

POLICY 1

INTERPRETATION AND GENERAL PROVISIONS

1.1 Philosophy

- (1) CSE believes that the fundamental requirements for a fair and efficient capital market that fosters confidence and protects investors from unfair, improper or fraudulent practices are: (a) high quality, timely and continuous disclosure by issuers, (b) trading rules designed to ensure integrity and a fair and orderly market, and (c) comprehensive and independent market regulation to administer and enforce the trading rules and timely and continuous disclosure requirements.
- (2) Listed Issuers, irrespective of size, are required to provide an enhanced standard of disclosure to secondary market investors.
- (3) Fundamental to CSE is the establishment by Listed Issuers of a comprehensive, publicly-available disclosure base, providing enhanced quality and timeliness of information. The Exchange's issuer disclosure obligations aim to ensure that investors may trade informed by current full, true and plain disclosure concerning Listed Issuers.
- (4) Issuer disclosure commences with the Listing Statement, a Listed Issuer-prepared document intended to provide prospectus level disclosure. The Listing Statement is accompanied by the Listing Summary which provides a high-level summary of the Listing Statement. A Listed Issuer must certify and Post (a) a Quarterly Listing Statement including quarterly financial statements, management's discussion and analysis, (b) a Monthly Progress Report, reporting activity (or lack of activity) by the Listed Issuer in the preceding calendar month, and (c) a Certificate of Compliance. Listed Issuers must also Post Notices of any distribution or proposed distribution of securities, transactions or Developments. Listed Issuer disclosure obligations are in addition to or supplementary to the continuous disclosure obligations under applicable securities law.

1.2 CNSX Discretion

- (1) The Policies of the Exchange include requirements and guidelines for Listed Issuers, issuers applying to list securities, and their professional advisers. However, the Exchange reserves the right to exercise its discretion in applying the policies in all respects. The Exchange can waive or modify an existing requirement or impose additional requirements. Any such waiver, modification or imposition of additional requirements may be general or particular in its application, as determined by the Exchange. In exercising its discretion, the Exchange will take into consideration facts or situations unique to a particular party. Listing of securities on the Exchange is a privilege, not a right, and the Exchange may grant or deny an application, including an application for the qualification for Listing, notwithstanding the published Policies of the Exchange.

1.3 Definitions

- (1) Unless otherwise defined or interpreted or the subject matter or context otherwise requires, every term used in these Policies that is:
- (a) defined in the applicable Securities Act has the meaning as ascribed therein;
 - (b) defined in the applicable Regulation has the meaning as ascribed therein;
 - (c) defined in subsection 1.1(3) of National Instrument 14-101 *Definitions* has the meaning ascribed to it in that subsection;
 - (d) defined in subsection 1.1(2) of Ontario Securities Commission Rule 14- 501 *Definitions* has the meaning ascribed to it in that subsection;
 - (e) defined or interpreted in Part 1 of National Instrument 21-101 *Marketplace Operation* has the meaning ascribed to it in that Part;
 - (f) defined in section 1.1 of National Instrument 44-101 *Short Form Prospectus Distributions* has the meaning ascribed to it in that section;
 - (g) defined in section 1.1 of UMIR (Universal Market Integrity Rules) has the meaning ascribed to it in that section; and
 - (h) a reference to a requirement of the Exchange shall have the meaning ascribed to it in the applicable CSE By-law, Rule or Policy of CNSX Markets Inc.
- (2) In all Policies, unless the subject matter or context otherwise requires:
- “Amendment of Warrant Terms”** means Form 13.
- “Annual Listing Statement”** means Form 5A - Annual Listing Summary or Form 51-102F2 *Annual Information Form*.
- “Application Letter”** means Form 1A or a letter in a format acceptable to the Exchange.
- “Average Daily Trading Volume”** means, with respect to a Normal Course Issuer Bid, the trading volume for a listed security on all marketplaces for the six months preceding the date of Posting of an initial Notice of Normal Course Issuer Bid, excluding any purchases made under a Normal Course Issuer Bid, all marketplace purchases by the issuer of the listed security or a Person acting jointly or in concert with the issuer, and all purchases made under section 6.10(3)(a)(ii), divided by the number of Trading Days during that period. If the securities have traded for less than six months, the trading volume on all marketplaces since the first day on which the security traded, which must be at least four weeks prior to the date of Posting of the initial Notice of Normal Course Issuer Bid.
- “Award” or “Grant”** means an award issued pursuant to a Security Based Compensation Arrangement
- “Beneficial Holders”** means those security holders of an issuer that are included in either:
- (a) a Demographic Summary Report available from the International Investors Communications Corporation; or
 - (b) a non-objecting beneficial owner list for the issuer under National Instrument

