

Corporate Securities Law

April 29, 2016

TSX Proposes DRIP Rules and Allows Four-Letter Stock Symbols

The Toronto Stock Exchange (TSX) has published for comment proposed rules regarding dividend/distribution reinvestment plans (DRIPs). The TSX and TSX Venture Exchange (TSXV) also recently announced that they will permit four-letter stock symbols.

Proposed DRIP Rules

A DRIP allows an issuer's existing security holders to re-invest their cash dividends or distributions by purchasing additional securities from treasury, often at a discount to the market price.

The TSX does not currently have specific rules relating to DRIPs, and instead considers the approval of securities issued under DRIPs in the same manner it considers general issuances of securities. The proposed DRIP rules are intended to set out a transparent set of standards and practices applicable to DRIPs to expedite the process of adopting DRIPs.

The proposed rules include the following requirements:

- TSX approval will be required for all DRIPs and amendments.
- The price at which securities can be issued under a DRIP must not be lower than the market price, less a 5% discount.
- The number of additional securities to be listed under the DRIP must be limited to either (a) a sufficient number of securities to cover issuances

for a two-year period, provided such number of securities does not exceed 10% of the listed issuer's securities that are issued and outstanding, on a non-diluted basis, at the time approval of the DRIP is sought, or (b) a fixed number of securities equal to 5% of the listed issuer's securities that are issued and outstanding, on a non-diluted basis, at the time approval of the DRIP is sought.

- Issuers wishing to suspend, terminate, resume or reinstate a DRIP must notify the TSX and advise their security holders by way of a news release.

The proposed rules generally codify current market practices relating to DRIPs, and are therefore not expected to have a significant impact on issuers that have a DRIP or are considering adopting one.

The TSX has requested comments on the proposed DRIP rules by May 28, 2106.

Four-Letter Stock Symbols

The TSX and TSXV also recently announced that they are giving listed issuers and applicants the option to reserve stock symbols that consist of four letters. To ensure an equitable allocation process, the TSX and TSXV will accept written requests for four-letter stock symbols during an initial reservation period that will expire on May 20, 2016, with procedures in place to allocate four-letter symbols that are requested by multiple issuers during this time. Following the initial reservation period, four-letter stock symbols will be allocated on the customary "first come, first served" basis.

Please contact any member of our Corporate Securities Group to discuss the proposed DRIP rules or the process for reserving four-letter stock symbols.