Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 TSX – Amendments to TSX Company Manual – Request for Comments

TORONTO STOCK EXCHANGE

REQUEST FOR COMMENTS

AMENDMENTS TO TORONTO STOCK EXCHANGE COMPANY MANUAL

Toronto Stock Exchange ("**TSX**") is publishing certain proposed amendments (the "Amendments") to the TSX Company Manual (the "**Manual**"). The Amendments provide for public interest changes to Part X of the Manual – Special Purpose Acquisition Corporations ("**SPACs**") and certain ancillary changes. The Amendments are being published for public comment for a thirty (30) day period.

The Amendments will only become effective following public notice and comment, and approval by the Ontario Securities Commission (the "**OSC**"). Comments should be in writing and delivered by July 3, 2018 to:

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Legal Counsel, Regulatory Affairs
Toronto Stock Exchange
The Exchange Tower
300 – 100 Adelaide Street West
Toronto, Ontario M5H 1S3
Fax: (416) 947-4461
Email: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Susan Greenglass
Director
Market Regulation
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
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Comments will be publicly available unless confidentiality is requested.

Background

TSX is seeking public comment on the Amendments. This Request for Comments explains the reasons for, and objectives of, the Amendments. Following the comment period, TSX will review and consider the comments received and determine whether to proceed with the Amendments as proposed or as modified as a result of comments.

The Special Purpose Acquisition Corporation ("**SPAC**") program (see Part X of the Manual) offers an alternative listing process for companies on TSX. A SPAC is a unique investment vehicle that allows the public to invest in companies or industry sectors normally sought by private equity firms.

Unlike a traditional initial public offering ("**IPO**"), the SPAC program enables seasoned directors and officers to form a corporation that contains no commercial operations or assets other than cash. The SPAC is then listed on TSX via an IPO, raising a minimum of $30 million. At least 90% of the funds raised are placed in escrow. Within 36 months of listing, the SPAC must acquire an operating company or assets (being the qualifying acquisition). Public securityholders of the SPAC are provided with a right to redeem their shares for their pro rata allocation of the escrowed funds at the time of the qualifying acquisition. If

the qualifying acquisition has not been completed by the SPAC within the 36 month period, the SPAC must provide for a liquidation distribution of the escrowed funds to the public securityholders, and the SPAC would be delisted from TSX.

SPACs become reporting issuers as a result of their IPO, and thus are fully regulated by the relevant provincial securities commissions, as well as TSX. Because the SPAC is a publicly traded entity, it also provides access to liquidity for investors, allowing those shareholders to increase or decrease their investment risk profile accordingly.

From 2015 to 2017, eight (8) SPACs completed IPOs and listed on TSX (the "**TSX SPACs**"). At the time of the original listing, each of the TSX SPACs sought and obtained exemptive relief from TSX with respect to certain requirements. The exemptive relief granted has been uniform in nature, and has included, for example, relief from the requirements set out in Sections 464, 624(h), 624(l), 624(m), 1002(c), 1008, 1009 and 1024 of the Manual. Each TSX SPAC was required to prepare and submit to TSX an application for the exemptive relief sought, something that TSX views as unnecessary and burdensome. As part of the Amendments, TSX proposes to codify the exemptions previously granted by TSX to the TSX SPACs, thereby eliminating the need to submit an exemptive relief application to TSX.

When the SPAC rules were originally adopted by TSX in 2008, many U.S. commercial practices were embedded in the TSX requirements. As global commercial practices have continued to evolve, and given TSX's experience with the TSX SPACs to date, TSX is proposing certain additional amendments (in addition to the codification of the exemptions previously granted by TSX) as part of the Amendments. In developing the Amendments, TSX held small group meetings in 2017 with the lawyers, equity capital market dealers, founders and investors involved in the TSX SPACs to gather feedback on their experiences and challenges with the SPAC regime.

Text of the Proposed Amendments

The Amendments to the Manual are set out as blacklined text at **Appendix A**. For ease of reference, a clean copy of the Amendments to the Manual is set out at **Appendix B**.