54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*,

“Board” means Board of Directors.

“BCSC” means British Columbia Securities Commission.

“CSE Board” means the CSE Board of Directors and includes any committee of the CSE Board to which powers have been delegated in accordance with the By-laws, Policies or Rules.

“Board Lot” means a standard trading unit as defined in UMIR.

“Builder Shares” means, except in the case of a SPAC, any security issued or issuable upon conversion of another security to:

- (a) any Person for less than \$0.02 per security;
- (b) a Related Person to the Listed Issuer for the purchase of an asset with no acceptable supporting valuation;
- (c) a Related Person to settle a debt or obligation for less than the last issued price per security; or
- (d) a Related Person for the primary purpose of increasing that principal’s interest in the Listed Issuer without a corresponding tangible benefit to the Listed Issuer.

“Bulletin” means an electronic communication from the Exchange to Dealers.

“Business Day” means any day from Monday to Friday inclusive, excluding Statutory Holidays.

“By-laws” means any By-law of the Exchange as amended and supplemented from time to time.

“Clearing Corporation” means CDS Clearing and Depository Services Inc. or such other Person as recognized as a clearing agency and which has been designated by the Exchange as an acceptable clearing agency.

“Certificate of Compliance” means the certificate of compliance which each Listed Issuer must complete and Post in Form 6.

“Change of Business” is a redeployment of the Listed Issuer's assets or resources that results in a change to the principal business without a Major Acquisition or Change of Control.

“Change of Control” means, for the purpose of a Fundamental Change, a transaction or series of transactions involving the issue or potential issue of that number of securities of a Listed Issuer that:

- (a) is equal to or greater than 100% of the number of Equity Securities of the Listed Issuer outstanding prior to the transaction or series of transactions (commonly referred to as a “reverse take-over”), or
- (b) results in new shareholders holding greater than 50% of the voting securities of the Listed Issuer, or

(c) otherwise results in a change in voting control of the Listed Issuer or a substantial change of management or the Board of the Listed Issuer.

"Circular Bid" means a non-exempt Take-Over Bid or a non-exempt issuer bid made in compliance with the requirements of the applicable *Securities Act*.

"Closed End Fund" or **"CEF"** means a "non-redeemable investment fund" within the meaning of the applicable Securities Act.

"Common Shares" are Equity Securities with voting rights exercisable in all circumstances that are not, on a per share basis, less than the voting rights attached to any other class of securities of the issuer.

"Control Block Holder" or **"Control Person"** means any Person or combination of Persons holding a sufficient number of any securities of a Listed Issuer or a Dealer to affect materially the control of that Listed Issuer or Dealer, but any holding of any Person or combination of Persons holding more than 20% of the voting rights attached to all outstanding voting securities of a Listed Issuer or Dealer shall, in the absence of evidence to the contrary, be deemed to affect materially the control of that Listed Issuer or Dealer.

"CSE", "Canadian Securities Exchange", "CNSX" and "Exchange" each mean CNSX Markets Inc.

"Dealer" means a participant which has applied to the Exchange for, and has been permitted by Exchange to access the Trading System, provided such access has not been terminated or suspended.

"Decision" means any decision, direction, order, ruling, guideline or other determination of the Exchange or the Market Regulator made in the administration or application of these Policies or any Rule.

