

BULLETIN TYPE: Notice to Issuers
BULLETIN DATE: July 26, 2019

Re: Appeals of Exchange Decisions

Effective immediately, TSX Venture Exchange (the “**Exchange**”) has amended its Corporate Finance Manual in relation to the appeal of Exchange decisions to include a new process for the reconsideration of a decision by a minimum of one and up to three senior officers of the Exchange.

The Exchange’s Rule Book previously provided an Issuer with the ability to request to have decisions made by the Exchange reviewed by a Listed Company Review Panel, and set out the procedure pursuant to which the Listed Company Review Panel was to conduct its reviews. The provisions of the Rule Book regarding such reviews of listing-related decisions have been deleted, and the Corporate Finance Manual now includes the following process regarding appeals by Issuers:

- **Time for appeal:** The Exchange must receive a written request for an appeal within 30 calendar days of the Exchange’s decision. This timeframe replicates the timeframe for appeals of Exchange decisions set out in securities legislation in both Alberta and British Columbia, which still remain in full force and effect.
- **Request appeal in writing:** The Issuer must provide a written request for an appeal and written submissions in support of the appeal. Written submissions are the mechanism for providing Issuers with an opportunity to be heard. These submissions can be written with or without the assistance of legal counsel, which provides Issuers with a cost efficient means by which to be heard. Requiring written submissions also helps the Exchange fully appreciate the Issuer’s concerns with the initial decision, which enables the senior officer(s) to properly consider the matter at the appeal.
- **Appeal heard by one to three senior officers:** At the discretion of the Exchange, the appeal will be heard by a minimum of one and up to three senior officers of the Exchange. The Exchange has determined that in cases of particular complexity, it is beneficial for the Exchange to have the option to have more than one person make the appeal decision.

Specifically, the Exchange is amending the Corporate Finance Manual (a) to add a new section 5 to Policy 1.1 – *Interpretation* (“**Policy 1.1**”), (b) to delete section 5 of Policy 2.9 – *Trading Halts, Suspensions and Delisting* (“**Policy 2.9**”), and (c) to make certain housekeeping amendments to definitions in Policy 1.1 (the amendments to the Exchange’s Corporate Finance Manual are collectively referred to as the “**Corporate Finance Manual Amendments**”). Additionally, the Exchange is amending the Exchange’s Rule Book to delete certain sections of Rule B.1.00 – *Power to List and Delist*, Rule E.2.00[A] – *Hearings General* and Rule E.2.00[C] – *Listed Company Reviews* (collectively, the “**Rule Book Amendments**”, and together with the Corporate Finance Manual Amendments, the “**Amendments**”).

The full text of the Corporate Finance Manual Amendments, along with blacklines to the previously existing versions of Policy 1.1 and Policy 2.9, are now available on the Exchange’s website at the following page:

<https://www.tsx.com/listings/tsx-and-tsxv-issuer-resources/tsx-venture-exchange-issuer-resources/tsx-venture-exchange-corporate-finance-manual/tsxv-corporate-finance-manual-policies>

Please see Appendix A to this Bulletin for a blackline of the Rule Book Amendments and Appendix B for a clean version of the Rule Book Amendments.

It should be noted that the foregoing is a summary only. The full text of the amended Policy 1.1 and Policy 2.9 should be reviewed to ascertain the full extent of the Amendments. If you have any questions about this Bulletin, please contact:

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Appendix A

Blackline of Rule Book Amendments

Rule B.1.00 – Power to List and Delist

B.1.01

[...]

~~(6) Where the Exchange has made a decision that:~~

~~(a) an application by an issuer for a listing of securities on the Exchange is declined;~~

~~(b) any class of securities of a listed issuer shall be suspended or delisted;~~

~~(c) the tier upon which an issuer's securities shall trade shall be redesignated or that an issuer shall be designated Inactive (as defined in Corporate Finance Policy 1.1);~~

~~(d) an application by a listed issuer for acceptance of a Reverse Take-Over or a Qualifying Transaction (as such terms are defined in Corporate Finance Policy 1.1) is declined;~~

~~(e) one or more of the directors, officers, insiders, promoters, lawyers, employees, consultants or other agents relied on by the issuer are not acceptable to the Exchange or that continued acceptability is subject to conditions; or~~

~~(f) in respect of securities subject to an Exchange administered escrow agreement, acceptance of any application for cancellation, discretionary transfer or release of securities or consent to any amendment to the terms of any such escrow agreement is declined,~~

~~then the issuer or the person found not to be acceptable to the Exchange or whose acceptability is subject to conditions, may apply for a review pursuant to Rule E.2.00[C].~~

~~(7) An application for a review of an Exchange decision must be made in writing to the Hearing Officer (as defined in Rule E.2.04[A]) of the Exchange within 30 days from the date the decision was delivered to the applicant.~~

Rules B.1.01 (6) and (7) deleted July 26, 2019

[...]