Summary and Rationale of the Proposed Amendments

a) Capital Structure & Completion of a Qualifying Acquisition – Redemptions – Sections 1008 and 1027

Sections 1008 and 1027 of the Manual require that holders of securities (other than founding securityholders) who vote against the qualifying acquisition be entitled to convert their securities for their pro rata portion of the escrowed funds in the event that the qualifying acquisition is completed. TSX proposes to amend the redemption provisions to permit a limitation on the maximum exercise of redemption rights by any shareholder, provided that the limit is not lower than 15% of the shares sold in the IPO. TSX also proposes to eliminate the requirement that shareholders vote against a qualifying acquisition in order to have a redemption right. Under the proposed Amendments, all shareholders will have a redemption right (other than founding securityholders in respect of their founding securities) whether or not they vote against a qualifying acquisition, subject to a redemption limit, if imposed. All of the TSX SPACs to date have imposed a redemption limitation and have offered a redemption right to all shareholders regardless of how they voted with regard to the qualifying acquisition.

Pursuant to the prior exemptions granted by TSX, TSX determined to allow a redemption limitation (with the concurrence of the OSC) based on a number of considerations. Most significantly, TSX considered the potential for misuse by market participants acquiring large share positions as observed in the US and other jurisdictions; the accepted commercial practice of the redemption limitation in the US; the limited impact the redemption limitation would have on vast the majority of potential investors; and the disclosure of the redemption limitation in the IPO prospectus.

b) Capital Structure – Warrant Expiry Date – Section 1008(b)(ii)

Section 1008(b)(ii) of the Manual provides that share purchase warrants must expire on the earlier of: (x) a fixed date specified in the IPO prospectus, and (y) the date on which the SPAC fails to complete a qualifying acquisition within the permitted time. TSX proposes to amend Section 1008(b)(ii) item (x) to remove the word "fixed" so that the warrant expiry date could be based on the completion of the qualifying acquisition, rather than on a fixed date.

The expiry date is typically disclosed both as a date based on the completion of the qualifying acquisition in the IPO prospectus and as a fixed date in the information circular and other materials related to the qualifying acquisition. Accordingly, TSX believes that such amendment is reasonable and could easily be understood by investors.

c) Prohibition of Debt Financing – Section 1009

Currently, Section 1009 of the Manual prohibits SPACs from obtaining any form of debt financing other than contemporaneous with, or after, completion of its qualifying acquisition. Under the prior exemptions previously provided by TSX, TSX determined to allow founders to provide a loan to the SPAC, provided that the loan would be without recourse to the escrowed funds, the

principal amount of the loan would be limited, the details of the loan would be disclosed in the IPO prospectus and information circular for the qualifying acquisition and the terms of the loan appeared commercially reasonable.

Pursuant to the Amendments, TSX proposes to amend Section 1009 so that a SPAC may obtain unsecured loans from its founders or others for amounts up to a maximum aggregate principal amount equal to the lesser of: (i) 10% of the funds held in escrow under Section 1010; and (ii) $5 million. The loans would not have any recourse against the escrowed funds available for redemption or liquidation and would be limited to amounts as disclosed in the IPO prospectus. Assuming the qualifying acquisition successfully closes, the loans would be repayable by the resulting issuer from the remaining funds released from escrow or otherwise available to the SPAC. In the event that the SPAC is liquidated, the founders (or others) would have no recourse against the escrowed funds.

d) Public Distribution – Sections 1015 and 1029

Currently, SPACs must meet minimum public distribution requirements which are similar to the requirements for corporate issuers under Part III of the Manual. These requirements include a minimum of 300 public board lot holders. Typically, SPACs have relatively limited trading activity prior to the announcement of a qualifying acquisition. However, there is relatively high investor turnover through the exercise of redemption rights and replacement financing. Accordingly, TSX proposes to reduce the minimum number of public board lot holders required in Section 1015(c) from 300 to 150 because the initial public distribution does not result in corresponding trading liquidity, nor does it meaningfully represent the public distribution of the resulting issuer following the qualifying acquisition.