"Developments" means any internal corporate development that constitutes Material Information concerning the Listed Issuer and may include changes to a Listed Issuer's product(s), the creation of a new product, and agreements (such as the Listed Issuer completing or failing to complete a milestone provided for in an agreement or breaching the terms of an agreement).

"Disqualify", "Disqualification" and "Disqualified" where used in relation to the Listing of an Issuer's securities means termination of the qualification of a Listed Issuer for Listing of its securities on the Exchange.

"EMI" means Listed Issuers whose directing management is largely outside Canada and whose principal active operations are outside of Canada, in regions such as Asia, Africa, South America and Eastern Europe.

"Equity Security" means a security that carries a residual right to participate in the earnings of the issuer and in its assets upon dissolution or liquidation.

"ETF" or "Exchange Traded Fund" means a "mutual fund" within the meaning of the applicable *Securities Act*, the units of which are listed and are in continuous distribution.

"Exchange Hold" means a resale restriction imposed by the Exchange for a period of four months. The Exchange Hold may run concurrently with, and does not replace, any resale restrictions required by applicable securities laws.

"Exchange Requirements" means collectively:

- (a) the Rules;
- (b) these Policies;
- (c) UMIR; and
- (d) any Decision,

as amended, supplemented and in effect from time to time. The electronic version of the Rules and the Policies, as published on the CSE's website, shall be the definitive version of such if the website so indicates.

"Extended Hold" means a resale restriction imposed by the Exchange for a period greater than four months

"Financial Institution" means a financial institution regulated by the Office of the Superintendent of Financial Institutions ("OSFI"), if a foreign financial institution, regulated by a regulatory body with equivalency to OSFI and having not less than \$150 million market capitalization.

"Founding Security Holders" means, with respect to a SPAC, insiders and Equity Security holders of the Listed Issuer prior to the completion of the IPO who continue to be insiders or Equity Security holders, as the case may be, immediately after the IPO.

"Freely Tradeable" in respect of securities means securities that have no restriction on resale or transfer, including restrictions imposed by pooling or other arrangements or in a shareholder agreement.

"Fundamental Change" means a Major Acquisition accompanied or preceded by a Change of Control, or a transaction or series of transactions determined to be such by the CSE.

"Handbook" means the handbook of the Chartered Professional Accountants of Canada, as amended from time to time.

"Hold(s)" refers to an Exchange Hold or an Extended Hold.

"Inactive Issuer" means a Listed Issuer that has been designated by the Exchange as having not met the continued Listing requirements as set out in Policy 2.

"Independent Director" means a director of a Board that is considered independent in accordance with National Instrument 52-110 *Audit Committees*.

"IIROC" means the Investment Industry Regulatory Organization of Canada.

"Information Circular" has the meaning ascribed to it in National Instrument 51-102 Continuous Disclosure Obligations.

"Investor Relations Activities" means any activities or oral or written communications, by or on behalf of a Listed Issuer or shareholder of a Listed Issuer that promote or reasonably could be expected to promote the purchase, or sale of securities of the Listed Issuer, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Listed Issuer
 - (i) to promote the sale of its products or services, or
 - (ii) to raise public awareness of the Listed Issuer,that cannot reasonably be considered to promote the purchase, or sale of securities of the Listed Issuer;
- (b) activities or communications necessary to comply with

- (i) applicable securities law, or
- (ii) Exchange Requirements or the requirements of any other regulatory body having jurisdiction over the Listed Issuer;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication that is of general and regular circulation if
 - (i) the communication is only through the newspaper, magazine or publication, and
 - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) such other activities or communications that may be specified by the Exchange.

“IPO” means an initial public offering.

“Issuer” and “Listed Issuer” both mean an issuer which has any of its securities qualified for Listing on the Exchange and, as the context requires, an issuer which has applied to have its securities qualified for Listing on the Exchange.

“Listing” means the grant of a Listing and quotation of, and permission to deal in, securities on the Exchange and “listed” and “quoted” shall be construed accordingly.

“Listing Agreement” means Form 4.

“Listing Application” means Form 1B.

