Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX – Amendments to Parts I, III, IV and VI of the TSX Company Manual (September 10, 2015) – Notice of Approval

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

AMENDMENTS TO PARTS I, III, IV AND VI OF THE TORONTO STOCK EXCHANGE COMPANY MANUAL (SEPTEMBER 10, 2015)

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 for recognized exchanges, Toronto Stock Exchange ("TSX") has adopted, and the Ontario Securities Commission ("OSC") has approved, amendments (the "Amendments") to Parts I, III, IV and VI of the TSX Company Manual (the "Manual"). The Amendments modify, expand and formalize certain exemptions available to interlisted issuers in the Manual. The Amendments are public interest rule amendments to the Manual. The Amendments were published for public comment in a request for comments on January 22, 2015 ("Request for Comments").

Reasons for the Amendments

Background

Certain issuers choose to list on two or more exchanges or marketplaces. We commonly refer to these issuers as interlisted issuers. Typically, these issuers first list on the market of their home jurisdiction (the home market) and, as they grow, seek a listing in another jurisdiction (an interlisted market) to increase their access to capital, enhance the liquidity of their securities, broaden their investor base, join their peers, increase analyst coverage or build brand recognition. A significant number of issuers, whether incorporated in Canada or in a foreign jurisdiction, are interlisted on TSX and another market and TSX expects this trend to continue.

Exemptions Currently Available to TSX Interlisted Issuers

TSX has granted exemptions from its rules for a limited number of transactions, such as private placements and acquisitions, to certain interlisted issuers pursuant to Subsection 602(g) of the Manual, which was adopted in 2005. This Subsection was adopted to reduce the regulatory burden on interlisted issuers without impacting the quality of the market. Subsection 602(g) limits the availability of the exemptions to interlisted issuers where: (i) at least 75% of the issuer's trading volume and value over the six months preceding notification of the transaction occurs on another exchange (the "Trading Threshold"); and (ii) the other exchange is reviewing the transaction.

Certain interlisted issuers can also apply to TSX for relief on a discretionary basis from elements of TSX's corporate governance requirements. In July 2013, TSX issued Staff Notice 2013-0002 providing guidance to international interlisted issuers seeking to obtain relief from elements of the director election requirements in Sections 461.1 – 461.4 of the Manual. TSX has used the Trading Threshold as a factor in assessing whether to grant waivers to international interlisted issuers from the director election requirements.

Rationale for the Amendments

The Amendments will allow TSX to defer to other exchanges or jurisdictions for an expanded number of transactions as well as on certain corporate governance matters as they apply to certain interlisted issuers (the "Deference Model"). The Amendments are an incremental change to the exemptions that have been available to interlisted issuers pursuant to Subsection 602(g) of the Manual and provide for greater transparency regarding the transactions for which TSX will defer to other exchanges or jurisdictions.

Over the last ten years, TSX has gained significant experience in administering the provisions of Subsection 602(g). TSX recognizes that corporate statutes and market requirements in other jurisdictions may differ from those in Canada while still addressing similar policy objectives, including protecting security holders and maintaining the quality of the market. In our view, the Deference Model is appropriate where the other exchange and corporate laws have appropriate requirements and TSX has a clear minority of trading, although such requirements may not be exactly the same as the requirements in Canada.

In summary, under the Amendments, Eligible Interlisted Issuers[1] will be able to apply to be exempted from the following requirements relating to transactions:

The exemptions that have been available in Subsection 602(g):

- Security holder approval (Section 604)
- Private placements (Section 607)
- Unlisted warrants (Section 608)
- Acquisitions (Section 611)
- Security based compensation arrangements (Section 613)

and the following new exemptions:

- Special requirements for non-exempt issuers (Section 501[2])
- Prospectus offerings (Section 606)
- Convertible securities (Section 610)
- Securities issued to registered charities (Section 612)
- Rights offerings (Section 614)

Eligible International Interlisted Issuers[3] can apply to be exempted from the following corporate governance requirements:

- Director Election Requirements (Sections 461.1 – 461.4)
- Annual Meeting (Sections 464) (a new exemption)

More specifically, the Amendments provide:

