



POLICY 5.6

NORMAL COURSE ISSUER BIDS

Scope of Policy

This Policy sets out the procedures and policies of the Exchange with respect to normal course issuer bids made through its facilities. In general, an Issuer can, subject to certain restrictions described in this Policy, purchase by normal market purchases up to 2% of a class of its own shares in a given 30-day period up to a maximum in a 12 month period of the greater of 5% of the outstanding shares or 10% of the Public Float.

The objectives of this Policy are to:

- (a) provide Issuers with a reasonable and flexible framework within which they may purchase their own shares;
- (b) provide shareholders with satisfactory disclosure;
- (c) encourage Issuers to treat shareholders equally; and
- (d) ensure that purchases by an Issuer do not have a significant effect on the market price of the Issuer's securities.

The main headings in this Policy are:

- 1. Exemption from Securities Laws
- 2. Substantial Issuer Bid
- 3. Definitions
- 4. Restricted Shares
- 5. Procedure for Making a Normal Course Issuer Bid
- 6. Application Requirements for a Normal Course Issuer Bid
- 7. Trustee or Agent
- 8. Reporting Purchases
- 9. Prohibited Transactions
- 10. Designation of Broker
- 11. Powers of the Exchange

1. Exemption from Securities Laws

- 1.1 The Securities Laws of most provinces exempt from their issuer bid requirements an issuer bid (as defined in the Securities Laws) if it is made through the facilities of a stock exchange recognized by the relevant Securities Commission.
- 1.2 Under the Securities Laws, a bid made through a stock exchange pursuant to any exemption must be made in accordance with rules and policies of that exchange. An Issuer must not make an Issuer Bid through the facilities of the Exchange except in accordance with Exchange Requirements. If a notice filed with the Exchange contains a misrepresentation or if the Issuer otherwise fails to comply with any of the provisions of this Policy, the Exchange will advise the relevant Securities Commission(s) that the requirements for an exemption have not been met. The Issuer will therefore be in contravention of the Securities Laws as well as Exchange Requirements.
- 1.3 An Issuer purchasing shares of a class of the Issuer through the facilities of the Exchange in reliance on any applicable exemption from the Securities Laws other than the stock exchange exemption must also follow this Policy. Securities purchased by the Issuer must be cancelled, reserved for issuance, or otherwise dealt with in accordance with the applicable corporate and Securities Laws. Alternatively, the Exchange will accept the report required in National Instrument 55-101 - *Exemption from Certain Insider Reporting Requirements* relating to Normal Course Issuer Bids.
- 1.4 An Issuer purchasing shares as a Normal Course Issuer Bid, based on the definition at paragraph (b)(i) of section 3.1 below, should be aware that such a bid may not constitute a normal course issuer bid that is exempt from the issuer bid requirements under applicable Securities Laws and accordingly such a Normal Course Issuer Bid effected through the Exchange may be viewed as a substantial issuer bid under applicable Securities Laws.

2. Substantial Issuer Bid

An Issuer can repurchase more of its shares than the number permitted under the normal course issuer bid rules by making a formal bid under Policy 5.5 - *Stock Exchange Takeover Bids and Issuer Bids*. Contact the Exchange with questions about formal bids.

3. Definitions

- 3.1 In this Policy:

“Issuer Bid” means an offer to acquire listed Voting Shares or listed equity securities made by or on behalf of an Issuer for securities issued by the Issuer.

“Normal Course Issuer Bid” means an Issuer Bid where the purchases (other than purchases by way of a substantial issuer bid):

- (a) do not, when aggregated with the total of all other purchases in the preceding 30 days, whether through the facilities of a stock exchange or otherwise, exceed 2% of the total issued and outstanding securities of that class outstanding at the time the purchases are made; and
- (b) over a 12-month period beginning on the date specified in the notice of the bid do not exceed the greater of:
 - (i) 10% of the Public Float; and
 - (ii) 5% of that class of securities issued and outstanding;on the first day of the 12-month period.

3.2 Unless otherwise defined in this Policy or Policy 1.1 - *Interpretation*, all terms have the meanings assigned in UMIR.

4. Restricted Shares

If the Issuer has a class of Restricted Shares (as defined in Policy 3.5 – *Restricted Shares*), the Notice of Intention to Make a Normal Course Issuer Bid (Form 5G) must describe the voting rights of all equity securities of the Issuer. If the Issuer does not propose to make the same Normal Course Issuer Bid for all classes of Voting Shares and equity securities, item 8 of the Notice must state the business reasons for limiting the Normal Course Issuer Bid. See Policy 3.5 - *Restricted Shares*.