“Listing Statement” means Form 2A, or a current prospectus for which a final receipt has been issued, together with all required supporting documents.

“Listing Summary” means Form 2B.

“Major Acquisition” means an asset purchase (whether for cash or securities), take-over (either a formal or exempt bid), amalgamation, arrangement or other form of merger, the result of which is that for the next 12-month period at least 50% of the Listed Issuer’s

- (a) assets or resources are expected to be comprised of,
- (b) anticipated revenues are expected to be derived from, or
- (c) expenditures and management time and effort will be devoted to the assets, properties, businesses or other interests that are the subject of the Major Acquisition.

“Market Regulator” means IIROC or such other Person recognized by the applicable Securities Regulatory Authority as a regulation services provider for the purposes of securities laws and which has been designated by the Exchange as an acceptable regulation services provider.

“Material Information” means any information relating to the business and affairs of an issuer that results in or would reasonably be expected to result in a significant change in the market price or value of any of the issuer's listed securities and includes a material fact or a material change.

“Materially Affect Control” means the ability of any security holder or combination

of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances outlined above.

“Maximum Permitted Discount” means the discount as set out in s. 6.2(2)(a).

“Monthly Progress Report” means Form 7.

“MR Policy” means a Policy as defined in UMIR, being a policy statement adopted by the Market Regulator in connection with the administration or application of the Rules as such policy statement is amended, supplemented and in effect from time to time.

“Non-voting Securities” mean Restricted Securities that do not carry a right to vote or carry a right to vote only in certain circumstances as required by applicable corporate or securities law.

“Normal Course Issuer Bid” or “NCIB” means an issuer bid by a Listed Issuer for its own listed securities to be made over a 12-month period and subject to certain volume and price restrictions, specifically where the purchases over a 12-month period by the Listed Issuer or Persons acting jointly and in concert with the Listed Issuer, commencing on the date specified in the Notice of Normal Course Issuer bid, do not exceed the greater of

- (a) 10% of the Public Float on the date of filing of the initial Notice of Normal Course Issuer Bid with the Exchange, or
 - (b) 5% of such class of securities issued and outstanding on the date of filing of the initial Notice of Normal course issuer Bid with the Exchange,
- excluding purchases made under a Circular Bid.

“Notice of ETF Creation or Redemption” means Form 15.

“Notice of Formal Issuer Bid” means Form 16.

“Notice of Normal Course Issuer Bid” means Form 17A.

“Notice of Proposed Consolidation or Reclassification” means Form 12.

“Notice of Prospectus Offering” means Form 8.

“Notice of Proposed Issuance of Listed Securities” means Form 9.

“Notice of Proposed Stock Options” means Form 11.

“Notice of Proposed Transaction” means Form 10.

“Notice of Shareholder Rights Plan” means Form 14.

“Notice of Take-Over Bid” means Form 18.

“NV Issuer” means a Listed Issuer that has met the additional qualifications set out in Appendix 2A and has been identified as such by the Exchange.

“OSC” means Ontario Securities Commission.

“OSC EMI Guide” means OSC Staff Notice 51-720 - Issuer Guide for Companies Operating in Emerging Markets.

“Outside Director” means a director who is not an officer or employee of a Listed Issuer or any of its affiliates, and may or may not be an Unrelated Director.

“Permitted Investments” means, with respect to a SPAC, investments in the following: cash or in book-based securities, negotiable instruments, investments or securities which evidence: (i) obligations issued or fully guaranteed by the Government of Canada, the Government of the United States of America or any Province of Canada or State of the United States of America; (ii) demand deposits, term deposits or certificates of deposit of banks listed Schedule I or Schedule III of the Bank Act (Canada), which have an approved credit rating by an approved credit rating organization (as defined under National Instrument 45-106 - *Prospectus Exemptions*); (iii) commercial paper directly issued by Schedule I or Schedule III Banks which have an approved credit rating by an approved credit rating organization (as defined under National Instrument 45-106 - *Prospectus Exemptions*); or (iv) call loans to and notes or bankers' acceptances issued or accepted by any depository institution described in (ii) above;

“Person” includes without limitation a company, corporation, incorporated syndicate or other incorporated organization, sole proprietorship, partnership, trust, and individual.