Following the completion of a qualifying acquisition by a SPAC, the resulting issuer must meet TSX's original listing requirements set out in Part III of the Manual since, effectively, the resulting issuer represents a new listing. These requirements include, among other things, the public distribution requirement set out in Section 315 which requires at least 300 public board lot holders. Typically, supporting evidence that an issuer meets these requirements is provided to TSX prior to the commencement of trading. These requirements are not limited to SPACs; all corporate issuers are required to meet these requirements and must provide evidence of meeting the public distribution requirement.

TSX understands that it has been difficult for SPACs to determine whether they meet the 300 public board lot holder requirement and provide supporting evidence of same upon closing of the qualifying transaction. The primary issue has been logistical in nature, given that the redemption rights expire shortly before the closing of the qualifying acquisition. Accordingly, beneficial ownership cannot reasonably be assessed immediately prior to the closing of the qualifying transaction, which is unique to SPACs. Searches for beneficial ownership information cannot be commenced until the redemption has been completed and the results are typically not available for several weeks following the date of the initial request.

As a result, TSX proposes to amend Section 1029 to provide the resulting issuer with up to 90 days from the completion of the qualifying acquisition to provide evidence that it meets the public distribution requirement set out in Section 315. Given the unique issues related to SPACs, TSX believes that it is not unreasonable to provide the resulting issuer with additional time to establish the minimum distribution and provide supporting evidence of distribution. Resulting issuers that fail to provide supporting evidence that they meet the minimum distribution requirements within the prescribed time may be reviewed under TSX's continued listing requirements under Part VII.

e) Other Requirements – Annual Meeting Relief – Section 1021

Currently, pursuant to Section 1021 of the Manual, SPACs are required to comply with Section 464 of the Manual and hold an annual meeting within six (6) months of the end of the SPAC's fiscal year. In addition, Section 624(h) of the Manual requires that holders of Restricted Securities (as that term is defined in the Manual) be given notice and the opportunity to attend and speak at such meetings. TSX has provided exemptions to the TSX SPACs from these requirements in the past and proposes to amend Section 1021 to provide relief from these requirements.

Given that SPACs do not have an operating business apart from identifying acquisition targets and have a time limited term as a SPAC, and that public shareholders do not hold voting shares, TSX has provided exemptions from these requirements in an effort to minimize costs. Instead, the TSX SPACs provided disclosure with regard to these exemptions in their IPO prospectus and provided an annual update in lieu of a shareholders meeting.

Pursuant to the Amendments, TSX proposes to amend Section 1021 to provide relief from the requirements for SPACs to hold an annual meeting in accordance with Section 464 and to provide notice and the opportunity to attend and speak at such meetings as required by Section 624(h).

f) Other Requirements – Restricted Share Policy Relief – Section 1021

Currently, pursuant to Section 1021, SPACs are subject to the restricted share policy set out in Part VI of the Manual.

Under Section 624(l) of the Manual, TSX will not accept for listing classes of Restricted Securities that do not have takeover protective provisions ("**Coattails**"). In addition, Section 624(m) of the Manual does not permit the issuance by a listed issuer of any securities that have voting rights greater than those of the securities of any class of listed voting securities of the listed issuer, unless the issuance is by way of a distribution to all holders of the listed issuer's voting Residual Equity Securities (as that term is defined in the Manual) on a pro rata basis.

TSX has provided exemptions to the TSX SPACs from Section 624(l) primarily because the founding securities, which are the only voting securities, may not be transferred prior to closing of the qualifying acquisition pursuant to Section 1004 of the Manual. Given the transfer restrictions, Coattails are unnecessary because a takeover bid could not practically be completed.

TSX has also provided exemptions to the TSX SPACs from Section 624(m) of the Manual due to the concurrent or subsequent issuance of the voting shares to the founders at the time of listing. To date, all of the TSX SPACs proposing to complete a qualifying acquisition have proposed eliminating the dual class share structure concurrently with the qualifying acquisition. In providing the exemptions, TSX considered the disclosure provided to investors in the IPO prospectus and information circular at the time of the qualifying acquisition and the temporary nature of the dual class share structure.