- For transactions, a new Section 602.1 – Exemptions for Eligible Interlisted Issuers replaces Subsection 602(g). Section 602.1 sets out the sections of the Manual from which exemptions are available to Eligible Interlisted Issuers, together with the application process for such exemptions. This application process includes: (i) notification to TSX; (ii) evidence that the Recognized Exchange or relevant regulator has accepted the transaction, or confirmation from qualified legal counsel in the local jurisdiction that the proposed transaction is in compliance with applicable rules of the other exchange or marketplace, as well as applicable laws; and (iii) disclosure in news releases issued in connection with the transaction that the issuer intends to or has relied on the exemption from TSX rules. Please refer to Appendix C for the full text of Section 602.1.

  Instead of relying on the concept of deference to "another exchange", Section 602.1 requires the issuer to be interlisted on a "Recognized Exchange".

  We will continue with the current practice of making an exemption available for transactions based on the Trading Threshold but have recast the test based on: (i) less than 25% of trading occurring in Canada, rather

[1] Issuers listed on a recognized exchange (e.g. NYSE, ASX) and that had less than 25% of the overall trading volume of their listed securities occurring on all Canadian marketplaces in the 12 months preceding the date of the application.

[2] Section 501 provides the requirements for transactions undertaken by "junior" issuers in regards to: i) notification to TSX of material changes; and ii) transactions involving insiders and no potential issuance of securities.

[3] Issuers incorporated or organized in a recognized jurisdiction of incorporation (e.g. Australia, Delaware or England) listed on a recognized exchange (e.g. NYSE, ASX) and that had less than 25% of the overall trading volume of their listed securities occurring on all Canadian marketplaces in the 12 months preceding the date of the application.

than more than 75% of trading occurring outside Canada; (ii) the trading over a period of 12 months preceding the application, rather than 6 months; and (iii) trading volume only, rather than value and volume.

- For corporate governance matters, a Section 401.1 – Exemptions for Eligible International Interlisted Issuers and Other International Interlisted Issuers has been introduced. This Section sets out the requirements from which Eligible International Interlisted Issuers may apply for an annual exemption, together with the application process for such exemptions. The process will be based on whether the issuer is an Eligible International Interlisted Issuer or other International Interlisted Issuer.[4] Please refer to Appendix C for the full text of Section 401.1.

  The exemptions in Section 401.1 will not be available to Canadian-based interlisted issuers unless TSX grants a discretionary waiver from its requirements. When TSX adopted its director election requirements in 2012 (including the annual and the individual election of directors and the majority voting requirement), the stated purpose was to bolster the reputation of Canadian companies internationally by better aligning Canadian corporate governance practices with those of its international peers. Accordingly, TSX does not generally believe that it is appropriate to grant such waivers to Canadian-based interlisted issuers.

- Ancillary amendments have been made to the Manual to introduce certain related definitions in Part I.

- Ancillary amendments have been made to Section 324 – Minimum Listing Requirements for International Interlisted Issuers to reference the introduction of Sections 401.1 and 602.1.

- TSX Staff Notice 2013-0002 has been updated to reflect the revised definitions being added to Part I of the Manual, as well as to refer to the volume of the issuer's trading for the 12 months immediately preceding the date of the application for the exemption, instead of the value and volume of trading for the 6 months preceding the date of the application for the exemption. Please see TSX Staff Notice 2015-0002 for the revised guidance.

Summary of the Final Amendments

TSX received five (5) comment letters in response to the Request for Comments. A summary of the comments submitted, together with TSX's response, is attached as **Appendix A**. Overall, the commenters support the Amendments.

TSX respects the public comment process and appreciates the value such public input provides. TSX thanks all commenters for their submissions. TSX has revised Section 401.1 of the Amendments to require Eligible International Interlisted Issuers to apply to TSX for an exemption from corporate governance matters the first year it wishes to use such exemption, but in subsequent consecutive years it may provide prior notice to TSX that it will continue to rely on such exemption. TSX has added Hong Kong to definition of Recognized Jurisdiction. TSX has also revised Section 602.1 to clarify that it will accept evidence that the Recognized Exchange or relevant regulator has accepted a transaction.

Since the publication of the Request for Comments, TSX has also made certain other non-material revisions to the drafting of the Amendments.

