, the listed issuer may be in a position to provide the TSX with written evidence that holders of more than 50% of the voting securities of the listed issuer are familiar with the terms of the proposed transaction and are in favour of it. In such circumstances, the TSX will give consideration to permitting the listed issuer to proceed with the transaction without holding a meeting of security holders to formally approve it; provided that listed issuers proceeding in this manner must disclose by way of press release such fact and the transaction to which such procedure relates at least 10 business days in advance of the closing of the transaction. The press release must be pre-cleared with the TSX.

This procedure will not be available for security based compensation arrangements described in Section 613, backdoor listings described in Section 626 and security holder rights plans described in Section 633.

The disclosure provided to security holders in seeking security holder approval must be pre-cleared with the TSX.

(e) Upon written application, and other than in respect of Sections 612 and 613, a listed issuer meeting continued listing requirements as set out in Part VII of this Manual will be exempted from security holder approval requirements if the application is accompanied by a resolution of the listed issuer's board of directors stating that:

(i) the listed issuer is in serious financial difficulty;
(ii) the application is made upon the recommendation of a committee of independent board members;
(iii) the transaction is designed to improve the listed issuer's financial situation; and
(iv) the transaction is reasonable for the listed issuer in the circumstances.

Listed issuers using this exemption will be required to issue a press release at least ten (10) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. The press release must be pre-cleared with the TSX.

605. Changes in Issued Securities.

The TSX must be notified immediately of any increase or decrease in the number of issued securities of a listed issuer. The notice must be on Form 1 "Change in Outstanding and Reserved Securities" found in Appendix H. Changes resulting from the issuance of securities over a prolonged period of time may be reported on a monthly basis. See Section 424 of this Manual.

DISTRIBUTIONS OF SECURITIES OF A LISTED CLASS

606. Prospectus Offerings.

(a) Listed issuers proposing to issue securities of a listed class pursuant to a prospectus must file two copies of the preliminary prospectus with the TSX's Advisory Affairs division concurrently with the filing thereof with the applicable securities commissions.

(b) The TSX will generally accept notice of distributions by way of prospectus. The TSX may, however, apply the provisions of Section 607 to a prospectus distribution. In making such a decision the TSX will consider factors such as:

- (i) the method of the distribution;
- (ii) the participation of insiders;
- (iii) the number of placees;
- (iv) the offering price; and
- (v) the economic dilution.

(c) Prior to the filing of the final prospectus, the TSX will notify the listed issuer of any required additional documentation.

(d) The additional securities will normally be listed as soon as the prospectus offering has closed. Upon request, the listing may take place prior to the closing of the offering.

607. Private Placements.

(a) The TSX defines the term ''private placement'' as an issuance of treasury securities without prospectus disclosure, in reliance on an exemption from the prospectus requirements under applicable securities laws. Private placements include, but are not limited to, issuances of securities by a listed issuer for cash and in payment of an outstanding debt of the listed issuer.

Securities issued for no cash consideration to registered charities as defined under the *Income Tax Act* (Canada) as described in Section 612, securities issued in payment of the purchase price for property described in Section 611, security based compensation arrangements described in Section 613, rights offerings described in Section 614 and backdoor listings described in Section 626 are not considered by the TSX as being Section 607 private placements.

(b) This Section 607 is applicable to issuances of unlisted securities which are convertible into or exchangeable for securities of a class listed on the TSX. This Section 607 is not applicable to private placements of securities which are neither of a class listed on the TSX nor convertible into securities of a class listed on the TSX.

(c) Other than those transactions described in Sections 604 and 717, private placements:

- (i) offered at a price per security at or above market price, regardless of the number of listed securities issuable, or

(ii) for an aggregate number of listed securities issuable equal to or less than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction where the price per security is less than the market price but within the applicable discounts set out in Section 607(e),

will be accepted by the TSX generally within three (3) business days of the TSX receiving notice thereof. Notice to the TSX of this type of private placement is effected by submitting Form 11 "Private Placement – Expedited Filing" found in Appendix H.

(d) Private placements other than those described in Section 607(c) will be reviewed by the TSX. The TSX will advise the listed issuer generally within seven (7) business days of receipt of the notice that either the TSX (i) accepts notice of the transaction and of any conditions attached to such acceptance, or (ii) does not accept the notice, indicating its reasons. Notice to the TSX of this type of private placement is effected by submitting Form 12 "Private Placement – Regular Filing" found in Appendix H.

(e) The price per listed security for any private placement must not be lower than the market price less the applicable discount as follows:

Market price	Maximum discount
$0.50 or less	25%
$0.51 to $2.00	20%
Above $2.00	15%

The TSX will allow the price per listed security for a particular transaction to be less than as provided for in this Section 607(e) provided that the listed issuer has received security holder approval for such transaction. Anti-dilution provisions not applicable to all security holders and which may result in securities being issued at a price lower than market price less the applicable discount will be permitted, provided they have been approved by security holders not benefiting from such anti-dilution provisions.

(f) For all private placements:

(i) subject to paragraph (ii), the transaction must not close and the securities must not be issued prior to acceptance thereof by the TSX and not later than 45 days from the date upon which the market price of the securities being issued is established;

(ii) an extension of the time period prescribed in paragraph (i) may be granted in justifiable circumstances, provided that a written request for an extension is filed with the TSX's Advisory Affairs division in advance of the expiry of the 45-day period;

(iii) in the case of a private placement of convertible securities, the underlying listed securities will be considered as being issued at a price per security less than the market price, unless the conversion price of such convertible security is defined as at least market price at the time of conversion, and will be regarded as being part of the number of securities being issued pursuant to the transaction;

(iv) listed securities issuable upon the exercise of warrants will be considered as being issued at a price per security less than the market price and will be regarded as being part of the number of securities being issued

pursuant to the transaction;

(v) successive private placements will be aggregated for the purposes of Sections 607(c)(ii) and 607(g)(i) if they are proximate in time, have common placees and/or a common use of proceeds; and

(vi) the listed issuer must give the TSX immediate notice in writing of the closing of the transaction.

(g) The TSX will require that security holder approval be obtained for private placements:

(i) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction where the price per security is less than the market price; or

(ii) where as a group, insiders of the listed issuer, during any six month period, receive, or are entitled to receive, a number of securities pursuant to the transaction greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction.

For the purposes of Sections 607(c) and 607(g)(i), any private placements providing flow-through tax credits to the subscribers will be considered as having a price per security less than the market price.

For the purposes of Section 607(g)(ii), the insiders participating in the private placement are not eligible to vote their securities in respect of such approval.

Section 607(g)(ii) shall also apply to circumstances in which insiders participate in a private placement pursuant to the exercise of a preemptive right.

608. Unlisted Warrants.

(a) Other than in respect of prospectus offerings described in Section 606 and rights offerings described in Section 614, and unless otherwise approved by the listed issuer's security holders, warrants to purchase listed securities may be issued to a placee if the warrant exercise price is not less than the market price of the security initially purchased.

(b) A listed issuer may apply to the TSX to amend the warrant exercise price and the term of the warrant provided that: (i) the exercise price is not less than the market price of the securities determined on the date of the amending agreement; (ii) the application is accompanied by a filing fee (see Part VIII); and (iii) disclosure of such amendments is made by way of press release ten (10) business days prior to the effective date of the change. Approval by security holders other than those holding warrants proposed to be amended is required in respect of amendments to the terms of warrants issued to insiders of the listed issuer. A copy of the press release, and evidence of security holder approval if applicable, must be provided to the TSX prior to the press release being issued.

609. Listed Warrants.

(a) The listing of warrants on the TSX is considered on a case-by-case basis.

(b) Warrants will not be listed unless the underlying securities are listed, or conditionally approved for listing, on the TSX. In order for warrants to be eligible for listing on the TSX, there must be at least 100 public holders of 100 warrants or more and at least 100,000 publicly held warrants. See Section 346 for the requirements respecting notations in prospectuses or other offering documents referring to a TSX listing.

(c) The warrant trust indenture, or other document prescribing the rights of warrant holders, must be pre-cleared by the TSX and contain appropriate anti-dilution provisions to ensure that the rights of the holders are protected in the event of an amalgamation, merger, stock dividend, subdivision, consolidation or other form of capital reorganization, or in the case of a major asset distribution to security holders.

(d) Any proposed amendment to the terms of outstanding listed warrants must be accepted by the TSX prior to the amendment becoming effective. Once warrants have been listed, the TSX will not permit amendments to any of the essential terms of the warrants, such as the exercise price (except for anti-dilution purposes) or the expiry date. The TSX will not list warrants in respect of which the warrant trust indenture (or equivalent document) entitles the directors of the issuer to change the exercise price (except for anti-dilution purposes) or which provides for the possibility of an amendment to the expiry date.

(e) Prior to the listing of warrants on the TSX, the listed issuer will normally be required to take the necessary steps to ensure that the warrants are freely tradable by residents across Canada.

(f) To apply to have warrants listed on the TSX, the listed issuer must file a letter application and draft warrant indenture with the TSX's Advisory Affairs division.

(g) Notice of a listed issuer's intention to pay a subscription fee to one or more Participating Organizations for assisting in obtaining exercises of warrants must be given to the TSX's Advisory Affairs division as soon as such an arrangement is entered into by the listed issuer.

The TSX will not permit any arrangement to solicit clients to purchase or exercise warrants if the arrangement could have the effect of artificially changing the exercise price of the warrants or could subsidize certain market participants to exercise warrants at an effective price that is not available to others. The TSX will also not permit any arrangement between a listed issuer and a securities dealer that would have a similar effect, such as an over-the-counter derivatives transaction, or a direct subsidy, advisory fee or other form of payment, the impact of which would be to create an incentive to buy warrants at a higher price than would other wise be the case.

The TSX will not permit soliciting dealer arrangements unless the following are provided for: (1) a maximum solicitation fee to be paid in respect of any one beneficial holder of warrants, similar to the maximum amount normally payable to soliciting dealers in a rights offering; (2) a prohibition on a solicitation fee being passed through to a client by a dealer, either directly or through indirect subsidies; and (3) full public disclosure of the essential terms of the soliciting dealer arrangement.

610. Convertible Securities.

(a) The conversion price of a convertible security privately placed is subject to Section 607(e), however the conversion price may be based on the market price either at the time of issuance of the convertible security or at the time of conversion of such security.

(b) Where two or more classes of securities are interconvertible and one is listed, the other must also be listed.

611. Acquisitions.

(a) Where a listed issuer proposes to issue securities as full or partial consideration for property purchased from an insider of the listed issuer, the TSX may require that documentation such as an independent valuation or engineer's report be provided.

(b) Security holder approval will be required in those instances where the number of securities issued or issuable to insiders as a group in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction. Insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval.

(c) Security holder approval will be required in those instances where the securities issued or issuable in payment of the purchase price for an acquisition are issued at a price per security below market price and the number of securities issued or issuable exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction. The TSX will consider granting relief from this Section 611(c) where the assets acquired are not closely held.

612. Securities Issued to Registered Charities.

(a) Subject to Section 612(b), listed issuers may issue securities for no cash consideration to registered charities as defined under the *Income Tax Act* (Canada).

(b) Security holder approval will be required in those instances where the number of listed securities issued or issuable:

- (i) to one registered charity exceeds 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the issuance; or
- (ii) in a 12 month period in the aggregate exceeds 5% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis at the beginning of that 12 month period.

SECURITY BASED COMPENSATION ARRANGEMENTS

613. (a) Subject to Sections 613(c) and 613(g), all security based compensation arrangements must be approved by the listed issuer's security holders. Insiders of the listed issuer entitled to receive a benefit under the arrangement, and all associates of such insiders (as defined under the OSA), are not eligible to vote their securities in respect of such approval. Security holder approval must be by way of a duly called

meeting. For this purpose, holders of Restricted Securities, as defined in Section 624, must be entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the issuer. The exemption from security holder approval contained in Section 604(e) is not available in respect of security based compensation arrangements.

(b) For the purposes of this Section 613, security based compensation arrangements include:

- (i) individual stock options granted to employees, service providers or insiders;
- (ii) stock option plans for the benefit of employees, insiders, service providers or any one of such groups;
- (iii) stock purchase plans;
- (iv) stock appreciation rights;
- (v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the listed issuer; and
- (vi) security purchases from treasury by an employee, insider or service provider which is financially assisted by the listed issuer by any means whatsoever.