Rule E.2.00 – Hearings General

E.2.04[A] – Hearing Officer (Deleted)

~~The Exchange shall designate an officer of the Exchange to be responsible for the co-ordination and administration of Listed Company Reviews, referred to for the purposes of this Rule as the "Hearing Officer". The Hearing Officer shall have all of the powers needed to administer the processes contemplated by Rule E. The Exchange may also designate Deputy Hearing Officers, who, under the general direction of the Hearing Officer, shall assist the Hearing Officer and shall have the same power as the Hearing Officer.~~

Rule E.2.04[A] deleted July 26, 2019

E.2.05[A] – Costs (Deleted)

- (1) ~~Following the completion of a review initiated pursuant to Rule B.1.00 and on application by the Exchange to the Listed Company Review Panel that has conducted the review, the Respondent may be assessed costs in respect of the hearing.~~
- (2) ~~Costs, which are in the discretion of the Listed Company Review Panel, shall include but are not limited to:~~
- ~~(i) recording and transcription fees;~~
 - ~~(ii) witness fees and expenses;~~
 - ~~(iii) costs of preparing transcripts;~~
 - ~~(iv) costs associated with notification of the hearing;~~
 - ~~(v) all costs of the Listed Company Review Panel including fees charged by the panel members;~~
 - ~~(vi) legal and accounting costs incurred by the Exchange; and~~
 - ~~(vii) other expenses incurred by the Exchange that the Listed Company Review Panel, exercising its discretion, determines are reasonable in the circumstances.~~

Rule E.2.05[A] deleted July 26, 2019

[...]

E.2.16[C] – Listed Company Review Panel Roster (Deleted)

- (1) ~~The Exchange shall maintain an Appointing Committee and a Listed Company Review Panel Roster.~~
- (2) ~~The Appointing Committee shall be composed of the President of the Exchange, a member of the National Advisory Committee and a representative, director-level or higher, of the General Counsel's Office of TSX Group Inc. The President of the Exchange shall appoint the National Advisory Committee representative and the General Counsel Office's representative to the Appointing Committee.~~
- (3) ~~The Exchange will propose candidates for appointment to the Listed Company Review Panel Roster. Nominees must be a member in good standing of the Law Society of British Columbia, the Alberta Law Society or a person retired from membership in good standing of either organization. Each proposed candidate for appointment to the Listed Company Review Panel Roster shall be reviewed by the Appointing Committee. The Appointing Committee shall appoint to the Listed Company Review Panel Roster those candidates which it considers to be suitable having regard to such matters as legal or industry experience, regulatory background, level of commitment and good reputation.~~
- (4) ~~The Appointing Committee shall confirm with each appointee to a Listed Company Review Panel Roster that he or she is willing to serve a term which shall continue until the later of three years after the date of appointment or the resolution of any proceedings for which the appointee has been appointed to serve on a Listed Company Review Panel. Present or past members of a Listed Company Review Panel Roster may be nominated and appointed for further terms.~~

Amended December 3, 2004 Rule E.2.16[C] deleted July 26, 2019

E.2.17[C] – Hearing Panels – Listed Company Reviews (Deleted)