A blackline of the Amendments showing changes made since they were published in the Request for Comments is attached as **Appendix B**.

Text of the Amendments

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

Effective Date

The Amendments will become effective for listed issuers on September 10, 2015.

[4] An issuer incorporated or organized outside of Canada and listed on another exchange.

APPENDIX A

SUMMARY OF COMMENTS AND RESPONSES

List of Commenters:

The Canadian Advocacy Council for Canadian CFA Institute Societies (CAC)

Canadian Coalition for Good Governance (CCGG)

Cassels Brock on behalf of Royal Gold, Inc. (Cassels)

Norton Rose (Norton)

Stikeman Elliott on behalf of a client (Stikeman)

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning in the TSX Request for Comments – Amendments to Toronto Stock Exchange Company Manual dated January 22, 2015.

Summarized Comments Received	TSX Response
1. Do you think that the proposed trading threshold (less than 25% of trading occurring on all Canadian marketplaces in the year preceding the application) is appropriate to defer to the other exchange or jurisdiction?	
Commenters did not provide specific responses to this question.	Not applicable.
2. Are the transactions for which TSX is proposing to allow deferral to another exchange appropriate? Are there any transactions that should be excluded? Are there additional transaction types that should be included?	
One commenter submitted that the exemption available under Section 401.1 from the requirements in Sections 461.1 to 461.4 (the "Director Election Requirements") should be automatic for Eligible International Interlisted Issuers rather than requiring an annual application to TSX. This commenter submitted that the annual application contemplated by Section 401.1 imposes administrative burdens on interlisted issuers without providing shareholder value. This commenter submitted that since the criteria listed in Section 401.1 are objective, it is not clear what the benefit is of requiring annual TSX approval of an exemption from the Director Election Requirements. It was further submitted that there could be significant harm to issuers if TSX did not approve the application. The commenter suggested that TSX could instead request that Eligible International Interlisted Issuers file a letter confirming that the criteria for the exemption under Section 401.1 are met (Cassels).	TSX has revised the drafting of Section 401.1 to require Eligible International Interlisted Issuers to obtain TSX's prior approval the first year such issuer wishes to rely on an exemption from the Director Election Requirements and Section 464. If TSX approves the exemption, in subsequent consecutive years the Eligible International Interlisted Issuer may continue to rely on the exemption if it provides prior notice to TSX. The process for submission and the form of the application and notice is described in Section 401.1.
One commenter submitted that TSX should consider providing that Section 461.1 does not apply to issuers that access the Canadian markets through National Instrument 71-101 *The Multijurisdictional Disclosure System* ("MJDS") (Cassels).	TSX thanks the commenter for its input. TSX notes that issuers that access the Canadian markets through MJDS may not necessarily meet the definition of "Eligible International Interlisted Issuer", which is a definition based on the other exchange on which the issuer is listed, the issuer's jurisdiction of incorporation and the level of trading on the other exchange.
One commenter submitted that when considering whether an Eligible International Interlisted Issuer will be eligible for an exemption under Section 401.1, TSX should consider whether the broader corporate governance framework to which the issuer is subject demonstrates comparable commitment to the Director Election Requirements. This commenter submitted that TSX should retain discretion in granting exemptions from the Director Election Requirements	TSX notes that while it adopted the Director Election Requirements to strengthen the Canadian corporate governance regime and support the integrity of the Canadian capital markets, it has determined that it is appropriate to exempt Eligible International Interlisted Issuers from such requirements because their trading in Canada is limited and the issuer is subject to acceptable requirements on the other exchange and pursuant to its local corporate laws,