(c) Security holder approval is not required for security based compensation arrangements used as an inducement to a person not previously employed by and not previously an insider of the listed issuer, to enter into a contract of full time employment as an officer of the listed issuer, provided that the securities issuable to such person do not exceed 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the arrangement.

(d) Materials provided to security holders in respect of a meeting at which the approval of security based compensation arrangements will be requested must be pre-cleared with the TSX. Such materials must provide disclosure in respect of:

- (i) eligible participants under the arrangement;
- (ii) the total number of securities issuable under the arrangements and the percentage of the listed issuer's currently outstanding capital represented by such securities;
- (iii) the percentage of securities under the arrangements available to insiders of the listed issuers;
- (iv) the maximum number of securities any one person is entitled to receive under the arrangements and the percentage of the listed issuer's currently outstanding capital represented by such securities;
- (v) the exercise price or purchase price for securities under the arrangements with specific disclosure as to whether such exercise price or purchase price is below the market price of the securities;
- (vi) the formula for calculating market appreciation of stock appreciation rights;
- (vii) vesting of stock options and other rights;
- (viii) the term of stock options and other rights;
- (ix) the causes of termination of entitlement under the arrangements;
- (x) the assignability of stock options or other rights and the conditions for such assignability;

(xi) the procedure for amending the arrangements, including specific disclosure as to whether security holder approval is required for amendments;

(xii) any financial assistance provided by the listed issuer to participants under the arrangements to facilitate the purchase of securities under the arrangements, including the terms of such assistance;

(xiii) entitlements under the arrangements previously granted but subject to ratification by security holders; and

(xiv) such other material information as may be reasonably required by a security holder in formulating a decision whether or not to approve the arrangements.

(e) A listed issuer may grant options or rights under a security based compensation arrangement that has not been approved by security holders provided that no exercise of such option or right may occur until security holder approval is obtained.

(f) All security based compensation plans, and any amendments thereto, must be filed with the TSX, along with evidence of security holder approval where required. Listed securities issuable under the arrangements will not be listed on the TSX until such documentation is received.

(g) A listed issuer may, without security holder approval, incorporate into its security based compensation arrangements, security based compensation arrangements of another issuer acquired by or merged with the listed issuer provided that:

(i) if the other issuer is not a listed issuer, the number of securities issuable under such other issuer's arrangements does not exceed 2% of the issued capital of the listed issuer calculated on a non-diluted post-transaction basis; or

(ii) the other issuer is a listed issuer, the number of securities issuable under all arrangements continuing on a post-transaction basis does not exceed 25% of the issued capital of the listed issuer calculated on a non-diluted post-transaction basis.

RIGHTS OFFERINGS

614. (a) A preliminary discussion with the TSX's Advisory Affairs division is recommended to a listed issuer proposing to offer rights to its security holders.

(b) A rights offering by a listed issuer must be accepted for filing by the TSX before the offering proceeds. The offering must also be cleared with the securities commissions having jurisdiction (see section 2.1 of National Instrument 45-101).

The rights offering must receive final acceptance from the TSX and the securities commissions, and all particulars related to the offering must be provided to the TSX, at least seven trading days in advance of the record date for the rights offering, the record date being the date of the closing of the transfer books for the preparation of the final list of security holders who are entitled to receive rights. Exceptions to this requirement will be permitted by the TSX only in cases where applicable legislation renders the requirement impracticable.

A listed issuer may not announce a firm record date for a rights offering before all

necessary approvals have been received.

(c) A draft copy of the rights offering circular (''circular'' includes a prospectus, if applicable) must be filed with the TSX's Advisory Affairs division concurrently with the filing thereof with the securities commissions. The TSX will subsequently advise the listed issuer of any deficiencies in the draft circular and of the further documentation that will be required.

(d) If the rights offering is acceptable to the TSX (subject only to the correction of minor deficiencies, if any, and the filing of the required documents), the TSX will so advise the securities commissions.

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

- (i) all deficiencies raised by the TSX must be resolved;
- (ii) clearances for the rights offering must be obtained from all securities commissions having jurisdiction, and the listed issuer must so advise the TSX;
- (iii) all the terms of the rights offering must be finalized; and
- (iv) the TSX's Advisory Affairs division must receive all requested documents and applicable fees (see Section 804).

(f) There is no fee for the listing of rights on the TSX, although there is a fee for listing securities issuable upon exercise of the rights. If such securities are of a class already listed, the listed issuer must list the maximum number of securities issuable under the rights offering.

(g) The information that must be contained in a rights offering circular is prescribed in the rules and policies of the securities commissions. See National Instrument 45-101 and Form 45-101F. The TSX may have additional requirements, depending on the circumstances.

(h) The standard notation on final prospectuses or other offering documents referring to conditional approval of a listing is not appropriate for a rights offering circular with respect to the rights themselves, nor is such notation appropriate with respect to the securities issuable upon exercise of the rights if such securities are of a class already listed. The rights will normally be listed on the TSX, as will the underlying securities (if of a class already listed), before the rights offering circular is mailed to the security holders.

(i) Rights which receive all required approvals will be automatically listed on the TSX if the rights entitle the holders to purchase securities of a listed class. Rights which do not fall into this category will also normally be listed on the TSX at the request of the listed issuer. If rights issued to security holders of a listed issuer entitle the holders to purchase securities of another issuer which is not listed, the rights will not be listed on the TSX unless such securities have been conditionally approved for listing on the TSX.

(j) Rights are listed on the TSX on the second trading day preceding the record date. At the same time, the listed securities of the listed issuer commence trading on an ex-rights basis, which means that purchasers of the securities are not entitled to receive the rights.

(k) When the rights offering circular and rights certificates are mailed to the security holders, the listed issuer must concurrently file with the TSX's Advisory Affairs division two commercial copies of the rights offering circular and a definitive specimen of the rights certificate.

(l) Trading in rights on the TSX ceases at 12:00 noon on the expiry date.

(m) The TSX will generally require that rights be transferable, whether listed on the TSX or not. Any proposed restriction on their transferability must receive the prior consent of the TSX.

(n) The following requirements apply to rights which are listed on the TSX, although the TSX may, in appropriate circumstances, apply these requirements to rights not so listed:

- (i) once the rights have been listed on the TSX, the TSX will not permit the essential terms of the rights offering, such as the exercise price or the expiry date, to be amended. However, under extremely exceptional circumstances, such as an unexpected postal disruption, the TSX may grant an exemption from the requirement that the expiry date not be extended;
- (ii) the rights offering must be open for a period of at least 21 calendar days following the date on which the rights offering circular is sent to security holders or such longer period as is necessary to ensure that security holders, including security holders residing in foreign countries, will have sufficient time to exercise or sell their rights on an informed basis;
- (iii) security holders must receive exactly one right for each security held. An exemption from this requirement will be considered if the rights offering entitles security holders to purchase more than one security for each security held (prior to giving effect to any additional subscription privilege);
- (iv) if the listed issuer proposes to provide a rounding mechanism, whereby security holders not holding a number of securities equally divisible by a specified number would have their entitlements adjusted upward, adequate arrangements must be made to ensure that beneficial owners of securities registered in the names of banks, trust companies, investment dealers or similar institutions will be treated, for purposes of such additional entitlements, as though they were registered security holders; and
- (v) the rights offering must be unconditional.

(o) As soon as possible after the expiry of the rights offering, the listed issuer must advise the TSX in writing of the number of securities issued as a result of the rights offering, including securities issued pursuant to any underwriting or similar arrangement.

ADDITIONAL LISTINGS

615. General.

(a) In addition to the requirements of Section 601, every listed issuer proposing to issue additional securities of a listed class, or to authorize such additional securities to

be issued for a specific purpose, must apply to have the additional securities listed on the TSX. Application must be made to list the maximum number of securities issuable pursuant to the proposed transaction.

With regard to the additional listing of securities sold by prospectus, see Section 606.

(b) In determining the number of additional securities to be listed, securities listed in connection with earlier transactions must not be taken into account. Credits for fee purposes or refunds will not be given for securities which have previously been listed but are no longer issued or authorized for issuance for a specific purpose.

616. Documentation.

(a) There is no prescribed form for an additional listing application. A letter notice pursuant to Section 601 will be regarded by the TSX as including an application to list the applicable additional securities.

(b) The documentation required in connection with an additional listing application will depend on the nature of the application. In all cases, however, the following documentation will be required:

- (i) copies of all relevant executed agreements;
- (ii) an opinion of counsel that the securities to be listed have been validly created in accordance with applicable law and that the securities have been (or will be, when issued in accordance with the terms of the transaction) validly issued as fully paid and non-assessable; and
- (iii) the additional listing fee (see Section 804).

617. Stock Dividends.

Listed issuers which issue stock dividends on a regular basis, whether pursuant to a formal stock dividend plan or otherwise, can either apply to list securities each time a dividend is declared or, alternatively, apply to list as a block the number of securities the listed issuer estimates will be issued as stock dividends over the next two years. The latter procedure could result in an ultimate saving in listing fees.

SUBSTITUTIONAL LISTINGS

618. General.

(a) Where a listed issuer proposes to change its name, split or consolidate its stock, or undergo a security reclassification, the listed issuer must make a substitutional listing application to the TSX.

(b) Where a listed issuer proposes to undergo a change which would give rise to a substitutional listing, the listed issuer must pre-clear with the TSX's Advisory Affairs division the materials for the requisite security holders' meeting.

619. Name or Symbol Changes.

(a) A listed issuer proposing to change its name should notify the TSX's Advisory

Affairs division as soon as possible after the decision to change the name has been made. The new name must be acceptable to the TSX.

(b) If the proposed change is substantial, it may be appropriate for the TSX to assign a new stock symbol to the listed issuer's securities. The listed issuer's choices, if any, in this regard should be communicated to the TSX's Advisory Affairs division, in order of preference, well in advance of the effective date of the name change. The symbol may consist of up to three letters (excluding the letters that differentiate between different classes of securities).

(c) The following documents must be filed with the TSX's Advisory Affairs division in connection with a name change:

- (i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;
- (ii) a definitive specimen of the new or over-printed security certificate;
- (iii) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number(s) assigned to the issuer's listed securities after giving effect to the name change (see Section 350); and
- (iv) the substitutional listing fee (see Section 805).

(d) The listed issuer's securities will normally commence trading on the TSX under the new name at the opening of business two or three trading days after all the documents set out in Section 619(c) are received by the TSX.

(e) A listed issuer may request a change to the symbol assigned to its listed securities upon payment of the applicable fee (see Section 810).

620. Stock Split.

(a) There are two methods of effecting a stock split: the ''push-out'' method and the ''call-in'' method. If the stock split is accompanied by a security reclassification, either the push-out method or the call-in method may be used; otherwise the push-out method is preferable.

(b) Under the push-out method, the security holders keep the security certificates they currently hold, and security holders of record as of the close of business on a specified date (the ''record date'') are provided with additional security certificates by the listed issuer.

(c) Where the push-out method is to be used, the Certificate of Amendment, or equivalent document, giving effect to the split must be issued at least seven, and preferably not less than ten, trading days prior to the record date. Accordingly, if the stock split must be approved by security holders, the meeting of security holders must take place at least seven trading days in advance of the record date. If the push-out method is to be used, the following documents must be received by the TSX's Advisory Affairs division at least seven trading days in advance of the record date:

- (i) written confirmation of the record date including the time of day (''close of business'' will be sufficient for this purpose);
- (ii) a notarial or certified copy of the Certificate of Amendment, or equivalent

document;

(iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

(iv) a written statement as to the date on which it is intended that the additional security certificates will be mailed to the security holders;

(v) the substitutional listing fee (see Section 805); and

(vi) if the stock split is accompanied by a security reclassification,

  (1) definitive specimens of the new security certificates; and

  (2) a letter from The Canadian Depository for Securities Limited disclosing the CUSIP numbers assigned to each new class of securities (see Section 350).

(d) Where the push-out method is used, the securities will commence trading on the TSX on a split basis at the opening of business on the second trading day preceding the record date.

(e) Under the call-in method, the listed issuer implements the stock split by replacing the security certificates currently in the hands of the security holders with new certificates. Letters of Transmittal are sent to the security holders requesting them to exchange their security certificates at the offices of the listed issuer's transfer agent.