5. Procedure for Making a Normal Course Issuer Bid

5.1 Intention to Acquire Securities

Any Issuer wishing to conduct a Normal Course Issuer Bid must submit a Notice of Intention to Make a Normal Course Issuer Bid (Form 5G) (the “Notice”) to the Exchange in accordance with the requirements of section 6 of this Policy. The Notice must specify the number of shares that the Issuer’s board of directors has determined may be acquired rather than simply reciting the maximum number of shares that may be purchased under this Policy. If the Issuer does not have a present intention to purchase securities, the Notice should not be filed. The Exchange will not accept a Notice if the Issuer would not meet the Exchange’s Tier Maintenance Requirements after making all the purchases contemplated by the Notice.

5.2 Duration

A Normal Course Issuer Bid must not extend for a period of more than one year from the date on which purchases may commence.

5.3 News Release

The Issuer can issue a news release indicating its intention to make a Normal Course Issuer Bid, subject to regulatory approval, before the Exchange accepts the executed Notice. The news release should summarize the material aspects of the Notice, including the name of the Member conducting the normal course issuer bid on behalf of the Issuer, number of shares sought, the percentage of the outstanding shares or Public Float sought, the reason for the bid and previous purchases. If a news release has not already been issued, a draft news release should be provided to the Exchange and the Issuer must issue a news release as soon as the Notice is accepted by the Exchange.

5.4 Disclosure to Shareholders

The Issuer must include a summary of the material information contained in the Notice in the next annual report, information circular, quarterly report or other document mailed to its shareholders. The disclosure must indicate that shareholders can obtain a copy of the Notice, without charge, by contacting the Issuer.

5.5 Commencement of Purchases

An Issuer can make purchases under a Normal Course Issuer Bid beginning three clear trading days after the date the Exchange receives all documents, including the originally executed Notice in final form.

5.6 Publication by the Exchange

On acceptance of the Notice, the Exchange will publish an Exchange Bulletin announcing the Normal Course Issuer Bid.

5.7 Amendment

During a Normal Course Issuer Bid, an Issuer can amend its Notice to increase the number of securities to be purchased provided it does not exceed the maximum amounts prescribed in this Policy. The Issuer must advise the Exchange in writing of the proposed amendment, and after receiving Exchange acceptance, must issue a news release disclosing the change.

6. Application Requirements for a Normal Course Issuer Bid

- 6.1 In connection with a Normal Course Issuer Bid, the Issuer must submit to the Exchange a draft Notice of Intention to Make a Normal Course Issuer Bid (Form 5G).
- 6.2 When the Notice is in a form acceptable to the Exchange, the Issuer must file the Notice in final form, duly executed by a senior officer or director of the Issuer, accompanied by:
- (a) confirmation that the Issuer has complied in all respects with the corporate legislation of the Issuer's jurisdiction of incorporation;
 - (b) a draft news release as required by section 5.3;
 - (c) disclosure of the Member that will be conducting the Normal Course Issuer Bid on behalf of the Issuer;
 - (d) confirmation of the date when the Issuer will mail the documentation relating to the Normal Course Issuer Bid to the Issuer's shareholders; and
 - (e) the applicable filing fee as set out in Policy 1.3 - *Schedule of Fees*.

7. Trustee or Agent

- 7.1 A trustee or other purchasing agent (a "Trustee") for a pension, stock purchase, stock option, dividend reinvestment or other plan in which employees or shareholders of an Issuer can participate is deemed to be making an offer to acquire securities on behalf of the Issuer where the Trustee is deemed to be non-independent. Trustees that are deemed to be non-independent must comply with section 8 of this Policy with respect to the purchase limits for a Normal Course Issuer Bid. Trustees that are non-independent must notify the Exchange before beginning to make purchases.
- 7.2 A Trustee is deemed to be non-independent if:
- (a) the Trustee (or one of the Trustees) is an employee, director, Associate or Affiliate of the Issuer; or
 - (b) the Issuer, directly or indirectly, has control over the time, price, amount, and manner of purchases or the choice of the broker through which the purchases are to be made. The Issuer is not considered to have control if the purchases are made on the specific instructions of the employee or shareholder who will be the beneficial owner of the securities.
- 7.3 If it is not clear whether the Trustee is independent, contact the Exchange.