Summarized Comments Received	TSX Response
so that only issuers that have director election practices consistent with the policy objectives of the Director Election Requirements are eligible for an exemption from these requirements. TSX's corporate governance requirements establish market expectations for director elections not just for Canadian entities, but for all entities trading on TSX (CCGG).	notwithstanding that such requirements may not be directly equivalent to the Director Election Requirements.
One commenter submitted that the Amendments should be clarified to state that Canadian-based interlisted issuers will be granted an exemption from the Director Election Requirements only in extraordinary circumstances, or TSX should set out a non-exhaustive list of situations that may warrant an exemption for such issuers. This commenter further submitted that is not clear whether Canadian-based interlisted issuers will be able to avail themselves of a discretionary exemption from the Director Election Requirements pursuant to Section 401.1 or whether such discretionary relief may be granted pursuant to Section 405 and submitted that this should be clarified (CCGG).	TSX agrees that it is generally not appropriate to grant waivers from the Director Election Requirements to Canadian-based interlisted issuers. TSX notes that the exemptions in Section 401.1 and Staff Notice 2015-0002 are available to Eligible International Interlisted Issuers and other International Interlisted Issuers, respectively, and these exemptions are not available to Canadian-based interlisted issuers. However, TSX retains the general discretion to waive its requirements under Section 405 of the Manual. TSX expects that an exemption from the Director Election Requirements would be granted to a Canadian-based interlisted issuer only in exceptional circumstances.
3. Are there other requirements for which TSX should defer to another exchange or jurisdiction?	
One commenter submitted that because AIM uses Nominated Advisors ("Nomads") to manage issuers listed on AIM, such issuers will not qualify for the exemption available under Section 602.1. This commenter advised that the Nomad acts as the effective regulator for issuers listed on AIM and AIM does not review or approve transactions. Therefore, the condition in Section 602.1 for the Recognized Exchange to have accepted the transaction before TSX will defer to such Recognized Exchange cannot be satisfied by these issuers. The current practice is for the Nomad to provide a letter to TSX stating that the transaction will be carried out in accordance with AIM requirements and confirming that the Nomad has been approved as a nominated advisor for the purpose of AIM. In order for Eligible Interlisted Issuers listed on AIM to take advantage of the proposed exemption, the commenter submitted that the language in Section 602.1 should be expanded to directly refer to a letter from a Nomad or to provide that TSX may receive evidence of completion of the transaction in accordance with market practice in the relevant jurisdiction (Norton).	TSX has revised Section 602.1 to require the issuer to provide evidence that the Recognized Exchange or relevant regulator has accepted the transaction. TSX considers a Nomad that has been approved as a nominated advisor for the purpose of AIM a relevant regulator. TSX will accept a letter from the Nomad stating that the transaction will be carried out in accordance with AIM requirements and confirming that the Nomad has been approved as a nominated advisor for the purpose of AIM for the purposes of Section 602.1. In circumstances where the Recognized Exchange or relevant regulator does not provide the issuer with evidence that it has accepted a transaction, TSX will accept confirmation from qualified legal counsel in the local jurisdiction that the proposed transaction complies with the applicable rules of the other exchange and applicable laws.
4. Is the proposed definition of "recognized exchange" appropriate? Should other exchanges or marketplaces be included? Should any of the proposed exchanges or marketplaces be excluded from the definition?	
One commenter submitted that while the exchanges currently listed in the definition of "Recognized Exchange" have rules that are transparent and provide sufficient regulatory oversight, additional exchanges should not be added to the definition without a new public comment process and an opportunity for review by applicable securities regulatory authorities. The commenter noted that the proposed definition of "Recognized Exchange" is an inclusive definition and other exchanges may be added at the discretion of TSX. This commenter submitted that a rigorous review of corporate transactions by an exchange is important to the integrity of the capital markets, and thus it is	TSX thanks the commenter for its input. TSX does not expect to request public comment should it determine to add other exchanges to the definition of Recognized Exchange because it does not expect such a change to have an impact on the Exchange's market structure requiring public comment. While the Recognized Exchange definition provides the market with transparency regarding the level of exchange oversight that will be applied if TSX defers to that exchange's rules, TSX believes it is important to retain the discretion to include other exchanges in the definition. TSX notes that under the former Section 602(g), TSX has had the discretion to not apply certain TSX requirements when an