(f) Where the call-in method is to be used, the following documents must be received by the TSX's Advisory Affairs division on or before the day on which the Letters of Transmittal are mailed to the security holders:

(i) two copies of the Letters of Transmittal;

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;

(iii) an opinion of counsel that all the necessary steps have been taken to validly effect the split in accordance with applicable law and that the additional securities will be validly issued as fully paid and non-assessable;

(iv) definitive specimens of the new security certificates;

(v) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP numbers assigned to each new class of securities (see Section 350);

(vi) a written statement as to the intended mailing date of the Letters of Transmittal; and

(vii) the substitutional listing fee (see Section 805).

(g) Where the call-in method is used, the securities will normally commence trading on the TSX on a split basis at the opening of business two or three trading days after later of the date all required documents are received by the TSX and the date the Letters of Transmittal are mailed to the security holders.

(h) Where a listed issuer proposing to split its stock has warrants posted for trading on the TSX, the form of warrant certificate must not be changed by virtue of the split, but any new warrant certificate issued by the issuer after the stock split becomes effective

must contain a notation disclosing the effect of the stock split on the rights of the warrant holders and a statement that the number of warrants represented by the warrant certificate for trading purposes is equal to the number imprinted in the top right-hand corner (or other location, if appropriate) of the certificate.

621. Stock Consolidation.

(a) A stock consolidation by a listed issuer requires the prior consent of the TSX.

(b) A listed issuer undergoing a stock consolidation must meet, post-consolidation, the continued listing requirements contained in Part VII of this Manual.

(c) A stock consolidation must be accompanied by a concurrent change in the colour of the security certificates and a new CUSIP number.

(d) The following documents must be filed with the TSX's Advisory Affairs division on or prior to the day on which the Letters of Transmittal are sent to the security holders:

- (i) two copies of the Letters of Transmittal;
- (ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document;
- (iii) opinion of counsel that all the necessary steps have been taken to validly effect the consolidation in accordance with applicable law;
- (iv) a definitive specimen of the new security certificates;
- (v) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the new CUSIP number assigned to the securities (see Section 350);
- (vi) a written statement as to the intended mailing date of the Letters of Transmittal; and
- (vii) the substitutional listing fee (see Section 805).

In addition, the listed issuer may be required to file with the TSX a completed form (Appendix D) showing the distribution of the securities on a post-consolidation basis.

(e) The securities will normally commence trading on the TSX on a consolidated basis at the opening of business two or three trading days after the later of the date upon which all required documents are received by the TSX and the date the Letters of Transmittal are mailed to the security holders.

622. Security Reclassification (with no stock split).

(a) The following documentation must be filed with the TSX's Advisory Affairs division in connection with a security reclassification (with no stock split):

- (i) a notarial or certified copy of the Certificate of Amendment, or equivalent document;
- (ii) an opinion of counsel that all the necessary steps have been taken to validly effect the security reclassification in accordance with applicable law;
- (iii) a definitive specimen of the new or over-printed security certificate;
- (iv) a copy of the written notice from The Canadian Depository for Securities

Limited disclosing the CUSIP number(s) assigned to the securities (see Section 350);

(v) the substitutional listing fee (see Section 805);

(vi) two copies of the Letters of Transmittal, if applicable; and

(vii) a written statement as to the intended mailing date of the Letters of Transmittal, if applicable.

(b) The reclassification will normally become effective for trading purposes at the opening of business two or three trading days after the later of the date upon which all required documents are received by the TSX and the date the Letters of Transmittal are mailed to the security holders.

SUPPLEMENTAL LISTINGS

623. (a) A listed issuer proposing to list securities of a class not already listed should apply for the listing by letter addressed to the TSX's Advisory Affairs division. The letter must be accompanied by two copies of the preliminary prospectus or, if applicable, the draft circular describing the provisions attaching to the securities.

(b) If the TSX conditionally approves the listing of the securities, this fact may be disclosed in the final prospectus, or in other documents, in accordance with the rules set out in Section 346.

(c) The minimum public distribution requirements for a supplemental listing are the same as the minimum requirements for original listing as set out in Section 310. However, the TSX will give consideration to listing nonparticipating preferred securities that do not meet these requirements if the market value of such securities outstanding is at least $2,000,000 and:

(i) if the securities are convertible into participating securities, such participating securities are listed on the TSX and meet the minimum public distribution requirements for original listing; and

(ii) if the securities are not convertible into participating securities, the issuer is exempt from Section 501.

(d) The following documents must be filed with the TSX's Advisory Affairs division within 90 days of the TSX's conditional acceptance of the supplemental listing (or within such later time as the TSX may stipulate):

(i) a notarial or certified copy of the resolution of the board of directors of the listed issuer authorizing the application to list the securities;

(ii) a notarial or certified copy of the Certificate of Amendment, or equivalent document, giving effect to the creation of the securities;

(iii) two commercial copies of the final prospectus, or other offering document, if applicable;

(iv) 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;

(v) a definitive specimen of the security certificate;

(vi) a copy of the written notice from The Canadian Depository for Securities Limited disclosing the CUSIP number assigned to the securities (see

Section 341);

(vii) one completed copy of the Statement Showing Number of Shareholders form (Appendix D) or, in the case of a prospectus underwriting, a certificate from the underwriter confirming that the securities have been distributed to at least 300 public board lot holders (unless the TSX waives this requirement); and

(viii) the supplemental listing fee (see Section 806).

(e) 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 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.

RESTRICTED SECURITIES

624. (a) Except as otherwise provided in this Section 624, the TSX's requirements respecting the listing of Restricted Securities (as defined in Section 624(b)) are applicable to all listed issuers having Restricted Securities listed on the TSX, regardless of when the securities were listed. These requirements are to be read in conjunction with OSC Rule 56-501.

(b) For the purposes of this Section 624:

(i) **"Common Securities"** means Residual Equity Securities that are fully franchised, in that the holder of each such security has a right to vote each security in all circumstances calling for a vote under the applicable corporate legislation, irrespective of the number of securities owned, that is not less, on a per security basis, than the right to vote attaching to any other security of an outstanding class of securities of the listed issuer;

(ii) **"Non-Voting Securities"** means Restricted Securities which do not carry the right to vote at security holders' meetings except for a right to vote in certain limited circumstances (e.g., to elect a limited number of directors or to vote in circumstances where the applicable corporate legislation provides the right to vote for securities which are otherwise non-voting);

(iii) **"Preference Securities"** means securities to which there is attached a genuine and non-specious preference or right over any class of Residual Equity Securities of the listed issuer;

(iv) **"Residual Equity Securities"** means securities which have a residual right to share in the earnings of the listed issuer and in its assets upon liquidation or winding up;

(v) **"Restricted Securities"** means Residual Equity Securities which are not Common Securities;

(vi) **"Restricted Voting Securities"** means Restricted Securities which carry a right to vote which is subject to some limit or restriction on the number or percentage of securities which may be voted by a person or company or group of persons or companies (except where the restriction or limit is applicable only to persons who are not Canadians or residents of Canada); and

(vii) **"Subordinate Voting Securities"** means Restricted Securities, which carry a right to vote at security holders' meetings but another class of

securities of the same listed securities carries a greater right to vote, on a per security basis.

(c) The legal designation of a class of securities, which shall be set out in the constating documents of the listed issuer and which shall appear on all security certificates representing such securities, shall, except where the securities are Preference Securities and are legally designated as such, include the words:

(i) "subordinate voting" if the securities are Subordinate Voting Securities;
(ii) "non-voting" if the securities are Non-Voting Securities;
(iii) "restricted voting" if the securities are Restricted Voting Securities;

or such other appropriate term as the TSX may approve.

(d) The TSX will abbreviate the above designations for Restricted Securities in certain publications of the TSX and will identify Restricted Securities in the quotations prepared for the financial press with a code. Brief explanations of the abbreviation or code will appear as a footnote in such publications and quotations.

(e) A class of securities may not include the word "common" in its legal designation unless such securities are Common Securities.

(f) A class of securities may not be designated as "preference" or "preferred" unless, in the opinion of the TSX, there is attached thereto a genuine and non-specious right or preference. Whether a class of securities has attached thereto a genuine and non-specious right or preference is a question of fact to be determined by examining all of the relevant circumstances.

(g) The TSX may, subject to such terms and conditions as it may impose:

(i) exempt a listed issuer from the designation requirements of Sections 624(c), (d), (e) and (f);
(ii) permit or require the use by a listed issuer, in respect of any class of securities, of a designation other than set forth in Sections 624(c), (d), (e) and (f); and
(iii) deem a class of securities to be Non-Voting, Subordinate Voting, or Restricted Voting Securities and require a listed issuer to designate such securities in a manner satisfactory to the TSX notwithstanding that such securities do not fall within the applicable definition set out in Section 624(b).

In exercising its discretion, the TSX will be guided by the public interest and the principles of disclosure underlying this Section 624.

(h) Every listed issuer shall give notice of security holders' meetings to holders of Restricted Securities and permit the holders of such securities to attend, in person or by proxy, and to speak at all security holders' meetings to the extent that a holder of Voting Securities of that listed issuer would be entitled to attend and to speak at security holders' meetings. The notice shall be sent to holders of Restricted Securities at least 21 days in advance of the meeting. Issuers applying for listing, whether by way of an

original listing application or notice of a capital reorganization, shall include such rights in their charter documents.

(i) Every listed issuer whose Restricted Securities are listed on the TSX shall describe the voting rights, or lack thereof, of all Residual Equity Securities of the listed issuer in all documents, other than financial statements, sent to security holders and filed with the TSX. Such documents include, but are not limited to, information circulars, proxy statements and directors' circulars.

(j) Unless exempted by the TSX, every listed issuer shall send concurrently to all holders of Residual Equity Securities all informational documents required by applicable law or TSX requirements to be sent to holders of Voting Securities, or voluntarily sent to holders of Voting Securities in connection with a specific meeting of security holders. Such documents would include, but not be limited to, information circulars, notices of meeting, annual reports and financial statements.

(k) Where TSX requirements contemplate security holder approval, the TSX may, in its discretion, require that such approval be given at a meeting at which holders of Restricted Securities are entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the listed issuer.

(l) The TSX will not accept for listing classes of Restricted Securities that do not have take-over protective provisions ("coattails") meeting the criteria below. The actual wording of a coattail is the responsibility of the listed issuer and must be pre-cleared with the TSX.

(1) If there is a published market for the Common Securities, the coattails must provide that if there is an offer to purchase Common Securities that must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Common Securities are listed, be made to all or substantially all holders of Common Securities who are in a province of Canada to which the requirement applies, the holders of Restricted Securities will be given the opportunity to participate in the offer through a right of conversion, unless:

(i) an identical offer (in terms of price per security and percentage of outstanding securities to be taken up exclusive of securities owned immediately prior to the offer by the offeror, or associates or affiliates of the offeror, and in all other material respects) concurrently is made to purchase Restricted Securities, which identical offer has no condition attached other that the right not to take up and pay for securities tendered if no securities are purchased pursuant to the offer for Common Securities; or

(ii) less than 50% of the Common Securities outstanding immediately prior to the offer, other than Common Securities owned by the offeror, or associates or affiliates of the offeror, are deposited pursuant to the offer.

(2) If there is no published market for the Common Securities, the holders of at least 80% of the outstanding Common Securities will be required to

enter into an agreement with a trustee for the benefit of the holders of Restricted Securities from time to time, which agreement will have the effect of preventing transactions that would deprive the holders of Restricted Securities of rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid if the Common Securities had been Restricted Securities.

Where there is a material difference between the equity interests of the Common Securities and Restricted Securities, or in other special circumstances, the TSX may permit or require appropriate modifications to the above criteria.

The criteria are designed to ensure that the fact that Common Securities are not of the same class as Restricted Securities will not prevent the holders of Restricted Securities from participating in a take-over bid on an equal footing with the holders of Common Securities. If, in the face of these coattails, a take-over bid is structured in such a way as to defeat this objective, the TSX may take disciplinary measures against any person or listed issuer under the jurisdiction of the TSX who is involved, directly or indirectly, in the making of the bid. The TSX may also seek intervention from regulators in appropriate cases.

Where a listed issuer has an outstanding class of securities that carry more than one vote per security but are not Common Securities, coattails will be considered on an individual basis. Coattails may also be required by the TSX in the case of a listed issuer that has more than one outstanding class of voting securities but no securities that fall within the definition of Restricted Securities.

(m) The TSX will not consent to the issuance by a listed issuer of any securities that have voting rights greater than those of the securities of any class of listed voting securities of the listed issuer, unless the issuance is by way of a distribution to all holders of the listed issuer's voting Residual Equity Securities on a pro rata basis.