- (1) ~~Upon receiving an application for a review pursuant to Rule B.1.00, the Hearing Officer shall appoint a Listed Company Review Panel consisting of three appointees from the Listed Company Review Panel Roster.~~
- (2) ~~When appointing a Listed Company Review Panel, the Hearing Officer shall:~~
- (a) ~~unless there is a practical reason to do otherwise, request the participation of appointees to the Listed Company Review Panel Roster in a sequence which will over time give appointees an approximately equal number of opportunities to serve on Listed Company Review Panels, but ensuring to the extent possible that at least one member of each Listed Company Review Panel has experience as a solicitor and one has experience as a litigator;~~
 - (b) ~~unless there is a practical reason to do otherwise, appoint individuals who are resident in the Province in which the review will be conducted;~~
 - (c) ~~provide prospective appointees to a Listed Company Review Panel with such information about the parties and matters in issue regarding an existing or proposed application for a review pursuant to Rule B.1.00 as will likely be needed by that member to identify potential conflicts; and~~
 - (d) ~~appoint to the Listed Company Review Panel only those individuals who appear to have no conflicts of interest.~~
- (3) ~~The Listed Company Review Panel, once appointed, shall designate one of its members to act as Chair.~~
- (4) ~~Where it will not create unfairness, appointees to a Listed Company Review Panel may be replaced by new appointees.~~
- (5) ~~Individuals appointed to a Listed Company Review Panel may receive remuneration for time spent participating on such panels.~~

Amended December 3, 2004 Rule E.2.17[C] deleted July 26, 2019

E.2.18[C] – Pre-hearing Conferences (Deleted)

- (1) ~~A pre-hearing conference may be scheduled at any time by the chair of a Listed Company Review Panel upon the Chair's own motion or upon a request made by the Exchange, the person applying for a review pursuant to Rule B.1.00 (the "Applicant") or the Hearing Officer.~~
- (2) ~~At a pre-hearing conference, a Listed Company Review Panel may make any procedural order which it deems appropriate, including without limiting the generality of the above an order:~~
- (a) ~~setting deadlines for any procedural steps;~~
 - (b) ~~requiring the Exchange or an Applicant to produce documents or give particulars;~~
 - (c) ~~granting adjournments in whole or in part;~~
 - (d) ~~staying a decision of the Exchange that was made under Rule B.1.00 and in respect of which a review application has been brought.~~
- (3) ~~A Listed Company Review Panel may impose conditions on any order made and, without limiting the generality of the above, upon granting an adjournment at the request of an Applicant, a Listed Company Review Panel may impose the condition that:~~
- (a) ~~where the Applicant is a listed company, the trading of the Applicant's securities be suspended until the completion of the hearing process; and~~

~~(b) — where the Applicant is an individual, the Applicant withdraw from its association with any Exchange listed company until the completion of the hearing process.~~

Amended January 17, 2001 Rule E.2.18[C] deleted July 26, 2019

E.2.19[C] – Rules Applying at a Listed Company Review (Deleted)

At a hearing before the Listed Company Review Panel, the following Rules shall apply:

- ~~(1) — The hearing of an application for a review pursuant to Rule B.1.00 shall, unless otherwise ordered by the Listed Company Review Panel, take the form of an appeal on the record from the decision of the Exchange.~~
- ~~(2) — Where the Listed Company Review Panel is of the opinion that the record of the decision of the Exchange which is the subject of the review is incomplete, the Listed Company Review Panel may require the Applicant or any other person who is under the jurisdiction of the Exchange or who may have evidence relating to the matters raised in the decision which is the subject of the application for a review pursuant to Rule B.1.00 to attend at the hearing and testify.~~
- ~~(3) — The Listed Company Review Panel may order that the hearing be adjourned to a later date or a different location and may impose such terms or conditions with respect to the order as it deems fit.~~
- ~~(4) — The Applicant shall be entitled to be represented by counsel or an agent and may remain in attendance throughout the hearing.~~
- ~~(5) — The Exchange shall be entitled to be represented by counsel or an agent.~~
- ~~(6) — The Listed Company Review Panel may direct that submissions of the Exchange or the Applicant be made to the Listed Company Review Panel either orally or in writing, or both.~~
- ~~(7) — Except to the extent limited in clause (8) of Rule E.2.19[C], if the Listed Company Review Panel orders that oral evidence may be introduced, the Applicant or the Exchange, as the case may be, shall have the right to cross-examine all witnesses adducing evidence.~~
- ~~(8) — Where the Listed Company Review Panel determines that it will not cause unfairness by unduly restricting the ability of the Applicant or the Exchange to cross-examine a witness, the Exchange or the Applicant may introduce the evidence of witnesses by telephone or video conference facility and such witnesses may give an oath or affirmation in the same fashion.~~
- ~~(9) — Without limiting what other evidence may be introduced, the Exchange may introduce a record of whatever statements, interviews or responses have been given by the Applicant or its representatives.~~
- ~~(10) — The Listed Company Review Panel will generally confirm the decision of the Exchange unless:

 - ~~(a) — the Exchange has proceeded on some incorrect principle;~~
 - ~~(b) — the Exchange has erred in law;~~
 - ~~(c) — the Exchange has overlooked some material evidence, or~~
 - ~~(d) — new and compelling evidence is presented to the Listed Company Review Panel that was not presented to the Exchange. If one of these conditions is established, the Listed Company Review Panel will make a decision on the merits of the case or refer the matter back to the Exchange.~~~~
- ~~(11) — The Listed Company Review Panel is not bound by the legal or technical rules of evidence.~~

- (12) ~~The proceedings of the hearing shall be recorded on an electrical device or in another appropriate manner. Such record of the proceedings shall be preserved until the time for hearing and review and appeal provided for by any applicable securities legislation has expired. The record of the proceeding shall include oral and documentary evidence admitted by the Listed Company Review Panel and oral and written submissions delivered by all parties. The failure to keep an appropriate record shall not affect the validity of any proceedings.~~
- (13) ~~Subject to Rule E.2.20[C](14) below, any hearing in respect of an application for review pursuant to Rule B.1.00 shall be open to the public.~~
- (14) ~~The Listed Company Review Panel may order that the public be excluded for all or part of the hearing.~~

~~Amended January 17, 2001 Rule E.2.19[C] deleted July 26, 2019~~

~~E.2.20[C] – Communication with Listed Company Review Panel (Deleted)~~

~~No person who has made an application for a review pursuant to Rule B.1.00, nor any person acting on the Applicant's behalf, after an application has been made and prior to the resolution of the proceedings which are the subject of the application, shall enter into any communication regarding the application with any member of a Listed Company Review Panel appointed pursuant to Rule E.~~

~~Rule E.2.20[C] deleted July 26, 2019~~

~~E.2.21[C] – Decision Following Listed Company Review (Deleted)~~

~~The Listed Company Review Panel shall, following a hearing, make a decision to confirm, vary, or set aside a decision that is the subject of the application for a review pursuant to Rule B.1.00.~~

~~Amended January 17, 2001 Rule E.2.21[C] deleted July 26, 2019~~

~~E.2.22[C] – Form of Decision (Deleted)~~

~~At the conclusion of any hearing, the Listed Company Review Panel shall issue a decision in written form which shall contain the substance of its decision relating to the decision which is the subject of the application for a review pursuant to Rule B.1.00 and the reasons for its decision.~~

~~Rule E.2.22[C] deleted July 26, 2019~~

~~E.2.23[C] – Decision of the Listed Company Review Panel Final (Deleted)~~

- (1) ~~Subject to Rule E.2.23 [C](2) below, the decision of the Listed Company Review Panel shall be final, subject to the right of hearing and review and appeal provided by any applicable securities legislation.~~
- (2) ~~The Listed Company Review Panel may revoke in whole or in part or vary any decision made by them.~~

~~Amended January 17, 2001 Rule E.2.23[C] deleted July 26, 2019~~

Appendix B - Clean Copy of Rule Book Amendments

Rule B.1.00 – Power to List and Delist

B.1.01

[...]

Rules B.1.01 (6) and (7) deleted July 26, 2019

[...]

Rule E.2.00 – Hearings General

E.2.04[A] – (Deleted)

Rule E.2.04[A] deleted July 26, 2019

E.2.05[A] – (Deleted)

Rule E.2.05[A] deleted July 26, 2019

[...]

E.2.16[C] – (Deleted)

Rule E.2.16[C] deleted July 26, 2019

E.2.17[C] – (Deleted)

Rule E.2.17[C] deleted July 26, 2019

E.2.18[C] – (Deleted)

Rule E.2.18[C] deleted July 26, 2019

E.2.19[C] – (Deleted)

Rule E.2.19[C] deleted July 26, 2019

E.2.20[C] – (Deleted)

Rule E.2.20[C] deleted July 26, 2019

E.2.21[C] – (Deleted)

Rule E.2.21[C] deleted July 26, 2019

E.2.22[C] – (Deleted)

Rule E.2.22[C] deleted July 26, 2019

E.2.23[C] – (Deleted)

Rule E.2.23[C] deleted July 26, 2019