

13.1.4 TSX Notice of Approval – Housekeeping Amendments to the TSX Company Manual

TORONTO STOCK EXCHANGE
NOTICE OF APPROVAL
HOUSEKEEPING AMENDMENTS TO THE
TORONTO STOCK EXCHANGE COMPANY MANUAL

Introduction

In accordance with the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals between the Ontario Securities Commission (the “OSC”) and Toronto Stock Exchange (“TSX”), TSX has adopted and the OSC has approved, various amendments (the “Amendments”) to the TSX Company Manual (the “Manual”). The Amendments are housekeeping in nature and therefore, are considered non-public interest amendments.

Reasons for the Amendments

A change is being made to Appendix H to introduce Form 11A – Request for Price Protection. New Form 11A is being introduced to formalize and streamline the process for requesting price protection, in order to make the existing process more transparent and readily accessible to all listed issuers. Consequential housekeeping amendments are being made in Part I and Part VI to introduce the use of the form into the Manual.

Changes are also being made to the French form of Appendix H: Form 12 - Notice of Intention to Make a Normal Course Issuer Bid to correct a translation error.

Summary of the Amendments

The non-public interest changes represent a number of housekeeping amendments, including:

1. The introduction of Form 11A-Request for Price Protection. TSX currently permits listed issuers to request price protection while negotiating the principal terms of a private placement. TSX will generally grant price protection based on the five-day volume weighted average trading price of the securities prior to receiving such request. Price protection allows issuers to have greater certainty that the price at which they will issue securities will be consistent with TSX rules and policies. Currently, TSX staff advises issuers of the information required in order for TSX to grant price protection (size of the private placement, participation level of insiders, etc.). This form will instead outline the required information and formalize and streamline the existing practice. Please see Form 11A at Appendix “A”.
2. Consequential housekeeping amendments are required to introduce Form 11A. Please see the amendments to Section 607(e) and to the definition of “market price” at Appendix “B”.
3. Amendments to the French version of Form 12 Notice of Intention to Make a Normal Course Issuer Bid are being made to correct a translation error. The amended form is available at www.tsx.com.

Text of Amendments

The Amendments are attached as **Appendix A and B**.

Effective Date

The Amendments become effective on **December 1, 2008**.

APPENDIX A

NON-PUBLIC INTEREST AMENDMENTS TO THE TSX COMPANY MANUAL



TORONTO STOCK EXCHANGE COMPANY MANUAL

Form 11A – Price Protection Form

Issuer Name: _____

Date: _____ Stock Symbol: _____

1. Indicate the market price of the issuer's securities (5-day VWAP) as of the date hereof.

2. Will the issuer's securities be issued or made issuable to insiders pursuant to the private placement? If so, indicate the maximum number of securities issued or made issuable to insiders or the maximum amount that insiders will subscribe for in dollar terms (in absolute terms or as a percentage of the private placement). Failure to provide details regarding insider participation in a private placement may result in the withdrawal of price protection granted by TSX for any insiders participating in the relevant private placement.

3. As of the day hereof, is there material undisclosed information regarding the issuer? If so, indicate the nature of the information and the anticipated date on which such information is expected to be disclosed to the public. TSX may refuse to grant price protection based on a market price which does not reflect material undisclosed information.

4. If known, indicate the price at which the securities are proposed to be issued or made issuable. In the case of warrants or other convertible securities, indicate the proposed exercise or conversion price.

5. If known, provide details as to the anticipated size and structure of the private placement.

APPENDIX B

PART I – INTERPRETATION

“**market price**” means the VWAP on 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. In certain exceptional circumstances, the five day VWAP may not accurately reflect the securities’ current market price, and TSX may adjust the VWAP 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 as at the date: (a) provided for in the binding agreement obligating the issuer to issue the securities (either the date of the binding agreement or some future date); or (b) the date the Section 6027(e) Form 11A notice is received by TSX, requesting price protection. TSX will accept a signed term sheet, engagement letter, letter of intent, agency agreement, underwriting agreement or other similar agreement as the binding agreement. If the listed securities are suspended from trading or have not traded on 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;

PART VI – SECTION 607

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

<i>Market Price</i>	<i>Maximum Discount</i>
\$0.50 or less	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

TSX will allow the price per listed security for a particular transaction to be less than as provided for in this Subsection 607(e) provided that the listed issuer has received security holder approval (other than by security holders participating directly or indirectly in the transaction and such security holders’ associates and affiliates).

Anti-dilution provisions providing adjustments for events for which not all security holders are compensated 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 (excluding the votes attached to the securities held by insiders benefiting from these anti-dilution provisions).

TSX will discount the price per security by the amount of any fees or other amounts payable by the listed issuer to the subscriber, or its associates and affiliates, if the listed issuer cannot demonstrate that such amounts are commercially reasonable in the circumstances.

Listed Issuers may request price protection in advance of filing Form 11 – Notice of Private Placement by submitting Form 11A – Request for Price Protection.