For this purpose, the voting rights of different classes of securities will be compared on the basis of the relationship between the voting power and the equity for each class. For example, Class B Shares will be considered to have greater voting rights than Class A Shares if:

(i) the shares of the two classes have similar rights to participate in the earnings and assets of the company, but the Class B Shares have a greater number of votes per share; or

(ii) the two classes have the same number of votes per share, but it is proposed that Class B Shares will be issued at a price per share significantly lower than the market price per share of the Class A Shares.

This prohibition relates only to differences in voting rights attaching to securities of separate classes. It does not apply to an issuance of securities that reduces the collective voting power of the other outstanding securities of the same class without affecting the voting power of any other outstanding class, although other TSX policies may be applicable in this case. It also does not apply to a stock split of all of a listed issuer's outstanding Residual Equity Securities (or a stock dividend that has the same effect) if the stock split does not change the ratio of outstanding Restricted Securities to Common Securities.

The TSX generally will exempt listed issuers from this Section 624(m) in the case of an issuance of multiple voting securities that would maintain (but not increase) the percentage voting position of a holder of multiple voting securities, subject to any conditions the TSX may consider desirable in any particular case. One condition will be minority approval of security holders, as defined in Section 624(n) unless the legal right of the holder of multiple voting securities to maintain its voting percentage has been established and publicly disclosed prior to the later of November 6, 1989 and the time the listed issuer was first listed on the TSX.

This Section 624(m) is intended to prevent transactions, which would reduce the voting power of existing security holders through the use of securities carrying multiple voting rights. This result would normally be accomplished by way of an issuance of multiple voting securities. However, it is possible to arrive at the same result by means of mechanisms that are not technically “security issuances” such as amendments to security conditions, amalgamations and plans of arrangement. The TSX may object to and/or impose such conditions, which it may consider desirable on any transaction that would result in voting dilution similar to that which would be brought about by the issuance of multiple voting security, even if no security issuance is involved.

A *pro rata* distribution to security holders that creates or affects Restricted Securities must be subject to minority approval of security holders as described in Section 624(n).

(n) The TSX will not consent to a capital reorganization or *pro rata* distribution of securities to security holders of a listed issuer, which would have the effect of creating a class of Restricted Securities or changing the ratio of outstanding Restricted Securities to Common Securities, unless the proposal receives minority approval. For this purpose, minority approval means approval given by a majority of the votes cast at a security holders’ meeting called to consider the proposal, other than votes attaching to securities beneficially owned by:

- (i) any person that beneficially owns, directly or indirectly, securities carrying more than 20% of the votes attaching to all outstanding voting securities of the listed issuer;
- (ii) any associate, affiliate or insider (each as defined in the OSA) of any person excluded by virtue of (i);
- (iii) any person or company excluded by virtue of OSC Rule 56-501; and
- (iv) if (i) and (iii) are both inapplicable, all directors and officers of the listed issuer and their associates (as defined in the OSA).

The TSX may require that persons not specified above be excluded from a particular minority security holder vote if this is considered necessary to ensure that the objectives behind this Section 624(n) are not defeated.

A transaction generally will only be regarded as a “capital reorganization” for the purposes of the minority approval requirement if it involves a subdivision or conversion of one or more classes of Residual Equity Securities or if it has an effect similar to a *pro rata* distribution to holders of one or more classes of Residual Equity Securities. If a proposed capital reorganization would reduce the voting power of the existing security holders though the use of securities carrying multiple voting rights, the TSX may regard the proposed reorganization as equivalent, in substance, to the type of security issuance

that is prohibited by Section 624(m). This could be the case, for example, where the reorganization would not treat all holders of Residual Equity Securities in an identical fashion. In this case, the TSX may not consent to the reorganization even with minority approval.

An issuance of Restricted Securities in the form of a stock dividend paid in the ordinary course will be exempted from the minority approval requirement. For this purpose, stock dividends generally will be regarded as being paid in the ordinary course if the aggregate of such dividends over any one-year period does not increase the number of outstanding Residual Equity Securities of the listed issuer by more than 10%.

(o) The TSX may, where it determines that it is in the public interest to do so, exempt a listed issuer from compliance with this Section 624 or any requirement thereof, subject to such terms and conditions as the TSX may impose. In special circumstances, the TSX may also set requirements or restrictions in addition to those set out in this Section 624 having regard to the public interest and the principles underlying this Section 624.

(p) This Section 624 does not apply to classes of Restricted Securities that were listed on the TSX prior to August 1, 1987. This Section will apply to any new class of Restricted Securities applied for listing by a listed issuer having securities listed on the TSX prior to August 1, 1987.

REDEMPTIONS OF LISTED SECURITIES

625. (a) Where a listed issuer proposes to redeem, or partially redeem, listed securities, two copies of the notice of redemption must be filed with the TSX's Advisory Affairs division concurrently with the sending of the notices to the security holders, but in any event no later than seven trading days prior to the redemption date. For a full redemption of a list class of securities, such securities will normally be delisted from the TSX at the close of business on the redemption date.

(b) Where a listed issuer redeems or partially redeems securities which were convertible into listed securities, the listed issuer must advise the TSX, as soon as possible after the redemption date, of the number of securities which were authorized for issuance for potential conversion of the redeemed securities but were not in fact issued. The TSX will adjust its listing records accordingly.

BACKDOOR LISTINGS

626. (a) A "backdoor listing" occurs when an issuance of securities of a listed issuer results, directly or indirectly, in the acquisition of the listed issuer by an unlisted issuer and a change in effective control of the listed issuer. A transaction giving rise to a backdoor listing may take one of a number of forms, including an issuance of securities for assets, an amalgamation or a merger. Such transactions will normally be regarded as backdoor listings if they would (or potentially could) result in the security holders of the listed issuer owning less than 50% of the securities or voting power of the resulting company, with an accompanying change in effective control of the listed issuer.

(b) Where the TSX determines that a proposed transaction would constitute a backdoor listing, the approval procedure is similar to that of an original listing application. The listed issuer resulting from the combination must meet all the original listing

requirements of the TSX, unless the unlisted entity meets the original listing requirements of the TSX, except for the public distribution requirements, and the entity resulting from the combination:

(i) meets the public distribution requirements for original listing;
(ii) would appear to have a substantially improved financial condition as compared to the listed issuer; and
(iii) has adequate working capital to carry on the business.

(c) The transaction must also be approved by the security holders of the listed issuer's participating securities at a meeting prior to completion of the transaction. For this purpose, holders of Restricted Securities, as defined in Section 624, must be entitled to vote with the holders of any class of securities of the listed issuer which otherwise carry greater voting rights, on a basis proportionate to their respective residual equity interests in the issuer.

The TSX's approval of a backdoor listing must be obtained before the transaction is submitted to security holders for approval. If this is impracticable, the information circular sent to security holders must include a statement that the proposed transaction is subject to the acceptance of the TSX. The TSX will require the listed issuer to file a draft of the information circular with the TSX for review before the sending of the circular to the security holders.

TAKE-OVER BIDS AND ISSUER BIDS

627. (a) Where a take-over bid or issuer bid is made for securities of a listed issuer, it is the responsibility of the target issuer to ensure that two copies of the offering circular, directors' circular and all other materials sent to the security holders in connection with the bid are filed with the TSX's Advisory Affairs division either concurrently with the sending of materials to the security holders or as quickly as possible thereafter.

The TSX's Advisory Affairs division must be advised as soon as possible of any amendments to the terms of the bid, in order for the TSX to have sufficient time to establish appropriate trading and settlement rules, if necessary.

(b) The rules for take-over bids and issuer bids are prescribed by securities legislation and, in some cases, corporate legislation. See, for example, Part XX of the OSA.

(c) Participating Organizations of the TSX who are registered owners, or holders through nominees or depositories, of securities beneficially owned by clients, and who are furnished with sufficient copies of any take-over bid circular, issuer bid circular or directors' circular or similar document in respect of such securities, must forthwith send to each beneficial owner a copy of such material if the target issuer, or other sender of the material, or beneficial owner has agreed to bear the costs of so doing.

EXCHANGE TAKE-OVER BIDS AND ISSUER BIDS

628. General.

(a) The requirements for take-over bids and issuer bids through the facilities of the TSX are as follows. By virtue of sections 93(1)(a) and 93(3)(e) of the OSA, a take-over bid or issuer bid is exempted from the requirements of Part XX of the OSA where the bid is made through the facilities of the TSX in accordance with the rules of the TSX.

(b) In Sections 628, 629, 630, 631 and 632:

(i) **“bid”** means either a stock exchange take-over bid or a substantial issuer bid, as the case may be;

(ii) **"circular bid"** means a take-over bid or an issuer bid made in compliance with the requirements of Part XX of the OSA;

(iii) **"competing stock exchange take-over bid"** means a stock exchange take-over bid announced while another stock exchange take-over bid for the same class of securities of an offeree issuer is outstanding;

(iv) **"insider bid"** means a stock exchange take-over bid made by an insider of a listed offeree issuer, by any associate or affiliate of an insider of a listed offeree issuer, by any associate or affiliate of a listed offeree issuer or by an offeror acting jointly or in concert with any of the foregoing;

(v) **"issuer bid"** means an offer to acquire listed securities made by or on behalf of a listed issuer for securities issued by that listed issuer, unless:

(a) the securities are purchased or otherwise acquired in accordance with the terms and conditions attaching thereto that permit the purchase or acquisition of the securities by the issuer without the prior agreement of the owners of the securities, or where the securities are purchased to meet sinking fund or purchase fund requirements;

(b) the purchase or other acquisition is required by instrument creating or governing the class of securities or by the statute under which the issuer was incorporated, organized or continued; or

(c) the securities carry with them or are accompanied by a right of the owner of the securities to require the issuer to repurchase the securities and the securities are acquired pursuant to the exercise of such right;

(vi) **"normal course issuer bid"** means an issuer bid where the purchases (other than purchases by way of a substantial issuer bid):

(a) do not, when aggregated with the total of all other purchases in the preceding 30 days, whether through the facilities of a stock exchange or otherwise, aggregate more than 2% of the securities of that class outstanding on the date of acceptance of the notice of normal course issuer bid by the TSX; and

(b) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of

(i) 10% of the public float, or

(ii) 5% of such class of securities issued and outstanding, excluding any held by or on behalf of the issuer on the date of acceptance of the notice of normal course issuer bid by the TSX, whether such purchases are made through the facilities of a stock exchange or otherwise;

(vii) **"normal course purchase"** means a take-over bid made by way of a purchase on the TSX of such number of a class of securities of a listed offeree issuer that, together with all purchases of such securities made by the offeror and any person or company acting jointly or in concert with the offeror in the preceding 12 months through the facilities of a stock exchange or otherwise, do not aggregate more than 5% of the securities of that class outstanding at the time such purchase is made;

(viii) **"principal security holder"** of an issuer means a person who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding securities of any class of voting securities or equity securities of the issuer;

(ix) **"public float"** means the number of securities of the class which are issued and outstanding, less the number of securities of the class beneficially owned, or over which control or direction is exercised by:

(a) every senior officer or director of the listed issuer;

(b) every principal security holder of the listed issuer; and

(c) the number of securities that are pooled, escrowed or non-transferable;

(x) **"stock exchange take-over bid"** means a take-over bid, other than a normal course purchase, made through the facilities of the TSX;

(xi) **“substantial issuer bid”** means an issuer bid, other than a normal course issuer bid, made through the facilities of the TSX; and

(xii) **"take-over bid"** means an offer to acquire such number of the listed voting or listed equity securities of an offeree issuer that will in the aggregate constitute 20% or more of the outstanding securities of that class, together with the offeror’s securities.

(c) For the purposes of Sections 628, 629, 630, 631 and 632, a purchase shall be deemed to have taken place when the offer to buy or the offer to sell, as the case may be, is accepted.

(d) For the purposes of Sections 628, 629, 630, 631 and 632,

(i) the beneficial ownership of securities of an offeror or of any person or company acting jointly or in concert with the offeror shall be determined in accordance with section 90 of the OSA; and

(ii) where any person or company is deemed by subsection (a) of this section to be the beneficial owner of unissued securities, the number of

outstanding securities of a class in respect of an offer to acquire shall be determined in accordance with subsection 90(3) of the OSA.

(e) For the purposes of Sections 628, 629, 630, 631 and 632, whether a person is acting jointly or in concert with an offeror shall be determined in accordance with section 91 of the OSA.

629. General Rules Applicable To Exchange Take-over and Issuer Bids.

(a) An offeror shall not make a take-over bid or issuer bid through the facilities of the TSX except in accordance with TSX requirements.