Summarized Comments Received	TSX Response
important that the market is comfortable with the exchanges to which TSX will defer for the purposes of Sections 401.1 and 602.1 (CAC).	issuer was listed on “another exchange”, and such discretion has been exercised without causing market integrity concerns.
5. Is the proposed definition of “recognized jurisdiction” appropriate? Should other jurisdictions be included? Should any of the proposed jurisdictions be excluded from the definition?	
One commenter submitted that the definition of “Recognized Jurisdiction” should include Hong Kong. Because the current definition of “Recognized Jurisdiction” excludes Hong Kong, Hong Kong incorporated entities do not meet the definition of Eligible International Interlisted Issuers and are unable to rely on the annual exemption process set out in Section 401.1. These issuers would instead have to rely on the discretion reserved by TSX to determine that additional jurisdictions are appropriate for the purposes of the definition of “Recognized Jurisdiction”. Such discretion is based upon a comparison of the corporate statutes of the issuer’s jurisdiction of incorporation against the *Canada Business Corporations Act*. TSX has approved an exemption from the Director Election Requirements for Hong Kong incorporated entities in the past. Therefore, TSX has already made an assessment of the corporate governance regime of Hong Kong (Stikeman).	TSX thanks the commenter for its input**.** TSX has reviewed the corporate governance regime of Hong Kong related to director election requirements and has determined to add Hong Kong to definition of “Recognized Jurisdiction”.

APPENDIX B

BLACKLINE OF THE FINAL AMENDMENTS

324. Minimum Listing Requirements for International Interlisted Issuers

There are no unique requirements for the management or the financial requirements for International Interlisted Issuers ~~listed on a Recognized Exchange~~. However, these issuers are generally required to have some presence in Canada and must be able to demonstrate, as with all issuers, that they are able to satisfy all of their reporting and public company obligations in Canada. This may be satisfied by having a member of the board of directors or management, an employee or a consultant of the issuer situated in Canada.

~~Certain exemptions~~Exemptions may be available ~~to Eligible~~from requirements set out in Parts IV, V and VI of the Manual to certain International Interlisted Issuers ~~or Eligible Interlisted Issuers as set out in Sections 401.1 and 602.1 of the Manual, respectively~~as provided in Section 401.1, Section 602.1 and TSX Staff Notice 2015-0002.

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401.1 Exemptions for Eligible International Interlisted Issuers and Other International Interlisted Issuers

Subject to prior approval, TSX will not apply Sections 461.1 ~~—~~ 461.4 (Director Elections) and 464 (Annual Meetings) to Eligible International Interlisted Issuers. The first year an Eligible International Interlisted ~~Issuers~~Issuer wishes to rely on this exemption, such issuer must obtain TSX's prior acceptance of the application of this exemption ~~on an annual basis,~~ at least five (5) and not more than thirty (30) business days in advance of finalizing the materials sent to holders of listed securities in connection with a meeting at which directors are being elected. The application should take the form of a letter addressed to TSX requesting the exemption and include: i) the Recognized Exchange(s) on which it is listed; ii) the jurisdiction of incorporation of the issuer; and iii) evidence that the volume of trading of the issuer's securities on all Canadian marketplaces in the 12 months immediately preceding the date of the application was less than 25%. If TSX accepts such application, in subsequent consecutive years the Eligible International Interlisted Issuer may continue to rely on this exemption if it provides prior notice to TSX at least five (5) and not more than thirty (30) business days in advance of finalizing the materials sent to holders of listed securities in connection with a meeting at which directors are being elected. The notice should take the form of a letter confirming that the issuer continues to be an Eligible International Interlisted Issuer.

~~Other~~ International Interlisted Issuers that do not qualify as Eligible International Interlisted Issuers may apply to TSX for an exemption on an annual basis from Sections 461.1 – 461.4 (Director Elections) and 464 (Annual Meetings), as provided in updated TSX Staff Notice ~~[2013-0002]~~2015-0002.

Eligible International Interlisted Issuers and other International Interlisted Issuers must disclose the requirement from which they have been exempted for the year and their reliance on this Section 401.1 in a press release issued in connection with their annual meeting or in the materials sent to holders of listed securities in connection with a meeting at which directors are being elected, as applicable.

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602. General.

(g) [Deleted.]

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602.1 Exemptions for Eligible Interlisted Issuers

Subject to prior approval and provided that the proposed transaction is being completed in accordance with the standards of a Recognized Exchange, TSX will not apply its standards to Eligible Interlisted Issuers in respect of the following Sections: 501 (special requirements for non-exempt issuers), 604 (security holder approval), 606 (prospectus offerings), 607 (private placements), 608 (unlisted warrants), 610 (convertible securities), 611 (acquisitions), 612 (securities issued to registered charities), 613 (security based compensation arrangements) and 614 (rights offerings[1]).