Pursuant to the Amendments, TSX proposes to amend Section 1021 to exempt SPACs from the application of: (i) Section 624(l) in respect of takeover protective provisions; and (ii) Section 624(m) in respect of the prohibition on the issuance of shares with greater voting rights than any listed shares. These exemptions would apply to SPACs prior to their Qualifying Acquisition. Any proposed implementation of a dual class share structure, restricted shares or similar structure at the time of the Qualifying Acquisition would be reviewed by TSX under Section 624.

g) Shareholder and Other Approvals Requirement – Sections 1024 to 1026 & Prospectus Requirement – Section 1028

Currently, Section 1024 of the Manual requires that qualifying acquisitions must be approved by a majority of the votes cast by securityholders of the SPAC. Founding securityholders are not entitled to vote on qualifying acquisitions pursuant to Section 1024, however, with adequate disclosure in the IPO prospectus, TSX has granted exemptions to permit the founders of the TSX SPACs to vote their securities for or against the qualifying acquisition. The requirement which prohibited founding securityholders from voting on the qualifying acquisition was a commercial practice in the US at the time of the implementation of the rules. Subsequently, US SPACs have permitted founding securityholders to vote for or against qualifying acquisitions.

Market participants have suggested that the requirement for shareholder approval of the qualifying acquisition is not meaningful given the redemption rights afforded to shareholders coupled with prospectus level disclosure. Notwithstanding shareholder approval of qualifying acquisitions proposed to date, in some instances, redemptions have exceeded 95% of the publicly held shares. TSX has observed a significant divergence between the shareholder approval vote (inclusive of founding securities) and the exercise of the redemption rights (non-inclusive of founding securities) in some instances.

To date, all of the TSX SPACs have escrowed sufficient funds to return 100% (or slightly more) of the original IPO price. The redemption rights currently provide shareholders with the right to receive at least 90% of their initial investment back upon completion of the qualifying acquisition. As a result, the structure of the SPAC provides an economic incentive for shareholders to vote for the qualifying acquisition, even where they may not approve of the merits of the transaction and/or exercise their redemption rights.

All of the TSX SPACs have distributed warrants as part of the unit offered under the IPO. Regardless of any decision to redeem their shares, initial investors in the IPO may sell or maintain their warrants. If a SPAC fails to complete a qualifying acquisition, the warrants expire unexercisable. Accordingly, shareholders that continue to hold warrants are economically incentivized to vote for the proposed acquisition, regardless of its merits. Redeeming shareholders, regardless of whether they hold warrants, are also incentivized to vote for the acquisition because without the completion of the qualifying acquisition, the redemption feature is not available and shareholders must wait for the closing of another qualifying acquisition or the liquidation of the SPAC before the shares would be redeemed.

Given the economic incentives to vote for a qualifying acquisition, TSX proposes to remove the requirement for shareholder approval under Section 1024 provided that an amount equal to at least 100% of the gross proceeds raised in the SPAC's IPO are placed in escrow ("**100% Escrow Condition**"). TSX also proposes to clarify that it will not require shareholder approval for matters related to the qualifying acquisition such as dilutive transactions or the adoption of a security based compensation arrangement, provided that such matters are disclosed in the prospectus for the resulting issuer and the 100% Escrow Condition is satisfied. TSX believes that the elimination of the shareholder approval requirement may accelerate the timelines to close qualifying acquisitions. If a qualifying acquisition is not subject to shareholder approval, TSX proposes to require that SPACs mail a notice of redemption to shareholders and make the prospectus for the resulting issuer publicly available on its website at least 21 days prior to the redemption deadline included in the notice of redemption. In addition, SPACs would be required to physically deliver the prospectus to shareholders at least two business days prior to the redemption deadline.