(b) An offeror making a bid shall file with the TSX, and shall not proceed with the bid until the notice has been accepted by the TSX.

(c) An offeror shall not take up more than the number of securities sought without the approval of the TSX.

(d) Except where otherwise provided, an offeror making a bid shall take the following steps to inform securityholders of the offeree issuer of the terms of the bid forthwith after the TSX has accepted notice of the bid:

(i) disseminate details of the bid to the news media in the form of a press release;

(ii) communicate the terms of the bid:

i. by sending a copy of the notice filed pursuant to subsection (b) of this Section 629 by first class mail to each registered holder of the class of securities that is the subject of the bid in Canada and in each other jurisdiction where the bid is made and such communication is not prohibited by law, and to each such registered holder of securities convertible or exchangeable for such class of securities or that otherwise has a right to participate in the offer, and

ii. by advertising in the manner prescribed by the TSX, or by such other means as may be approved by the TSX.

(e) If an offeror makes or intends to make a bid, neither the offeror nor any person acting jointly or in concert with the offeror shall enter into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner, a consideration of greater value than that offered to the other holders of the same class of securities.

(f) An offeror filing a notice of a stock exchange take-over bid, substantial issuer bid or normal course issuer bid shall pay the filing fee prescribed by Part VIII.

(g) A notice of a stock exchange take-over bid filed by an offeror with the TSX shall provide the information prescribed in Form 13 found in Appendix H.

(h) A notice of a substantial issuer bid filed by an offeror with the TSX shall provide the information prescribed in Form 13 with appropriate modifications for a transaction that is not a take-over bid and such notice shall contain such additional information as may be required by the TSX.

(i) A copy of the notice shall be filed with the OSC and, in the case of a stock exchange take-over bid, with the offeree issuer forthwith after acceptance by the TSX.

(j) A book for receipt of tenders to the bid shall be opened on the TSX not sooner than the thirty-fifth calendar day after the date on which notice of the bid is accepted by the TSX and at such time, and for such length of time, as may be determined by the TSX.

(k) In respect of a bid:

- (i) no Participating Organization shall knowingly assist or participate in the tendering of more securities than are owned by the tendering party; and
- (ii) tendering, trading and settlement by Participating Organizations shall be in accordance with such rules as the TSX shall specify to govern each bid.

(l) Where in a bid more securities are tendered than the number of securities sought, the offeror shall take up a proportion of all securities tendered equal to the number of securities sought divided by the number of securities tendered, and Participating Organizations shall make allocations in respect of securities tendered in accordance with the instructions of the TSX.

(m) A notice of amendment shall be filed with the TSX for any proposed amendment to the terms of the bid. The proposed amendment will only be effective upon the acceptance of the TSX.

(n) Forthwith upon acceptance of the notice of amendment by the TSX, the offeror shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book and the offeror shall disseminate such notice of amendment in such manner as the TSX may deem to be appropriate in the circumstances.

(o) Where the offeror becomes aware of a material change in any of the information contained in the notice in respect of a bid, the offeror shall file with the TSX forthwith a notice of amendment in a form acceptable to the TSX.

(p) Forthwith upon acceptance of the notice of amendment by the TSX, the offeror shall issue a press release containing a summary of the information set forth in such notice of amendment, including reference to any change in the date of the book and the offeror shall disseminate such notice of change in such manner as the TSX may deem to be appropriate in the circumstances.

(q) As soon after the closing of the book for receipt of tenders as may be possible, the TSX shall announce the results of the bid including: the waiver or failure to satisfy any conditions attaching to the bid, the withdrawal of the bid, the total number of securities acquired by the offeror pursuant to the terms of the bid and any allocation thereof.

630. Special Rules Applicable to Exchange Take-over Bids.

(a) The board of directors of the offeree issuer shall, within seven trading days of the date of acceptance by the TSX of the notice of a stock exchange take-over bid, issue a press release recommending acceptance or rejection of the offer and the reasons

therefor, or indicating that they are not making a recommendation and the reasons therefor and such press release shall also contain the following information:

(i) a summary of any agreement entered into or proposed between the offeree issuer and its senior executives in regard to any payment or other benefit granted as indemnity for the loss of their positions or in regard to their retaining or losing their positions if the bid is accepted; and

(ii) a summary of any transaction, board resolution, agreement in principle or signed contracts in response to the bid, indicating whether or not the offeree issuer has undertaken any negotiations that relate to or would result in one of the following:

i. an extraordinary transaction such as a merger or reorganization involving the offeree issuer or one of its subsidiaries,

ii. the purchase, sale or transfer of a material amount of assets of the offeree issuer or of one of its subsidiaries,

iii. the acquisition of its own securities by way of an issuer bid or of the securities of another company, or

iv. any material change in the present capitalization or dividend policy of the offeree issuer.

(b) The press release required by subsection (a) of this Section 630 should disclose negotiations underway, without giving details if there has been no agreement in principle.

(c) A copy of the press release required by subsection (a) of this Section 630 shall be delivered to the TSX prior to its release.

(d) A stock exchange take-over bid may proceed notwithstanding failure by the board of directors of the offeree issuer to comply with the requirements of subsection (a) of this Section 630.

(e) If granted an exemption under Section 603, an offeror making a stock exchange take-over bid and any person or company acting jointly or in concert with the offeror may purchase securities that are the subject of the bid through the facilities of the TSX provided that:

(i) a press release is issued announcing the offeror's intention to make such purchases;

(ii) such purchases do not begin until the second clear trading day following the date of the issuance of the press release;

(iii) such purchases, together with all purchases of such securities made by the offeror and any person or company acting jointly or in concert with the offeror during the preceding 90 days through the facilities of a stock exchange or otherwise, do not aggregate more than 5 percent of the securities of that class outstanding at the time such purchases are made;

(iv) the offeror issues and files with the TSX a press release immediately after the close of each trading day on which securities are purchased under Sections 628, 629, 630, 631 and 632 disclosing:

i. the identity of the purchaser,

ii. the number of securities of the offeree issuer purchased that day,

iii. the highest price paid per security,

iv. the aggregate number of securities of the offeree issuer purchased up to and including that day under Section 630 during the currency of the take-over bid,

v. the average price paid for such securities,

vi. the total number of securities owned by the purchaser at the time; and

(v) if the offeror or any person or company acting jointly or in concert with the offeror pays a price for any such securities that is higher than the price offered pursuant to the stock exchange take-over bid, then the price offered pursuant to the stock exchange take-over bid shall be increased to equal such higher price.

(f) A notice in respect of an insider bid shall, in addition to the information prescribed by Form 13, provide the information required by the TSX.

(g) An offeror making a normal course purchase is not subject to any notice requirement under this part.

631. Special Rules Applicable to Substantial Issuer Bids.

(a) Notwithstanding any other provision of Sections 628, 629, 630, 631 and 632, an offeror and any person acting jointly or in concert with an offeror shall not make any other purchases or agreements or commitments to purchase securities that are the subject of the issuer bid during the course of such bid unless such purchases are permitted by the TSX.

(b) The provisions of this section shall apply to a substantial issuer bid for securities that are neither voting nor equity securities provided that:

(i) there is no legal or regulatory requirement to provide a valuation of the securities that are the subject of the bid to security holders; or

(ii) exemptions from all applicable requirements have been obtained.

(c) The provisions of Sections 629(d), 629(g) and 629(j) shall not apply to a bid made pursuant to this Section 631.

(d) A notice filed with the TSX pursuant to Section (631) shall provide the information prescribed in Form 14 found in Appendix H.

(e) Forthwith after the TSX has accepted notice of the bid, the offeror shall:

(i) disseminate details of the bid to the media in the form of a press release; and

(ii) communicate the terms of the bid by advertising in the manner prescribed by the TSX, or by such other means as may be approved by the TSX.

(f) A book for receipt of tenders to the bid shall be opened on the TSX not sooner than the thirty-fifth calendar day after the date on which notice of the bid is accepted by the TSX and at such time, and for such length of time, as may be determined by the TSX.

632. Special Rules Applicable to Normal Course Issuer Bids.

(a) The filing of a notice is a declaration by the issuer that it has a present intention to acquire securities. The notice should set out the number of securities that the issuer's board of directors has determined may be acquired rather than simply reciting the maximum number of securities that may be purchased pursuant to Section 632. A notice is not to be filed if the issuer does not have a present intention to purchase securities.

(b) The TSX will not accept a notice if the issuer would not meet the criteria for continued listing on the TSX, assuming all of the purchases contemplated by the notice were made.

(c) The TSX requires that the issuer prepare and submit to the TSX a draft of the notice containing the information prescribed by Form 15, Notice of Intention to Make a Normal Course Issuer Bid found in Appendix H. When the notice is in a form acceptable to the TSX, the issuer shall file the notice in final form, duly executed by a senior officer or director of the issuer, for acceptance by the TSX. The final form of the notice must be filed at least two clear trading days prior to the commencement of any purchases under the bid.

(d) A normal course issuer bid shall not extend for a period of more than one year from the date on which purchases may begin.

(e) The issuer will generally issue a press release indicating its intention to make a normal course issuer bid, subject to TSX acceptance, prior to acceptance of the executed notice by the TSX. The press release shall summarize the material aspects of the contents of the notice, including the number of securities sought, the reason for the bid and details of previous purchases, including the number of securities purchased and the average price paid. If a press release has not already been issued, a draft press release must be provided to the TSX and the issuer shall issue a press release as soon as the notice is accepted by the TSX. A copy of the final press release shall be filed with the TSX.

(f) The issuer shall include a summary of the material information contained in the notice in the next annual report, information circular, quarterly report or other document mailed to security holders. The document should indicate that security holders may obtain a copy of the notice, without charge, by contacting the issuer.

(g) A normal course issuer bid may commence on the date that is two trading days after the later of:

(i) the date of acceptance by the TSX of the issuer's notice in final executed Form 15; or

(ii) the date of issuance of the press release required by subsection (e) of this Section 632.

(h) Upon acceptance of the notice, the TSX will publish a summary notification of the normal course issuer bid in its Daily Record.

(i) During a normal course issuer bid, an issuer may determine to amend its notice by increasing the number of securities sought while not exceeding the maximum percentages referred to in the definition of normal course issuer bid. The issuer may do so by issuing a press release and advising the TSX in writing. A trustee or other purchasing agent (hereinafter referred to as a "trustee") for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or security holders of a listed issuer may participate, is deemed to be making an offer to acquire securities on behalf of the listed issuer where the trustee is deemed to be non-independent. Trustees that are deemed to be non-independent are subject only to Sections 632(j) and (k) and to the limits on purchases of the issuer's securities prescribed by the definition of "normal course issuer bid". Trustees that are non-independent must notify the TSX before commencing purchases. A trustee is deemed to be non-independent where:

(i) the trustee (or one of the trustees) is an employee, director associate or affiliate of the issuer; or
(ii) the issuer, directly or indirectly, has control over the time, price, amount and manner of purchases or the choice of the broker through which the purchases are to be made. The issuer is not considered to have control where the purchase is made on the specific instructions of the employee or security holder who will be the beneficial owner of the securities.

The TSX should be contacted where there is uncertainty as to the independence of the trustee.

(j) Within 10 days of the end of each month in which any purchases are made, whether the securities were purchased through the facilities of the TSX or otherwise, the issuer shall report its purchases to the TSX stating the number of securities purchased during its purchases that month, giving the average price paid and stating whether the securities have been cancelled, reserved for issuance or otherwise dealt with. Nil reports are not required. The notice must be on Form 1 “Change in Outstanding and Reserved Securities” found in Appendix H. The issuer may delegate the reporting requirement to the Participating Organization appointed to make its purchases; however, the issuer bears the responsibility of ensuring timely reports are made. The TSX periodically publishes a list of securities purchased pursuant to normal course issuer bids.

This paragraph also applies to purchases by non-independent trustees and to purchases by any party acting jointly or in concert with the issuer.

(k) The TSX has set the following rules for issuers and Participating Organizations acting on their own behalf:

1. ***Price Limitations*** - It is inappropriate for an issuer making a normal course issuer bid to abnormally influence the market price of its securities. Therefore, purchases made by issuers pursuant to a normal course issuer bid shall be made at a price which is not higher than the last independent trade of a board lot of the class of securities which is the subject of the normal course issuer bid. In particular, the following are not "independent trades":

(a) trades directly or indirectly for the account of (or an account under the direction of) an insider of the issuer, or any associate or affiliate of either the issuer or an insider of the issuer;

(b) trades for the account of (or an account under the direction of) the Participating Organization making purchases for the bid; and

(c) trades solicited by the Participating Organization making purchases for the bid.