Eligible Interlisted Issuers must obtain TSX acceptance of the proposed transaction by notifying TSX as required under Subsections 602 (a) or 501 (b), as applicable. The form of notice must comply with the requirements set out in Subsection 602 (e) or Subsection 501 (g) and also include: i) a notification that the listed issuer intends to rely on the exemption outlined in this Section 602.1; ii) the Recognized Exchange(s) on which it is listed; and iii) evidence that the volume of trading of the issuer's securities on all Canadian marketplaces in the 12 months immediately preceding the date of the application was less than 25%.

TSX will confirm its acceptance that the Eligible Interlisted Issuer may rely on the exemption as well as receipt of the documents and fees required for TSX acceptance. As a condition of acceptance, TSX will require evidence that the Recognized Exchange or relevant regulator has accepted the transaction, or confirmation from qualified legal counsel in the local jurisdiction that the proposed transaction is in compliance with applicable rules of the other exchange or marketplace, as well as applicable laws. Eligible Interlisted Issuers must disclose that they intend to or have relied on the exemption under this Section 602.1 in the press release(s) issued in connection with the transaction.

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[1] Contact TSX to discuss the relief for rights offerings as certain elements related to trading, notice and mechanics will still be required.

PART 1 – INTRODUCTION

Interpretation

Addition of the following definitions:

"**Eligible Interlisted Issuer**" means a listed issuer that is also listed on a Recognized Exchange and that had less than 25% of the overall trading volume of its listed securities occurring on all Canadian marketplaces in the 12 months immediately preceding the date of an application or notice, as applicable, pursuant to Section 401.1 or 602.1 of the Manual;

"**Eligible International Interlisted Issuer**" means an Eligible Interlisted Issuer that is incorporated or organized in a Recognized Jurisdiction;

"**International Interlisted Issuer**" means an issuer incorporated or organized outside of Canada and listed on another exchange;

"**Recognized Exchange**" includes the following exchanges and marketplaces: New York Stock Exchange, NYSE MKT, NASDAQ, London Stock Exchange Main Board, AIM, Australian Securities Exchange, Hong Kong Stock Exchange Main Board and others, as may be determined by TSX from time to time;

"**Recognized Jurisdiction**" includes the following: Australia, England, Hong Kong and the State of Delaware and other jurisdictions with corporate statutes substantially modelled after these jurisdictions. Other jurisdictions may also be acceptable, as may be determined by TSX from time to time. In making its determination, TSX will compare the corporate statutes of these jurisdictions against the *Canada Business Corporations Act*;

APPENDIX C

TEXT OF FINAL AMENDMENTS

324. Minimum Listing Requirements for International Interlisted Issuers

There are no unique requirements for the management or the financial requirements for International Interlisted Issuers. However, these issuers are generally required to have some presence in Canada and must be able to demonstrate, as with all issuers, that they are able to satisfy all of their reporting and public company obligations in Canada. This may be satisfied by having a member of the board of directors or management, an employee or a consultant of the issuer situated in Canada.

Exemptions may be available from requirements set out in Parts IV, V and VI of the Manual to certain International Interlisted Issuers as provided in Section 401.1, Section 602.1 and TSX Staff Notice 2015-0002.

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401.1 Exemptions for Eligible International Interlisted Issuers and Other International Interlisted Issuers

Subject to prior approval, TSX will not apply Sections 461.1 – 461.4 (Director Elections) and 464 (Annual Meetings) to Eligible International Interlisted Issuers. The first year an Eligible International Interlisted Issuer wishes to rely on this exemption, such issuer must obtain TSX's prior acceptance of the application of this exemption at least five (5) and not more than thirty (30) business days in advance of finalizing the materials sent to holders of listed securities in connection with a meeting at which directors are being elected. The application should take the form of a letter addressed to TSX requesting the exemption and include: i) the Recognized Exchange(s) on which it is listed; ii) the jurisdiction of incorporation of the issuer; and iii) evidence that the volume of trading of the issuer's securities on all Canadian marketplaces in the 12 months immediately preceding the date of the application was less than 25%. If TSX accepts such application, in subsequent consecutive years the Eligible International Interlisted Issuer may continue to rely on this exemption if it provides prior notice to TSX at least five (5) and not more than thirty (30) business days in advance of finalizing the materials sent to holders of listed securities in connection with a meeting at which directors are being elected. The notice should take the form of a letter confirming that the issuer continues to be an Eligible International Interlisted Issuer.