“Personal Information Form” or **“PIF”** means Form 3.

“Policy or Policies” the CSE Listing Policies adopted by CSE.

“Post” means submitting a document in prescribed electronic format to the Exchange website and, in the case of a requirement to Post a share certificate, means filing a definitive specimen with the Exchange and Posting an electronic version of the certificate on the Exchange website in PDF format.

“Preferred Shares” or **“Preference Shares”** are securities that have a preference or right over any class of Equity Securities.

“Principal Security Holder” means a person or company who beneficially owns or exercises control or direction over more than 10% of the issued and outstanding securities of any class of voting securities or Equity Securities of the Listed Issuer.

“Promoter” means “Promoter” within the meaning of the applicable Securities Act.

“Promotional Activity” means promotional activity as defined in the *Securities Act* (British Columbia).

“Public Float” means the number of securities of the class which are issued and outstanding, less the number of securities that are pooled, escrowed or non-

transferable, and less the number of securities of the class, known to the Listed Issuer after reasonable inquiry, beneficially owned, or over which control or direction is exercised by:

- (a) the Listed Issuer;
- (b) every senior officer or director of the Listed Issuer; and
- (c) every Principal Security Holder of the Listed Issuer.

"Qualifying Acquisition" means, with respect to a SPAC, the acquisition of assets or one or more businesses by the corporation which result in the corporation meeting the Exchange's original Listing requirements set out in Policy 2. A Qualifying Acquisition may include a merger or other reorganization or an acquisition of the Listed Issuer by a third party.

"Quarterly Listing Statement" means Form 5Q.

"Record Date" means the date fixed as the record date for the purpose of determining shareholders of a Listed Issuer eligible for a distribution or other entitlement.

"Registered Holders" means the registered security holders of an issuer that are beneficial owners of the Equity Securities of that issuer. For the purposes of this definition, where the beneficial owner controls or is an affiliate of the registered security holder, the registered security holder shall be deemed to be the beneficial owner.

"Regulation" means a general regulation made under the applicable Securities Act.

"Related Person" means, in respect of a Listed Issuer, means a person, other than a person that is solely a bona fide lender, that, at the relevant time and after reasonable inquiry, is known by the Listed Issuer or a director or senior officer of the Listed Issuer to be:

- (a) a Control Person of the Listed Issuer;
- (b) a person of which a person referred to in paragraph (a) is a Control Person;
- (c) a person of which the Listed Issuer is a Control Person;
- (d) a person that has
 - (i) beneficial ownership of, or control or direction over, directly or indirectly, or
 - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,securities of the Listed Issuer carrying more than 10% of the voting rights attached to all the Listed Issuer's outstanding voting securities,
- (e) a director or senior officer of
 - (i) the Listed Issuer, or
 - (ii) a person described in any other paragraph of this definition,
- (f) a person that manages or directs, to any substantial degree, the affairs or operations of the Listed Issuer under an agreement, arrangement or understanding between the person and the Listed Issuer, including the general

partner of a Listed Issuer that is a limited partnership, but excluding a person acting under bankruptcy or insolvency law,

- (g) a person of which persons described in any paragraph of this definition beneficially own, in the aggregate, more than 50 per cent of the securities of any outstanding class of securities,
- (h) an affiliated entity of any person described in any other paragraph of this definition,
- (i) a Promoter of the Listed Issuer, or, where the Promoter is not an individual, an officer, director or Control Person of the Promoter; or
- (j) if the Listed Issuer is an investment fund, a “related party” to the investment fund determined with reference to section 2.5(1) National Instrument 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance*; and
- (k) such other Person as may be designated from time to time by the Exchange.

“Report of Purchase Normal Course Issuer Bid” means Form 17B.

“Restricted Securities” means Equity Securities with voting rights inferior to another class of securities and includes Non-Voting Securities, Subordinate Voting Securities and Restricted Voting Securities, but does not include Common Shares.