2. ***Prearranged Trades*** - It is important to investor confidence that all holders of identical securities be treated in a fair and even-handed manner by the issuer. Therefore, a cross or pre-arranged trade is not generally permitted.

3. ***Private Agreements*** - It is the view of the TSX that it is in the interest of security holders that transactions pursuant to an issuer bid should be made in the open market. This philosophy is also reflected in the OSA, which provides very limited exemptions for private agreement purchases. The TSX, therefore, will not normally accept a notice which indicates that purchases will be made other than by means of open market transactions.

4. ***Sales from Control*** - Purchases pursuant to a normal course issuer bid shall not be made from a person effecting a sale from control block pursuant to Part 2 of Multi-lateral Instrument 45-102 and Section 637 of this Manual. It is the responsibility of the Participating Organization acting as agent for the issuer to ensure that it is not bidding in the market for the normal course issuer bid at the same time as a Participating Organization is offering the same class of securities of the issuer under a sale from control.

5. ***Purchases During a Take-Over Bid*** - An issuer shall not make any purchases of its securities pursuant to a normal course issuer bid during a take-over bid for those securities. This restriction applies during the period from the first public announcement of the bid until the termination of the period during which securities may be deposited under such bid, including any extension thereof. This restriction does not apply to purchases made solely as a trustee pursuant to a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

   In addition, if the issuer is making a securities exchange take-over bid, it shall not make any purchases of the security offered in the bid pursuant to OSC Policy 62-601.

(l) The issuer shall appoint only one Participating Organization at any one time as its broker to make purchases. The issuer shall inform the TSX in writing of the name of the responsible broker. The Participating Organization shall be provided with a copy of the notice and be instructed to make purchases in accordance with the provisions of Sections 628, 629, 630, 631 and 632 and the terms of such notice. The TSX will look to its Participating Organizations to make purchases in accordance with such instructions. To assist the TSX in its surveillance function, the issuer is required to receive the written consent of the TSX where it intends to change its broker.

(m) Failure to comply with any requirement herein may result in the suspension of the bid.

SECURITY HOLDER RIGHTS PLANS

633. General.

(a) Security holder rights plans (commonly referred to as ''poison pills'') fall under the TSX's jurisdiction by virtue of Section 601 which requires listed issuers to pre-clear with the TSX any potential issuance of equity securities.

(b) The TSX neither endorses nor prohibits the adoption of poison pills generally or in connection with any particular take-over bid. The securities commissions in Canada are responsible for reviewing the propriety or operation of take-over bid defensive tactics pursuant to National Policy 62-202, including the adoption of a poison pill after the announcement or commencement of a hostile take-over bid. In the latter example, the TSX will defer its review of such a poison pill until after the appropriate securities commission has determined whether it will intervene pursuant to National Policy 62-202.

(c) The TSX believes that security holders of the listed issuer should have the opportunity to decide whether the continued existence of a plan that has been adopted by the board of directors of the listed issuer in the normal course of affairs (i.e. absent a threatened or actual specific take-over bid) is in the security holders' best interests.

634. Filing and Listing Procedure.

(a) A draft of the proposed security holder rights plan (the "plan") or poison pill should be filed with the TSX Advisory Affairs division along with a covering letter requesting the TSX accept the plan for filing. The letter must include the following:

- (i) a statement as to whether the listed issuer is aware of any specific take-over bid for the listed issuer that has been made or is contemplated, together with full details regarding any such bid;
- (ii) a description of any unusual features of the plan; and
- (iii) a statement as to whether the plan treats any existing security holder differently from other security holders. The usual example of this is where, at the time of the plan's adoption a security holder (or group of related security holders) owns a percentage of securities that exceeds the triggering ownership threshold identified in the plan but such security holder is exempted form the operation of the plan.

(b) If a listed issuer adopts a plan without pre-clearance from the TSX, the listed issuer must:

- (i) publicly announce the adoption of its plan as subject to TSX acceptance, and
- (ii) as soon as possible after the adoption of the plan, file with the TSX a copy of the plan along with the covering letter described in Section 634(a).

(c) If the TSX consents to the adoption of a plan, the rights issued to security holders will be automatically listed on the TSX when those securities are issued. The rights will not appear as a separate entry on the TSX trading list. There is a filing fee described in Section 811 that is payable to the TSX for its review of the plan.

635. TSX Approach.

(a) If a plan is adopted at a time when the listed issuer is not aware of any specific take-over bid for the listed issuer that has been made or is contemplated, the TSX will not generally refuse the plan for filing, provided that it is ratified by the security holders of the listed issuer at a meeting held within six months following the adoption of the poison pill. Pending such security holders ratification, the plan is allowed to be in effect so that its intent is not circumvented prior to the security holders meeting. If security holders do not ratify the plan by the required time, the plan must be immediately cancelled and any rights issued thereunder must be immediately redeemed or cancelled.

(b) In cases where a particular security holder may be exempted from the operation of a plan even though the security holder's percentage holding exceeds the plan's triggering ownership threshold, the TSX will normally require that the plan be ratified by a vote of security holders that excludes the votes of the exempted security holder and its associates, affiliates and insiders (as these terms are defined in the OSA), as well as by a vote that does not exclude such security holder.

(c) If a plan can be reasonably perceived to have been proposed or adopted as a response to a specific take-over bid for a listed issuer that has been made or is contemplated, the TSX will normally defer its decision on whether to consent to the plan until the OSC has had the opportunity to consider whether it will initiate proceedings by virtue of National Policy 62-202 regarding defensive tactics. If the OSC chooses not to intervene, the TSX will generally not object to the adoption of a poison pill in the circumstances set out in Sections 633, 634, 635 and 636.

636. Plan Amendment.

No amendment of a plan that has been adopted by a listed issuer may be made without the prior written consent of the TSX. In order to seek such consent, the listed issuer must file with the TSX Advisory Affairs division (i) a black-lined draft of the amended plan, (ii) a letter that summarizes the proposed changes to the plan, and (iii) the requisite filing fee payable to the TSX (see Section 811).

SALES FROM CONTROL BLOCK THROUGH THE FACILITIES OF THE EXCHANGE

637. Responsibility of Participating Organization and Seller.

It is the responsibility of both the selling security holder and Participating Organization (as defined in the TSX Rule Book) acting on their behalf to ensure compliance with TSX requirements and applicable securities laws. In particular, Participating Organizations and selling security holders should familiarize themselves with the procedures and requirements set out in Part 2 of Multilateral Instrument 45-102.

638. Sales Pursuant to an Order or Exemption.

If securities are to be sold from a control block pursuant to an order made under section 74 of the OSA or an exemption contained in subsection 72(1) of the OSA or Part 2 of Rule 45-501, the securities acquired by the purchaser may be subject to a hold period in accordance with the provisions of the OSA. Sales of securities subject to a hold period are special terms trades and will normally be permitted to take place on the TSX without interference.

639. General Rules for Control Block Sales on the Exchange.

1. ***Filing*** **-** The seller shall file "Form 45-102 F3 – Notice of Intention to Distribute Securities and Accompanying Declaration" under subsection 2.8 of Multilateral Instrument 45-102 with the TSX at least seven days prior to the first trade made to carry out the distribution.

2. ***Notification of Appointment of Participating Organization*** **-** The seller must notify the TSX of the name of the Participating Organization which will act on behalf of the seller. The seller shall not change the Participating Organization without prior notice to the TSX.

3. ***Acknowledgement of Participating Organization*** **-** The Participating Organization acting as agent for the seller shall give notice to the TSX of its intention to act on the sale from control, and such notice shall be accepted in writing by the TSX, before any sales commence.

4. ***Report of Sales*** **-** The Participating Organization shall report in writing to the Advisory Affairs Division of the TSX on the last day of each month the total number of securities sold by the seller during the month, and, if and when all of the securities have been sold, the Participating Organization shall so report forthwith in writing to the TSX.

5. ***Issuance of Exchange Bulletin*** **-** The TSX shall issue a bulletin respecting the proposed sale from control which bulletin will contain the name of the seller, the number of securities of the listed company held by the seller, the number proposed to be sold, and any other information that the TSX considers appropriate. The TSX may issue further bulletins from time to time regarding the sales made by the seller.

6. ***Special Conditions*** **-** The TSX may, in circumstances it considers appropriate, require that special conditions be met with respect to any sales. Possible conditions include, but are not limited to, the requirement that the seller not make a sale below the price of the last sale of a board lot of the security on the TSX which is made by another person acting independently.

7. ***Term and Renewal*** **-** The initial filing of Form 45-102 F3 is valid for a period of 60 days and a renewal of the Form 45-102 F3 must be filed with the TSX every 28 days thereafter if sales are to continue.

8. ***First Sale*** **-** The first sale cannot be made until at least seven days after the filing of Form 45-102 F3 and the first sale under the initial Form 45-102 F3 must be made within 14 days of the filing.

640. Restrictions on Control Block Sales on the Exchange.

1. ***Private Agreements*** – A Participating Organization is not permitted to participate in sales from control by private agreement transactions. If Participating Organizations are to participate, transactions must be executed on the TSX or the transactions must be exempt from the requirement to be conducted on the TSX in accordance with Rule 4-102.

2. ***Normal Course Issuer Bids*** – If the issuer of the securities which are the subject of the sale from control block is undertaking a normal course issuer bid in accordance with Section 632 of this Manual, the normal course issuer bid and the sale from control block will be permitted on the condition that:

(a) the Participating Organization acting for the issuer confirms in writing to the TSX that it will not bid for securities on behalf of the issuer at a time when securities are being offered on behalf of the control block seller;

(b) the Participating Organization acting for the control block seller confirms in writing to the TSX that it will not offer securities on behalf of the control block seller at a time when securities are being bid for under the issuer bid; and

(c) transactions in which the issuer is on one side and the control block seller on the other are not permitted.

3. ***Price Guarantees*** – The price at which the sales are to be made can not be established or guaranteed prior to the seventh day after the filing of Form 45-102 F3 with the TSX.

4. ***Crosses*** **-** A Participating Organization may distribute the whole of a control block sale to its own clients by means of a cross. Established crossing rules require that, prior to execution, all orders that are entered on any Canadian exchange at better prices than the price of the proposed cross must be filled in full. If the market is to be moved before execution of a cross, the responsible registered trader should be notified in advance.

ODD LOT SELLING AND PURCHASE ARRANGEMENTS

641. General.

(a) An odd lot of securities is less than a board lot. Listed issuers may reduce the number of holders of odd lots by using the following procedure.

(b) The procedure described in Section 642 is intended to facilitate odd lot sales at a reasonable cost to listed issuers. It is consistent with the objective of the TSX to enhance the marketability of small holdings.

(c) The procedure described in Section 642 must be followed where a listed issuer seeks the assistance of a Participating Organization to solicit odd lots for resale on the TSX, or to offer to defray the commissions payable by odd lot holders in acquiring additional securities on the TSX to make up a board lot.

642. Procedures Applicable to Small Security Holder Selling and Purchase Arrangements.

(a) Under a small security holder selling arrangement (a “Selling Arrangement”) a listed issuer agrees to pay a fee per odd lot account to Participating Organizations to sell listed securities on behalf of odd lot holders. Under a small security holder purchase arrangement (a “Purchase Arrangement”, together with a Selling Arrangement referred to herein as an “Arrangement”) a listed issuer agrees to pay a fee per odd lot account to Participating Organizations to purchase a sufficient number of listed securities on behalf of odd lot holders to constitute a board lot.

(b) The listed issuer shall request odd lot holders wishing to take advantage of an Arrangement to either:

(1) place orders under the Arrangement with any Participating Organization of the TSX; or
(2) transmit orders under the Arrangement directly to the listed issuer or an agent (such as a broker or transfer agent) designated by it.

If option (1) is selected, a Participating Organization shall be appointed as manager of the Arrangement (the "Manager") and shall be responsible for maintaining records of transactions and remitting the fees payable to other Participating Organizations. Special procedures applicable to options (1) and (2) are set out in Sections 642(d) and (e).

(c) **Trading Odd Lots.** A Selling Arrangement may be carried out in one of two ways:

(1) the listed securities tendered by odd lot holders must be aggregated into board lots and sold promptly by a Participating Organization on the TSX; or
(2) the listed securities must be sold promptly in the form of odd lots through the minimum guarantee fill system ("MGF"). In the event that odd lots are sold through the MGF the responsible Registered Trader will aggregate odd lots for resale in the normal course of his activities.

