

TORONTO STOCK EXCHANGE

NOTICE OF HOUSEKEEPING RULE AMENDMENTS

HOUSEKEEPING AMENDMENTS TO THE RULES OF TORONTO STOCK EXCHANGE

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (the "Protocol"), TSX Inc. ("TSX") has adopted, and the Ontario Securities Commission has approved, amendments (the "Amendments") to the TSX Rule Book. The Amendments are Housekeeping Rules under the Protocol and therefore have not been published for comment. The Ontario Securities Commission has not disagreed with the categorization of the Amendments as Housekeeping Rules.

Reasons for the Amendments

Rule 4-305 *Sales from Control Block Through the Facilities of the Exchange* has been amended to conform to Part VI, Section M of the TSX Company Manual (the "Manual").

Rule 4-305 of the TSX Rules and Part VI, Section M of the Manual are intended to be consistent with each other and National Instrument 45-102 – *Resale of Securities* ("NI 45-102"). When Part VI, Section M of the Manual was amended Rule 4-305 was inadvertently not amended, resulting in an inconsistency. Rule 4-305 is therefore out of date and has been amended to conform to Part VI, Section M of the Manual and NI 45-102.

Text of the Amendments

The Amendments to the TSX Rule Book are set out as blacklined text at **Appendix A**.

Timing

The Amendments become effective today, **April 6, 2017**.

APPENDIX A
BLACKLINES OF NON-PUBLIC INTEREST AMENDMENTS

Rule 4-305 Sales from Control Block Through the Facilities of the Exchange

~~If any order for the sale of a listed security on the Exchange is being undertaken in reliance on clause 72(7)(b) of the Securities Act, the client and the Participating Organization shall comply with such requirements as prescribed.~~

Policy 4-305 Sales from Control Block Through the Facilities of the Exchange

(1) Responsibility of Participating Organization and Seller

It is the responsibility of both the selling ~~shareholder~~security holder and ~~the~~ Participating Organization acting on their behalf to ensure compliance with Exchange Requirements and applicable securities laws. In particular, Participating Organizations and selling ~~shareholders~~security holders should familiarize themselves with the procedures and requirements set out in ~~subsection 72(7) of the Securities Act and the restrictions on control block sales imposed in Part 3 of Rule 45-501 made under the Securities Act.~~Part 2 of National Instrument 45-102.

(2) 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 Securities Act or an exemption contained in ~~subsection 72(1)~~Part XVII of the Securities Act, ~~or in Part 4 of National Instrument 45-106,~~ the securities acquired by the purchaser may be subject to a hold period in accordance with the provisions of the Securities ~~Act.~~Act or National Instrument 45-102. Sales of securities subject to a hold period are special terms trades and will normally be permitted to take place on the Exchange without interference.

(3) General Rules for Control Block Sales on the Exchange

1. **Filing**—The seller shall file ~~"Form 23" under the Regulation under the Securities Act with the Exchange~~Form 45-102F1 Notice of Intention to Distribute Securities under subsection 2.8 of National Instrument 45-102 with the Exchange at least seven calendar days prior to the first trade made to carry out the distribution.
2. **Notification of Appointment of Participating Organization**—The seller must notify the Exchange 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 Exchange.
3. **Acknowledgement of Participating Organization**—The Participating Organization acting as agent for the seller shall give notice to the Exchange of its intention to act on the sale from control, ~~and such notice shall be accepted in writing by the Exchange,~~ before any sales commence.

4. **Report of Sales**—The Participating Organization shall report in writing to the Exchange ~~Division~~ 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 Exchange.
5. **Issuance of Exchange Bulletin**—The Exchange 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 Exchange considers appropriate. The Exchange may issue further bulletins from time to time regarding the sales made by the seller.
6. **Special Conditions**—The Exchange 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 Exchange which is made by another person acting independently.
7. **Term and Renewal**—The ~~initial~~ filing of Form ~~23~~45-102F1 is valid for a period of ~~60 days and a renewal of the Form 23 must be filed with the Exchange every 28 days thereafter if sales are to continue~~30 days from the date the form was filed.
8. **First Sale**—The first sale cannot be made until at least ~~7~~seven calendar days after the filing of Form ~~23 and the first sale under the initial Form 23 must be made within 14 days of the filing~~45-102F1.

(4) 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 Exchange or the transactions must be exempt from the requirement to be conducted on the Exchange 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 Part 6 of the Rules, 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 Exchange 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 Exchange 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 ~~23~~[45-102F1](#) with the Exchange.
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.

[Amended \(April 6, 2017\)](#)