International Interlisted Issuers that do not qualify as Eligible International Interlisted Issuers may apply to TSX for an exemption on an annual basis from Sections 461.1 – 461.4 (Director Elections) and 464 (Annual Meetings), as provided in updated TSX Staff Notice 2015-0002.

Eligible International Interlisted Issuers and other International Interlisted Issuers must disclose the requirement from which they have been exempted for the year and their reliance on this Section 401.1 in a press release issued in connection with their annual meeting or in the materials sent to holders of listed securities in connection with a meeting at which directors are being elected, as applicable.

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602. General.

(g) [Deleted.]

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602.1 Exemptions for Eligible Interlisted Issuers

Subject to prior approval and provided that the proposed transaction is being completed in accordance with the standards of a Recognized Exchange, TSX will not apply its standards to Eligible Interlisted Issuers in respect of the following Sections: 501 (special requirements for non-exempt issuers), 604 (security holder approval), 606 (prospectus offerings), 607 (private placements), 608 (unlisted warrants), 610 (convertible securities), 611 (acquisitions), 612 (securities issued to registered charities), 613 (security based compensation arrangements) and 614 (rights offerings[1]).

Eligible Interlisted Issuers must obtain TSX acceptance of the proposed transaction by notifying TSX as required under Subsections 602 (a) or 501 (b), as applicable. The form of notice must comply with the requirements set out in Subsection 602 (e) or Subsection 501 (g) and also include: i) a notification that the listed issuer intends to rely on the exemption outlined in this Section 602.1; ii) the Recognized Exchange(s) on which it is listed; and iii) evidence that the volume of trading of the issuer's securities on all Canadian marketplaces in the 12 months immediately preceding the date of the application was less than 25%.

TSX will confirm its acceptance that the Eligible Interlisted Issuer may rely on the exemption as well as receipt of the documents and fees required for TSX acceptance. As a condition of acceptance, TSX will require evidence that the Recognized Exchange or relevant regulator has accepted the transaction, or confirmation from qualified legal counsel in the local jurisdiction that the proposed transaction is in compliance with applicable rules of the other exchange or marketplace, as well as applicable laws. Eligible Interlisted Issuers must disclose that they intend to or have relied on the exemption under this Section 602.1 in the press release(s) issued in connection with the transaction.

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[1] Contact TSX to discuss the relief for rights offerings as certain elements related to trading, notice and mechanics will still be required.

PART 1 – INTRODUCTION

Interpretation

Addition of the following definitions:

"**Eligible Interlisted Issuer**" means a listed issuer that is also listed on a Recognized Exchange and that had less than 25% of the overall trading volume of its listed securities occurring on all Canadian marketplaces in the 12 months immediately preceding the date of an application or notice, as applicable, pursuant to Section 401.1 or 602.1 of the Manual;

"**Eligible International Interlisted Issuer**" means an Eligible Interlisted Issuer that is incorporated or organized in a Recognized Jurisdiction;

"**International Interlisted Issuer**" means an issuer incorporated or organized outside of Canada and listed on another exchange;

"**Recognized Exchange**" includes the following exchanges and marketplaces: New York Stock Exchange, NYSE MKT, NASDAQ, London Stock Exchange Main Board, AIM, Australian Securities Exchange, Hong Kong Stock Exchange Main Board and others, as may be determined by TSX from time to time;

"**Recognized Jurisdiction**" includes the following: Australia, England, Hong Kong and the State of Delaware and other jurisdictions with corporate statutes substantially modelled after these jurisdictions. Other jurisdictions may also be acceptable, as may be determined by TSX from time to time. In making its determination, TSX will compare the corporate statutes of these jurisdictions against the *Canada Business Corporations Act*;