Similarly, under a Purchase Arrangement a Participating Organization must promptly acquire a sufficient number of listed securities to increase an odd lot holder's holding to a full board lot either (1) by purchases by the Participating Organization on the TSX; or (2) through the MGF.

(d) **Rules Applicable to Arrangements through Participating Organizations.** The following applies to Arrangements where odd lot holders are to place orders with any Participating Organization of the TSX (option (1) under Section 642(b)):

(i) It is anticipated that many odd lot holders will not currently have an account with a Participating Organization. In order to simplify the administration of an Arrangement being effected through Participating Organizations new account forms are not required to be completed for odd lot holders and transactions made pursuant to an Arrangement may be effected through an omnibus account. The Participating Organization must maintain proper records of orders as required by TSX Rule 2-404 "Records of Orders".
(ii) If required by the listed issuer, Participating Organizations selling odd lots on behalf of clients under a Selling Arrangement, or purchasing listed securities under a Purchase Arrangement, shall prepare a signed statement that to the best of the knowledge of the representative of the Participating Organization the listed securities of each named beneficial owner sold under a Selling Arrangement constitute all of the listed securities owned by such beneficial owner and that the number of listed securities purchased under a Purchase Arrangement for each named beneficial owner is the number of listed securities required to increase each beneficial owner's holding to the level of one board lot, as the case may be, and shall keep each such statement in its files for inspection by the TSX. Participating Organizations are not required to disclose the names of their clients to the Manager of an Arrangement or the listed issuer.

(iii) In the event that odd lots are held in the name of a Participating Organization on behalf of a customer who wishes to sell his listed securities pursuant to a Selling Arrangement the Participating Organization shall either (A) sell such listed securities on behalf of the customer pursuant to the Arrangement, (B) provide the customer with deliverable listed securities in order to permit the customer to tender such securities to another Participating Organization along with a certificate stating that, to the best of the Participating Organization's knowledge, the customer held a stated number of listed securities as of the record date of the Arrangement, or (C) tender such listed securities to another Participating Organization who is willing to sell the listed securities pursuant to the Arrangement on behalf of the customer.

(iv) The Manager shall maintain records of the transactions effected by Participating Organizations pursuant to the Arrangement. Participating Organizations shall report such transactions to the Manager on a weekly basis. The Manager shall remit the amount offered by the listed issuer per odd lot account promptly after the receipt of each weekly report. The amount receivable by each Participating Organization is required to be used, in its entirety, to replace or reduce the normal brokerage commissions otherwise payable by odd lot holders.

(v) The price received or to be paid for an odd lot shall be the quoted price at which the trade is executed by the Participating Organization. If the listed securities of an odd lot holder are sold or purchased as part of more than one board lot and different prices are received or paid, the amount remitted to the customer, or paid by the customer, shall be the average price and the confirmation must disclose that an average price has been used and must list the prices at which the trades were made.

The TSX anticipates that the Manager will advise the listed issuer concerning a reasonable fee payable per odd lot account.

(e) **Rules Applicable to Arrangements through the Listed Issuer.** The following applies to Arrangements where odd lot holders are to place orders through the listed issuer or an agent designated by it (option (2) under Section 642(b)):

(i) The listed issuer or its agent shall send orders received pursuant to the Arrangement to one or more Participating Organizations for execution forthwith after clearance of such orders for trading. Orders received and cleared for execution shall be placed with the Participating Organization no later than 12:00 p.m. on the next business day for execution on the TSX. Orders may be aggregated, but not netted, by the listed issuer or its agent.

(ii) The Participating Organization shall execute aggregated buy or sell orders as soon as possible, subject to its discretion in fulfilling its obligation to obtain the best available price for the customer and to avoid any undue impact on such price.

(iii) The price received or to be paid for an odd lot shall be the average price received on all orders placed with the Participating Organization for execution on a given day, regardless of when any of such orders are executed.

(iv) In addition to the information required by Section 642(i), the disclosure document shall contain a statement that the price received or to be paid

for an odd lot will be the average price received on all orders placed with the Participating Organization for execution on a given day, regardless of when any of such orders are executed. An estimate of the period of time required for mailing and clearing an order must be disclosed, and that the quoted price of the stock may change during such period.

(f) **Obligations to Odd Lot Holders.** A Participating Organization must obtain the best price available for its customer (the odd lot holder) in executing trades pursuant to an Arrangement. Notwithstanding any financial arrangement with the listed issuer, Participating Organizations must satisfy their fiduciary duty to odd lot holders in accordance with this Policy and applicable law. The listed issuer shall not, directly or indirectly, influence the time, price, amount or manner of sales or purchases of odd lots.

Subject to any agreement to the contrary, Participating Organizations may acquire or sell odd lots in principal transactions in accordance with TSX Policy 4-502 "Exposure of Client Orders" and TSX Rule 4-502 "Client Principal Trading". Participating Organizations may not be a prominent influence in the market for the listed securities at a time when a principal transaction is proposed to be executed.

(g) **Security Holders Eligible to Participate.** Only persons who are holders of less than one board lot as defined in Part I of this Manual are eligible to participate in either type of Arrangement. The determination as to whether a person is the holder of an odd lot shall be made as of a record date established by the listed issuer. The record date must be prior to the public announcement of the Arrangement in accordance with Section 642(h) in order to ensure that board lots will not be broken up in order to participate in the Arrangement.

An Arrangement is required to be extended to both registered holders of odd lots and beneficial owners of odd lots registered in nominee form. The TSX will approve an Arrangement directed to the holders of a specific number of listed securities or less that does not include all odd lot holders where it is satisfied that holders of more than the specified number of listed securities are not disadvantaged as a result of minimum commission rates.

The TSX recognizes an exception from the requirement that either type of Arrangement be extended to all odd lot holders in the case of participants in stock ownership plans established by a listed issuer for its employees and in the case of participants in dividend reinvestment plans. Since plans of this kind are intended to promote security ownership as an incentive to employees and security holders and provide a special advantage to its participants listed issuers may wish to exclude plan participants from an Arrangement. Accordingly, a listed issuer will be permitted to exclude from an Arrangement any participant in a bonus, profit-sharing, pension, retirement, incentive, stock purchase, stock ownership, stock option or similar plan instituted for employees of the listed issuer or its subsidiaries or any participant in a dividend reinvestment plan instituted by the listed issuer.

(h) **Duration of an Arrangement.** An Arrangement is required to remain open for at least thirty calendar days from acceptance by the TSX in order to ensure adequate dissemination of information. An Arrangement may continue for a maximum period of ninety calendar days and may thereafter be renewed with the prior written consent of the TSX for two additional thirty day periods following the expiry of the initial period. In order

for the TSX to consider the renewal of an Arrangement, a written request must be provided to the Advisory Affairs division of the TSX of the proposed renewal at least seven business days prior to the expiry of the previous period. (see Section 642(i)(iv)).

(i) **Dissemination of Information.**

(i) The listed issuer shall file with the Advisory Affairs division of the TSX a copy of a draft press release announcing an Arrangement and a draft disclosure document which includes the information required under clause (iii) below at least seven business days before the record date. The press release shall not be issued and the disclosure document shall not be distributed to securityholders until written approval has been given by the TSX.

(ii) A press release shall be issued on the first business day following the record date after written approval has been given by the TSX.

(iii) Following issuance of the press release a disclosure document shall be sent by the listed issuer to each securityholder of record on the record date that holds an odd lot. Where a securityholder of record holds listed securities on behalf of other persons, the listed issuer shall provide, upon the request of such holder, a sufficient number of copies for each beneficial owner of an odd lot. The disclosure document, the original of which must be signed by a duly authorized officer of the listed issuer and filed with the TSX, shall include the following items of information:

i. Name of listed issuer and the nature of the Arrangement being made available to odd lot holders.
ii. A description of the class or classes of listed securities subject to the Arrangement and the holders eligible to participate.
iii. A statement that: (a) the listed issuer will pay one or more Participating Organizations a fee to sell or purchase odd lots, as the case may be, in the open market on behalf of odd lot holders; (b) for the purpose of the Arrangement, the odd lot holder is the customer of the Participating Organization agreeing to sell or purchase listed securities, as the case may be, pursuant to the Arrangement, and; (c) the Participating Organization is required to obtain the best available price for the odd lot holder.
iv. If applicable, state that the Participating Organization may purchase or sell odd lots under the Arrangement as principal in accordance with TSX requirements.
v. The duration of the Arrangement.
vi. The purpose of the Arrangement.
vii. A description of the procedure that must be followed by both registered odd lot holders and beneficial owners of odd lots held in nominee form to participate in an Arrangement.
viii. The name, address and telephone number of the department or person at the listed issuer from whom additional information may be obtained and that the odd lot holder should consider contacting his or her broker concerning the advisability of participating in the Arrangement.

(iv) See Section 642(e)(iv) for additional information required in the disclosure document in connection with Arrangements through the listed issuer. A request for a renewal of an Arrangement shall be accompanied by a

statement of the number of listed securities previously sold or purchased, as the case may be, under the Arrangement. Upon acceptance by the TSX the listed issuer shall issue a press release announcing the renewal of the Arrangement.

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

643. Normal Course Issuer Bids.

(a) The procedure described herein is the exclusive method that may be used by a listed issuer to solicit odd lots for resale on the TSX, or to offer to assist odd lot holders in acquiring additional listed securities on the TSX to make up a board lot.

(b) A listed issuer may also purchase odd lots offered in the marketplace pursuant to a normal course issuer bid implemented in accordance with Section 632.

(c) A listed issuer may have both a Normal Course Issuer Bid, and either a Selling Arrangement, or a Purchase Arrangement, or both, in effect at the same time.

AMENDMENTS TO SECURITY PROVISIONS

644. Any proposed amendment to the provisions attaching to any securities of a listed issuer must be pre-cleared with the TSX prior to implementation.

EFFECT OF AMENDMENTS ON EXISTING ARRANGEMENTS

645. These amendments will be effective for all notices filed with the TSX on and after **[December 1, 2002]** (the **"Effective Date"**).

The following will be unaffected by these amendments:

1. Any transaction, including a security based compensation arrangement, of which the TSX has been notified of in writing prior to the Effective Date.
2. Any transactions for which either the listed issuer has mailed final materials to security holders or for which security holder approval has been received.
3. Security based compensation arrangements approved by security holders prior to the Effective Date.
4. A resolution of security holders in a form acceptable to the TSX giving blanket approval to a listed issuer to conduct private placements resulting in the issuance of securities greater than 25% of the number of securities of the listed issuer in a six month period, provided that such private placements are conducted in accordance with the terms of such resolution.

PART VII – HALTING OF TRADING, SUSPENSION AND DELISTING OF SECURITIES

(NOTE – comparative full text of Part VII with changes in bold)

A. GENERAL

Sec. 701. The ***TSX*** may at any time:

(a) temporarily halt trading in any listed securities; or
(b) suspend from trading ***and*** delist an ***issuer***'s securities if the ***TSX*** is satisfied that:
  (i) the ***issuer*** has failed to comply with any of the provisions of its Listing Agreement with the ***TSX*** or with any other ***TSX*** requirement; or
  (ii) such action is necessary in the public interest .

B. HALTING OF TRADING

Sec. 702. The ***TSX*** may halt trading in the securities of an ***issuer*** for disclosure of material information which requires immediate public disclosure under the ***TSX***'s timely disclosure policy. A halt of trading is a temporary measure which will usually not last more than one hour following the dissemination of the announcement. The ***TSX*** may also temporarily halt trading where such action is deemed to be in the public interest (for example, in order to maintain a fair and orderly market).

Refer to Sections 406 to 423.8 for a description of the timely disclosure policy, including more complete information regarding trading halts.

Sec. 703. During the period when trading is halted, no ***TSX*** Participating Organization may execute an order in the over-the-counter market.

Trading may also be halted when the market activity indicates that significant news appears to be available to some investors but not to the public at large, and the ***issuer*** either will not, or cannot, make a clarifying statement.

If trading is halted but an announcement is not immediately forthcoming, the ***TSX*** may establish a reopening time, which shall not be later than 24 hours after the time that the halt was imposed (excluding non-business days). The ***issuer*** is urged to make an announcement, but if it will not, the ***TSX*** will issue a notice stating the reason for the trading halt, that an announcement was not immediately forthcoming and that trading will therefore resume at a specific time.