“Restricted Voting Securities” means Restricted Securities that carry a vote subject to a restriction on the number or percentage that may be voted by a shareholder or combination of shareholders (unless the voting restriction applies only to Persons that are non-residents or non-citizens of Canada).

“Rules” means the CSE trading rules adopted by CSE.

“Security Based Compensation Arrangement” means a compensation or incentive plan that includes:

- (a) Stock Option plan or individual option grants for employees, insiders, consultants or service providers;
- (b) share purchase plans;
- (c) stock appreciation rights;
- (d) any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Listed Issuer,

and for clarity, includes evergreen plans.

Arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Listed Issuer are not Security Based Compensation Arrangements.

“Securities Act” means the *Securities Act* (Ontario) and the *Securities Act* (British Columbia).

“Securities Regulatory Authorities” means one or more of the members of the Canadian Securities Administrators.

“SEDAR” means SEDAR as defined in National Instrument 13-101 *System for*

Electronic Document Analysis and Retrieval (SEDAR) or any replacement filing system to SEDAR under a successor instrument.

“SEDI” means SEDI as defined in National Instrument 55-102 *System for Electronic Disclosure by Insiders* (SEDI) or any replacement filing system to SEDI under a successor instrument.

“Senior Tier” means the senior tier of the Exchange consisting of all NV Issuers.

“Significant Connection to Alberta” means, with respect to a Listed Issuer, that the issuer has:

- (a) Registered Holders and Beneficial Holders resident in Alberta who beneficially own more than 20% of the total number of equity securities beneficially owned by the Registered Holders and Beneficial Holders of the issuer; or
- (b) mind and management principally located in Alberta and has Registered Holders and Beneficial Holders resident in Alberta who beneficially own more than 10% of the total number of equity securities beneficially owned by the Registered Holders and Beneficial Holders of the issuer.

For the purposes of item (b), the residence of the majority of the directors in Alberta or the residence of the president or chief executive officer in Alberta may be considered determinative in assessing whether the mind and management of the issuer is principally located in Alberta.

“Significant Transaction” means any corporate transaction not involving Equity Securities that constitutes Material Information concerning the Listed Issuer, including:

- (a) acquisitions,
- (b) dispositions,
- (c) option and joint venture agreements,
- (d) license agreements,
- (e) transactions or a series of transactions with a Related Person with an aggregate value greater than:
 - (i) \$100,000,
 - (ii) 10% of the Listed Issuer’s market capitalization, or
 - (iii) 25% of an NV Issuer’s market capitalization;
- (f) any loan to a Listed Issuer other than a loan made by a Financial Institution;
- (g) any payment of bonuses, finders’ fees, commissions or other similar payment by a Listed Issuer; and
- (h) the entering into a contract (whether written or oral) for Investor Relations Activities relating to the Listed Issuer by the Listed Issuer or by any other Person of which the Listed Issuer has knowledge.

“SPAC” means a special purpose acquisition corporation.

“SPAC Builder Shares” means shares issued to the founding holders, excluding those purchased under the IPO or on the same or similar terms as the IPO at

essentially the same time, on the secondary market, or by way of a rights offering of a listed SPAC.

“Statutory Holiday” means such day or days as may be designated by the CSE Board or established by law applicable in Ontario.

“Stock Option” means an option to purchase shares from treasury granted to an employee, director, officer, consultant or service provider of a Listed Issuer.

“Structured Products” mean securities generally issued by a Financial Institution under a base shelf prospectus and pricing supplement where an investor's return is contingent on, or highly sensitive to, changes in the value of underlying assets, indices, interest rates or cash flows. Structured Products include securities such as non-convertible notes, principal or capital protected notes, index or equity linked notes, tracker certificates and barrier certificates. CSE, in its discretion, shall determine if the securities will be considered a Structured Product.

“Subordinate Voting Securities” means Restricted Securities that carry a right to vote where there is another class of securities outstanding that carry a greater right to vote on a per-security basis.