TSX also proposes to amend Section 1025 to require disclosure in the SPAC's IPO prospectus if shareholder approval is a condition of the qualifying acquisition. In the event that such approval is required, the qualifying acquisition must be approved by a majority of the votes cast by securityholders of the SPAC entitled to vote at a duly called meeting. Comprehensive disclosure would be required for all material aspects of the transaction in the prospectus for the resulting issuer, including valuation requirements for non-arm's length transactions as applicable under Part VI of the Manual.

In the event that TSX does not proceed to remove the shareholder approval requirement under Section 1024, TSX proposes to permit founding securityholders to vote in accordance with the previous exemptions provided.

h) Other Administrative Amendments

In connection with the Amendments, TSX is also proposing certain non-material amendments to clarify various provisions under Part X, and certain ancillary changes as a result of the Amendments. These amendments include, but are not limited to, correcting a typographical error, amending the definition of "founding securities", replacing all references to a conversion right with a redemption right and amending the language to require a redemption right in all instances.

The full text of the Amendments are set out in **Appendix A**.

Questions

In responding to any of the questions below, please explain your response.

Prohibition on Debt Financing (Section 1009)

1. Is a limit on loans based on the lesser of: (i) 10% of funds in escrow; and (ii) $5 million appropriate provided that there is no recourse for the loans against the escrowed funds and the limit is disclosed in the IPO prospectus? If not, why not and what is an appropriate limit?

Public Distribution (Sections 1015 and 1029)

2. Is it appropriate to permit SPACs to meet a lower public distribution requirement (i.e. 150 public board lot holders) upon their original listing, as opposed to the public distribution requirement for corporate issuers (i.e. 300 public board lot holders)?

3. Is it appropriate to permit the resulting issuer to provide evidence that it meets the public distribution requirements set out in Section 315 (i.e. 300 public board lot holders) within 90 days of the closing of the qualifying acquisition? Would it be more appropriate for the resulting issuer to meet the continued listing requirements under Part VII for public distribution (i.e. 150 public board lot holders) within 90 days of the closing of the qualifying acquisition? If the continued listing requirements are more appropriate, please reconcile your response to the listing of the resulting issuer as new listing, similar to a backdoor listing or reverse takeover.

4. If resulting issuers fail to meet the public distribution requirement, is it appropriate to put them under a remedial delisting review which provides up to 120 days to remediate their deficiencies?

Shareholder and Other Approvals (Sections 1024 to 1026) & Prospectus Requirement (Section 1028)

5. Given the redemption rights available to public shareholders and prospectus level disclosure for the resulting issuer upon completion of the qualifying acquisition, is it appropriate to waive all TSX shareholder approval requirements provided that the 100% Escrow Condition is met? This shareholder approval waiver would include matters such as dilution exceeding 25%, material effect on control, adoption of security based compensation arrangements and transactions pursuant to which insiders may receive consideration exceed 10% of the market capitalization of the SPAC, etc., all of which would have otherwise required shareholder approval under applicable TSX rules.

6. Should the 100% Escrow Condition be imposed as a condition of waiving the shareholder approval requirements? Alternatively, would the basic escrow requirement for an amount to be placed in escrow of at least 90% of the gross proceeds of the IPO be sufficient to waive shareholder approval requirements?

7. If a qualifying acquisition is not subject to shareholder approval, is it appropriate to require delivery of a prospectus at least two business days prior to the redemption date? In addition, the prospectus would be electronically available on SEDAR and the SPAC's website 21 days prior to the redemption date.

8. Where no shareholder approval is required, is 21 days an appropriate notice period for the redemption?

Other Questions

9. Are there any other amendments to Part X that TSX should consider?

Public Interest

TSX is publishing the Amendments for a thirty (30) day comment period, which expires July 3, 2018. The Amendments will only become effective following public notice and comment, and the approval by the OSC.