Sec. 704. Trading may also be halted due to failure by the ***issuer*** to comply with requirements of the ***TSX***. In some cases, a halt may be changed to a suspension ***and/or delisting***.

C. SUSPENSION AND DELISTING

Objective
Sec. 705. The objective of the ***TSX***'s policies regarding continued listing privileges is to facilitate the maintenance of an orderly and effective auction market for securities of a wide variety of ***issuers*** that are actively engaged in an ongoing business, in which there is a substantial public interest, and that comply with the requirements of the ***TSX***. The policies are designed and administered in a manner consistent with that objective.

Application of Policy

Sec. 706. The ***TSX*** has adopted certain quantitative and qualitative criteria (the "suspension ***and delisting*** criteria"), that are outlined in the following sections, under which it will normally consider the suspension from trading ***and*** delisting of securities. However, 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 suspension ***and delisting*** criteria has become applicable to a listed ***issuer*** or security, the ***TSX*** may, at any time, suspend from trading ***and*** delist securities if, in the opinion of the ***TSX***, such action is consistent with the objective cited above or further dealings in the securities on the ***TSX*** may be prejudicial to the public interest.

Process

Sec. 707. The ***TSX*** examines the affairs and the performance of listed ***issuers*** to ensure that they are of a standard that merits the continued listing of such companies. If, as a result of such examination, the ***TSX*** determines that any of the suspension ***and delisting*** criteria outlined in Sections 708 to 717 has become applicable to a listed ***issuer*** or to its securities, the ***TSX*** will notify the ***issuer*** (by telephone or telecopied letter) and the market (by ***trader note and bulletin***) that the ***issuer*** is under a suspension ***and delisting*** review.

The suspension ***and delisting*** review process will be conducted through either the "Remedial Review Process" or the "Expedited Review Process", as follows:

Remedial Review Process

(a) An ***issuer*** that has been notified that it is under suspension ***and delisting*** review because of the applicability of any of the suspension ***and delisting*** criteria set out in Section 709, paragraphs (b) or (c) of Section 710, Section 711 or Section 712 will normally be given up to 120 days from the date of such notification (the "suspension ***and delisting*** review period") to correct the deficiencies that triggered the suspension ***and delisting*** review.

At any time prior to the end of the suspension ***and delisting*** review period, the ***TSX*** will provide the ***issuer*** with an opportunity to be heard where the ***issuer*** may present submissions to satisfy the ***TSX*** that all deficiencies identified in the ***TSX***'s notice have been rectified. If the ***issuer*** cannot satisfy the ***TSX*** at the conclusion of the hearing that the deficiencies identified have been rectified and that no other suspension ***and delisting*** criteria are then applicable to the ***issuer***, the ***TSX*** will determine to suspend ***from*** trading ***and delist*** the ***issuer***'s securities.

Upon such determination, the ***TSX*** will issue a written notice to the market to confirm the date that the suspension ***and delisting*** will be effective, which date will generally be the 30th calendar day after the issuance of such notice.

The ***TSX*** may abridge the term of the suspension ***and delisting*** review period at any time upon written notice to the ***issuer***, particularly after the occurrence of any of the events described in Section 708, paragraph (a) of Section 710, or Sections 713 to 717 inclusive. In any such case, the ***issuer*** that is under a suspension ***and delisting*** review will be provided with an opportunity to be heard on an expedited basis where the ***issuer*** may present submissions as to why its securities should not be suspended from trading ***and delisted***. If the ***issuer*** cannot satisfy the ***TSX*** that a

suspension ***and delisting*** is unwarranted, the ***TSX*** will determine to suspend the ***issuer***'s securities from trading as soon as practicable after such hearing ***and the issuer's securities will be automatically delisted on the 30th calendar day after the suspension date***. ***During the period between the suspension date and delisting date, the issuer remains subject to all TSX requirements, including compliance with the provisions of sections 501 and 602, regardless of whether the issuer had been exempted from the requirements of section 501 prior to suspension***; or

Expedited Review Process

(b) An ***issuer*** that has been notified that it is under suspension ***and delisting*** review:

(i) because of the applicability of any of the suspension ***and delisting*** criteria in Section 708, paragraph (a) of Section 710 or Sections 713 to 716 inclusive; or

(ii) because the ***issuer*** has failed to meet original listing requirements by the deadline set by the ***TSX*** in connection with any of the events described in Section 717; or

(iii) because the ***TSX*** believes that the expedited suspension from trading ***and delisting*** of the ***issuer***'s securities is warranted;

will be allowed an opportunity to be heard, on an expedited basis, where the ***issuer*** may present submissions as to why its securities should not be suspended from trading ***and delisted***. If the ***issuer*** cannot satisfy the ***TSX*** that an immediate suspension is unwarranted, the ***TSX*** will determine to suspend the ***issuer***'s securities from trading as soon as practicable after such hearing ***and the issuer's securities will be automatically delisted on the 30th calendar day after the suspension date***. ***During the period between the suspension date and delisting date, the issuer remains subject to all TSX requirements, including compliance with the provisions of sections 501 and 602, regardless of whether the issuer had been exempted from the requirements of section 501 prior to suspension.***

SUSPENSION **AND DELISTING** CRITERIA

(1) Insolvency

Sec. 708. At such time as the ***TSX*** is advised or becomes aware that a listed ***issuer*** (or any of its significant subsidiaries), has become insolvent or bankrupt or has made an assignment for the benefit of creditors; or a trustee, receiver, liquidator or monitor has been appointed for the ***issuer*** or for a substantial part of its assets; or bankruptcy, reorganization, creditor arrangement or protection, insolvency, liquidation, winding up or similar proceedings are instituted by or against the ***issuer*** under the laws of any jurisdiction, the securities of the ***issuer*** may, at the discretion of the ***TSX***, be immediately halted from trading on the ***TSX***.

During the trading halt, or as soon as practicable after the trading halt is lifted, the ***TSX*** shall notify the ***issuer*** that it is under suspension ***and delisting*** review and is subject to the Expedited Review Process (see Section 707).

(2) Financial Condition and/or Operating Results

Sec. 709. The ***TSX*** will normally consider the suspension from trading ***and*** delisting of securities of an ***issuer*** if, in the opinion of the ***TSX***, the financial condition and/or operating results of the ***issuer*** appear to be unsatisfactory or appear not to warrant continuation of the securities on the trading list.

Sec. 710. Specifically, securities of an ***issuer*** may be suspended from trading ***and*** delisted if:

All *Issuers*

(a)(i) the ***issuer's*** financial condition is such that, in the opinion of the ***TSX***, it is questionable as to whether the ***issuer*** will be able to continue as a going concern. The ***TSX*** will consider, among other things, the issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in financial statements regarding the issuer's ability to continue as a going concern; or

(ii) the ***issuer*** has ceased, or has expressed an intention to cease, to be actively engaged in any ongoing business; or

(iii) the ***issuer*** has discontinued or divested a substantial portion of its operations, thereby so reducing its business as to no longer merit continued listing; or

Industrial ***Issuers***

(b) the ***issuer*** fails to have:

(i) total assets of at least $3,000,000; and

(ii) annual revenue from ongoing operations of at least $3,000,000 in the most recent year.

Criteria (b)(i) and (ii) above do not apply to a research and development ***issuer***; however, such a company may be suspended from trading ***and*** delisted if it has failed to spend at least $1,000,000 on research and development, acceptable to the ***TSX***, in the most recent year; or

Resource ***Issuers***

(c) (i) in the most recent year, the ***issuer*** has failed to carry out at least $350,000 of exploration and/or development work that is acceptable to the ***TSX*** and has failed to generate revenue of at least $3,000,000 from the sale of resource-based commodities; or

(ii) the ***issuer*** does not have adequate working capital and an appropriate capital structure to carry on its business.

(3) Market Value and Public Distribution

Sec. 711. The ***TSX*** will normally consider the suspension from trading ***and*** delisting of securities of an ***issuer*** if, in the opinion of the ***TSX***, it appears that the public distribution,

price, or trading activity of the securities has been so reduced as to make further dealings in the securities on the ***TSX*** unwarranted.

Sec. 712. Specifically, participating securities may be suspended from trading ***and*** delisted if:

(a) the market value of the ***issuer***'s issued securities that are listed on the ***TSX*** is less than $3,000,000 over any period of 30 consecutive trading days; or

(b) the market value of the ***issuer***'s freely-tradeable, publicly held securities is less than $2,000,000 over any period of 30 consecutive trading days; or

(c) the number of freely-tradeable, publicly held securities is less than 500,000; or

(d) the number of public security holders, each holding a board lot or more, is less than 150.

Non-participating securities will be subject to (b) above as well as Section 711.

(4) Failure To Comply With *TSX* Requirements & Policies

Listing Agreement
Sec. 713. The ***TSX*** may suspend from trading ***and*** delist the securities of an ***issuer*** that fails to comply with its Listing Agreement or other agreements with the ***TSX***, or fails to comply with ***TSX*** requirements and policies. Examples of failure to comply with the Listing Agreement include, but are not limited to, failure to obtain the prior consent of the ***TSX*** to issue additional equity securities; failure to obtain the consent of the ***TSX*** before undergoing a material change in the business if the ***issuer*** is subject to section 50***1***; and failure to comply with the ***TSX***'s requirements for stock options and security based compensation arrangements.

Disclosure Policies
Sec. 714. The ***TSX*** may suspend from trading ***and*** delist the securities of an ***issuer*** that has failed to comply with the ***TSX***'s Timely Disclosure policy (see Sections 406 to 423.8) or with disclosure requirements under any securities law to which the ***issuer*** is subject. In addition, the ***TSX*** may suspend from trading ***and*** delist the securities of an ***issuer*** that is engaged in the business of mineral exploration, development or production if such ***issuer*** has failed to comply with the ***TSX***'s "Disclosure Standards for ***Issuers*** Engaged in Mineral Exploration, Development & Production" (see Appendix B).

Payment of Fees or Charges
Sec. 715*.* The ***TSX*** may suspend from trading ***and*** delist the securities of an ***issuer*** that fails or refuses to pay, when due, any fee or charge payable by the company pursuant to Exchange requirements.

Management
Sec. 716*.* The ***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) and Section 321 (for Oil & Gas Issuers). The ***TSX*** may suspend from trading and delist the securities of an 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, the 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 the TSX, listed issuers will submit a Personal Information Form (Form 4, Appendix D) for any person so requested. The TSX may suspend from trading and delist the securities of a listed issuer in the event the TSX determines that such individual or entity is not suitable as an insider of the listed issuer.

(5) Change In Business

Sec. 717. Where an ***issuer*** substantially discontinues its business (for example, through the sale of all or substantially all of its assets in one or more transactions) or changes the nature of its business (for example, through the acquisition of an interest in another business which represents the majority of the market value of the ***issuer***'s assets or which becomes the principal operating enterprise of the ***issuer***), the ***TSX*** will normally require that the ***issuer*** meet original listing requirements. Failure of the ***issuer*** to meet these requirements may result in the suspension ***and*** delisting of its securities.

REINSTATEMENT OF LISTING

Sec. 7*18*. An ***issuer*** whose securities are suspended from trading ***and/or delisted*** must remedy all of the conditions which resulted in the suspension ***and/or delisting,*** and must meet the ***TSX***'s requirements for original listing in order to ***qualify for reinstatement or*** be ***re***considered for ***listing***. The ***issuer must submit a complete listing application with the required supporting documentation and the TSX*** will consider each application individually on the basis of all relevant facts and circumstances.

REVIEW OF SUSPENSION AND DELISTING DECISIONS

Sec. 719. ***Decisions in respect of the application of this Part VII are made by either the Listings Committee or the Advisory Affairs Committee. If an issuer wishes to contest a decision made under Part VII, the issuer may request that the matter be heard by the relevant committee, with the additional participation of the Senior Vice President, TSX, and/or his/her designate. If after being heard, the issuer remains dissatisfied with the decision, the issuer may appeal the decision to a three-person panel of the TSX's Board.***

An issuer may request that the OSC review the Board's decision provided that the provisions of Section 21 of the OSA (or any replacement legislation) apply.

VOLUNTARY DELISTING

Sec. 720. An **issuer** wishing to have all its listed securities, or any class of its securities, delisted from the **TSX** must apply formally to the **TSX** to do so. The application should take the form of a letter addressed to the **TSX**. The letter should outline the reasons for the request and be accompanied by a certified copy of a resolution of the company's board of directors authorizing the request.