

BULLETIN TYPE: Notice to Issuers
BULLETIN DATE: May 8, 2013

Re: Policy Amendments:

- (a) Policy 4.4 – Incentive Stock Options**
- (b) Policy 4.7 – Charitable Options in Connection with an IPO**
- (c) Form 4G – Summary Form - Incentive Stock Options**

Implementation of Policy Amendments:

Effective immediately, TSX Venture Exchange (“**TSXV**” or the “**Exchange**”) is implementing amendments to Policy 4.4 – *Incentive Stock Options* (“**Policy 4.4**”). A significant number of the amendments are for the purpose of clarifying and providing guidance on existing requirements and procedures and, correspondingly, do not constitute either the implementation of new nor the variation of existing policy requirements. Certain of the amendments do, however, constitute new policies. Principal amongst these is the introduction of new policies which permit an Issuer to grant options to charitable organizations subsequent to listing. A summary description of the principal amendments to Policy 4.4 is provided below.

In connection with the amendments to Policy 4.4, the Exchange is also concurrently implementing corresponding minor amendments to Policy 4.7 – *Charitable Options in Connection with an IPO* (“**Policy 4.7**”) and Form 4G – *Summary Form - Incentive Stock Options* (“**Form 4G**”). The amendments to Policy 4.7 consist solely of a change to its title and adding a cross-reference to Policy 4.4 to the first paragraph of Policy 4.7.

Full Text of Amended Policies and Forms:

The full text of the amended Policy 4.4 and Policy 4.7 along with a blackline of the amended Policy 4.4 to the June 14, 2010 version of Policy 4.4 (the “**Previous Policy 4.4**”) are available on the TMX Group Inc.’s website at the following page:

http://www.tmx.com/en/listings/venture_issuer_resources/finance_manual.html

The full text of the amended Form 4G is available on the TMX Group Inc.’s website at the following page:

http://www.tmx.com/en/listings/venture_issuer_resources/finance_forms.html

NOTE: Issuers are required to make use of the new Form 4G effective immediately.

Summary of Principal Amendments to Policy 4.4:

The principal amendments to Policy 4.4 are summarized as follows:

1. **Grant of Options to Eligible Charitable Organizations (section 3.13):** Existing TSXV policies, specifically Policy 4.7, only permit the grant of options to charitable organizations prior to or in connection with an Issuer’s initial public offering. Subject to certain conditions set forth in section 3.13, Policy 4.4 now permits Issuer’s to grant options to charitable organizations subsequent to listing.
2. **Extension of Option if Expiring During a “Blackout Period” (section 3.8):** Language has been added to section 3.8 of Policy 4.4 which formalizes TSXV’s existing practice of permitting a stock option plan to contain a provision allowing for the automatic extension to the expiry date of a stock option governed by the plan if such expiry date falls within a “blackout period”. Specific requirements are set forth in section 3.8 of Policy 4.4.

3. **Shareholder Approval Requirements (section 3.9 and 3.10):** Sections 3.9 and 3.10 of Policy 4.4 (sections 2.9 and 2.10 in the Previous Policy 4.4) have been substantially redrafted to clarify and provide guidance on the shareholder approval requirements applicable to stock option plans, grants and amendments. This includes:
 - a. Clarifying when shareholder approval is required for amendments to a stock option plan (at section 3.9(c)).
 - b. Clarifying the requirements applicable to granting options under a new or amended stock option plan prior to such plan having been approved by the shareholders (at sections 3.9(e) and (f)).
 - c. Clarifying the Information Circular disclosure requirements that are applicable when an Issuer seeks shareholder approval of a stock option plan, grant or amendment (at sections 3.9(g) and 3.10(c)).
4. **TSXV Approval for Amendments to Plans (section 4.1):** Language has been added to section 4.1 of Policy 4.4 to clarify that Exchange acceptance is required for any amendment to a stock option plan.

It should be noted that the foregoing is a summary only. The full text of Policy 4.4 along with the blackline to the Previous Policy 4.4 should be reviewed to ascertain the full extent of the amendments to Policy 4.4 that are being implemented at this time.

If you have any questions about this bulletin, please contact:

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