APPENDIX A

BLACKLINES OF PUBLIC INTEREST AMENDMENTS

Part I Introduction

[…]

Interpretation

[…]

"founding securities" means securities in the SPAC held by the founding securityholders, excluding any purchased by founding securityholders under the IPO prospectus, concurrently with the IPO prospectus on the same terms, on the secondary market or under a rights offering by the SPAC;

[…]

Part X Special Purpose Acquisition Corporations (SPACs)

Scope of Policy

Listing a SPAC on the Exchange is a two-stage process. The first stage involves the filing and clearing of an IPO prospectus, the completion of the IPO and the listing of the SPAC's securities on the Exchange. The second stage involves the identification and completion of a qualifying acquisition.

The main headings in this Part X are:

A. General Listing Matters

B. Original Listing Requirements

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

D. Completion of a Qualifying Acquisition

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

A. General Listing Matters

Securities to be Listed

Sec. 1001.

To secure a listing of its securities on the Exchange, a SPAC must complete a listing application which, together with supporting documentation and information, must demonstrate that it is able to meet the Exchange's original listing requirements for SPACs, as detailed in Sections 1003 to 1018. The listing application, preliminary prospectus, draft escrow agreement governing the IPO proceeds and personal information forms for all insiders of the SPAC should be filed with the Exchange concurrently with the filing of the preliminary prospectus with the applicable Canadian securities regulatory authorities.

Exercise of Discretion

Sec. 1002.

The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may grant or deny an application notwithstanding the prescribed original listing requirements. In exercising its discretion, the Exchange must be satisfied that the fundamental investor protections in this Part X are met. In addition, the Exchange will consider:

(a) The experience and track record of the officers and directors of the SPAC;

(b) The nature and extent of officers' and directors' compensation;

(c) The extent of the founding securityholders' equity ownership in the SPAC, which is generally expected to be an aggregate equity interest of: (i) not less than 10% of the SPAC immediately following closing of the IPO; and (ii) not more than 20% of the SPAC immediately following closing of the IPO, taking into account the price at which the founding securities are purchased and the resulting economic dilution;

(d) The amount of time permitted for completion of the qualifying acquisition prior to the liquidation distribution; and

(e) The gross proceeds publicly raised under the IPO prospectus.

B. Original Listing Requirements

IPO

Sec. 1003.

A SPAC must, concurrently with listing on the Exchange, raise a minimum of $30,000,000 through an IPO of shares or units; if units are issued, each unit may consist of one share and no more than two share purchase warrants.

Sec. 1004.

Prior to listing on the Exchange, the founding securityholders must subscribe for units, shares or warrants of the SPAC. The terms of the initial investment must be disclosed in the IPO prospectus. The founding securityholders must agree not to transfer any of their founding securities prior to the completion of a qualifying acquisition. In the event of liquidation and delisting, the founding securityholders must agree that their founding securities shall not participate in a liquidation distribution.

Sec. 1005.

The shares, warrants ~~and/or,~~ rights, units or other securities to be listed on the Exchange must be qualified by a prospectus receipted by the issuer's principal regulator.

No Operating Business

Sec. 1006.

A SPAC seeking listing on the Exchange must not carry on an operating business. A SPAC may be in the process of reviewing a potential qualifying acquisition, but may not have entered into a written or oral binding acquisition agreement with respect to a potential qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that as of the date of filing, the SPAC has not entered into a written or oral binding acquisition agreement with respect to a potential qualifying acquisition. A SPAC may have identified a target business sector or geographic area in which to make a qualifying acquisition, provided that it discloses this information in its IPO prospectus.

Jurisdiction of Incorporation

Sec. 1007.

The Exchange will consider the jurisdiction of incorporation of a SPAC as part of the listing application process. The Exchange recommends that SPACs seeking listing on the Exchange be incorporated under Canadian federal or provincial corporate laws. Where a SPAC is incorporated under laws outside of Canada and wishes to list on the Exchange, the Exchange recommends that it obtain a preliminary opinion as to whether the jurisdiction of incorporation is acceptable to the Exchange.