8. Reporting Purchases

- 8.1 Within 10 days after the end of each month in which purchases are made, whether the securities were purchased through the facilities of the Exchange or otherwise, the Issuer must report to the Exchange the number of securities purchased in the preceding month, providing the dates of the purchases, the average price paid and stating whether the securities have been cancelled, reserved for issuance or otherwise dealt with. No reports are required during any period in which no purchases are concluded.
- 8.2 Section 8.1 also applies to non-independent Trustees under section 7 of this Policy and to purchases by any Person acting jointly or in concert with the Issuer.
- 8.3 The Issuer can delegate the reporting requirements to the Member appointed to conduct the Normal Course Issuer Bid on its behalf. However, it is the Issuer's responsibility to ensure that the filing requirements are met.
- 8.4 The Exchange may review the report filed under section 8.1 above and may contact the Issuer, Member or non-independent Trustee regarding any aspect of the Normal Course Issuer Bid.

9. Prohibited Transactions

The following rules apply to all Issuers conducting a Normal Course Issuer Bid and to all Members and their employees conducting the transactions on behalf of any Issuer:

9.1 Price Limitations

It is inappropriate for an issuer making a Normal Course Issuer Bid to abnormally influence the market price of its shares. Therefore, purchases made by Issuers pursuant to a Normal Course Issuer Bid must not be transacted at a price which is higher than the last independent trade of a Board Lot of the class of shares which is the subject of the Normal Course Issuer Bid. In particular, the following are not "independent trades":

- (a) trades directly or indirectly for the account of (or an account under the direction of) an Insider of the Issuer, or any Associate or Affiliate of either the Issuer or an Insider of the Issuer;
- (b) trades for the account of (or an account under the direction of) the trading staff approved by the Member designated for making purchases under the bid; and
- (c) trades solicited by the trading staff approved by the Member designated for making purchases under the bid.

9.2 Prearranged Trades

All holders of identical securities must be treated in a fair and even-handed manner by the Issuer. Therefore, Issuers must not knowingly participate in a put-through (also known as a “cross”) or a pre-arranged trade where the vendor is an Insider of the Issuer, an Associate of an Insider, or an Associate or Affiliate of the Issuer or related in any other way to the Issuer or its management.

9.3 Private Agreements

Unless specifically exempted by the Exchange, no Issuer can conduct any transactions pursuant to a Normal Course Issuer Bid other than by means of open market transactions through the facilities of the Exchange.

9.4 Sales from Control Person

Under the Securities Laws and Exchange Requirements, purchases pursuant to a Normal Course Issuer Bid must not be made from a Person effecting a sale from a control block. The Member acting as agent for the Issuer must ensure that it is not bidding in the market for the Normal Course Issuer Bid at the same time as a Member is offering the same class of securities of the Issuer under a sale from a Control Person.

9.5 Purchases During a Take-Over Bid

An Issuer must not make any purchases of its securities pursuant to a Normal Course Issuer Bid during a Take-Over Bid for those securities. This restriction applies from the first public announcement of the Take-Over Bid until the last day on which securities may be deposited under the bid, including any extension. This restriction does not apply to purchases made solely as a Trustee with a pre-existing obligation under a pension, stock purchase, stock option, dividend reinvestment or other plan.

9.6 Prohibited Trading During a Distribution

The Issuer and the Member acting as agent for the Issuer must not make purchases under a Normal Course Issuer Bid when the security subject to the offer is of the same class as the security subject to a distribution under a Prospectus, is convertible into such a security, or is underlying the security being distributed.

10. Designation of Broker

10.1 Every Normal Course Issuer Bid by an Issuer must be conducted through one designated Member only and all transactions under the bid must be conducted through the facilities of the Exchange.

- 10.2 The Issuer must appoint only one Member at any one time as its broker to make purchases. The Issuer must provide the Member with a copy of the Notice and instruct the Member to make purchases in accordance with the provisions of this Policy and the terms of the Notice. The Member and the broker acting as agent for the Normal Course Issuer Bid must comply in all respects with the provisions of this Policy and the Notice filed by the Issuer.
- 10.3 The Issuer must inform the Exchange in writing of the name of the Member and the individual broker through which the Normal Course Issuer Bid will be conducted. The Issuer must advise the Exchange in writing before changing its broker.

11. Powers of the Exchange

- 11.1 The Exchange can, subject to any terms and conditions it may impose:
- (a) exempt any Issuer from the requirements of this Policy if, in the Exchange's opinion, it would not be prejudicial to the public interest to do so; and
 - (b) require such further disclosure by, or impose such further obligations on, an Issuer as, in its discretion, it considers to be beneficial to the public interest.
- 11.2 If an Issuer or its agent fails to comply with any requirement of this Policy or the Rules, the Exchange can suspend the Issuer's Normal Course Issuer Bid.