“Superior Voting Securities” means any class of securities with greater voting rights on a per-security basis than another class of securities.

“Take-Over Bid” means an offer to purchase securities which, under applicable securities law or Exchange Requirements, must be made to all or substantially all holders of the securities.

“Take-Over Bid Circular” means Form 62-104F1, prepared and filed pursuant to National Instrument 62-104 Take-Over Bids and Issuer Bids.

“Trading Day” means a Business Day during which trades are executed on the Exchange.

“Trading System” means the electronic system operated by the Exchange for trading and quoting securities.

“Trading and Access Systems” includes all facilities and services provided by the Exchange to facilitate quotation and trading, including, but not limited to: the Trading System, data entry services; any other computer-based quotation and trading systems and programs, communications facilities between a system operated or maintained by the Exchange and a trading or order routing system operated or maintained by a Dealer, another market or other Person approved by the Exchange, a communications network linking authorized Persons to quotation dissemination, trade reporting and order execution systems and the content entered, displayed and processed by the foregoing, including price quotations and other market information provided by or through the Exchange.

“Unrelated Director” means an Outside Director who has no other relationship with the Listed Issuer, in any capacity (e.g., as lawyer, accountant, banker, supplier or customer), other than as a shareholder of the Listed Issuer and who is not a Control Block Holder.

“Volume-weighted-average-price” or “VWAP” is calculated as the total value of all trades in a given period, divided by the total number of shares traded in the period.

1.4 Rules of Construction

- (1) The division of Exchange Requirements into separate Rules, Policies, divisions, sections, subsections and clauses, the provision of a table of contents and index thereto, and the insertion of headings, indented notes and footnotes are for convenience of reference only and shall not affect the construction or interpretation of Exchange Requirements.
- (2) The use of the words “hereof”, “herein”, “hereby”, “hereunder” and similar expressions indicated the whole of the Policies and not only the particular Policy in which the expression is used, unless the context clearly indicates otherwise.
- (3) The word “or” is not exclusive and the word “including”, when following any general statement or term, does not limit that general statement or term to the specific matter set forth immediately after the statement or term, whether or not non-limited language (such as “without limitation” or “but not limited to” or similar words) is used.
- (4) Any reference to a statute, unless otherwise specified, is a reference to that statute and the Regulations made pursuant to that statute, with all amendments made and in force from time to time, and to any statute or Regulation that may be passed which supplements or supersedes that statute or Regulation.
- (5) Unless otherwise specified, any reference to a Policy, Rule, blanket order or instrument includes all amendments made and in force from time to time and any Policy, Rule, blanket order or instrument which supplements or supersedes that Policy, Rule, blanket order or instrument.
- (6) Grammatical variations of any defined term shall have similar meanings; words imputing the masculine gender include the feminine or neuter gender and words in the singular include the plural and vice versa.
- (7) All times mentioned in Exchange Requirements shall be local time in Toronto on the day concerned, unless the subject matter or context otherwise requires.
- (8) Any reference to currency refers to lawful money of Canada (unless expressed to be in some other currency).
- (9) Failure by the Exchange to exercise any of its rights, powers or remedies under the Exchange Requirements or its delay to do so will not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power or remedy will not prevent its subsequent exercise or the exercise of any other right, power or remedy. The Exchange will not be deemed to have waived the exercise of any right, power or remedy unless such waiver is made in writing and delivered to the Person to whom such waiver applies or is published, if such waiver applies generally. Any waiver may be general or particular in its application, as determined by the Exchange.

1.5 Appeals of Decisions

- (1) A Listed Issuer or any Person directly affected by a Decision under these Policies, other than a Decision of the Market Regulator, may appeal such Decision to the CSE Board.
- (2) At the request of either the appellant or Exchange management, the matter may first

be considered by the Listing Committee for an advisory opinion, but the Listing Committee shall not have the power to make a final determination of the matter.

- (3) A Decision of the Market Regulator or a Market Integrity Official made pursuant to these Policies may be appealed pursuant to the provisions of Rule 11.3 of UMIR.