Capital Structure

Sec. 1008.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) t he security provisions must contain:

(i) a ~~conversion~~redemption (or substantially similar) feature, pursuant to which ~~securityholders~~ shareholders (other than founding securityholders~~) who voted against a proposed qualifying~~

~~acquisition at a duly called meeting of securityholders~~ in respect of their founding securities) may, in the event such qualifying acquisition is completed within the time frame set out in Section 1022, elect that each ~~security~~share held be ~~converted into~~redeemed for an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the exercise of the ~~conversion~~redemption right), divided by (2) the aggregate number of ~~securities~~shares then outstanding, excluding founding securities; and

(ii) a liquidation distribution (or substantially similar) feature, pursuant to which ~~securityholders~~ shareholders (other than the founding securityholders in respect of their founding securities) must, if the qualifying acquisition is not completed within the permitted time set out in Section 1022, be entitled to receive, for each ~~security~~share held, an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the liquidation distribution), divided by (2) the aggregate number of ~~securities~~shares then outstanding ~~less~~excluding the founding securities~~;~~.

Notwithstanding the foregoing, the SPAC may establish a limit as to the maximum number of shares with respect to which a shareholder, together with any affiliates or persons acting jointly or in concert, may exercise a redemption right, provided that such limit (i) may not be set at lower than 15% of the shares sold in the IPO; and (ii) is disclosed in the IPO prospectus.

Exchange discretion with respect to the requirements of this Subsection may only be exercised after discussions with, and the concurrence of, the OSC.

(b) in addition to Section 1008(a) where units are issued in the IPO:

(i) the share purchase warrants must not be ~~exerciseable~~exercisable prior to the completion of the qualifying acquisition;

(ii) the share purchase warrants must expire on the earlier of: (x) a ~~fixed~~ date specified in the IPO prospectus~~,~~ and (y) the date on which the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022; and

(iii) share purchase warrants may not have an entitlement to the escrowed funds upon liquidation of the SPAC.

Prohibition of Debt Financing

Sec. 1009.

The SPAC shall not be permitted to obtain any form of debt financing (excluding ordinary course short term trade or accounts payables) other than contemporaneous with, or after, completion of its qualifying acquisition. A credit facility may be entered into prior to completion of a qualifying acquisition, but may only be drawn down contemporaneous with, or after, completion of a qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that it will not obtain any form of debt financing other than in accordance with this Section 1009.

Despite the foregoing, a SPAC may obtain unsecured loans on reasonable commercial terms, including from founding securityholders or their affiliates, up to a maximum aggregate principal amount equal to the lesser of: (i) 10% of the funds escrowed under Section 1010; and (ii) $5 million, repayable in cash no earlier than the closing of the qualifying acquisition, provided that (1) such limit is disclosed in the IPO prospectus and the prospectus of the resulting issuer; and (2) any such debt financing obtained by the SPAC shall not have recourse against the escrowed funds.

Use of Proceeds Raised in the IPO and Escrow Requirements

Sec. 1010.

Immediately upon listing on the Exchange, a SPAC must place at least 90% of the gross proceeds raised in its IPO; and the underwriter's deferred commissions (in accordance with Section 1013), in escrow with an escrow agent ~~unrelated to the transaction and~~ acceptable to the Exchange. The following entities, if Canadian, are examples of the types of escrow agents that are acceptable to the Exchange: trust companies, financial institutions and law firms.

Sec. 1011.

The escrow agent must invest the escrowed funds in permitted investments. The SPAC must disclose the proposed nature of this investment in its IPO prospectus, as well as any intended use of the interest or other proceeds earned on the escrowed funds from the permitted investments.

Sec. 1012.

The escrow agreement governing the escrowed funds must provide for:

(a) the termination of the escrow and release of the escrowed funds on a pro rata basis to ~~securityholders~~shareholders who exercise their ~~conversion~~redemption rights in accordance with Section 1008(a)(i) and the remaining escrowed funds to the SPAC if the SPAC completes a qualifying acquisition within the permitted time set out in Section 1022; and

(b) the termination of the escrow and the distribution of the escrowed funds to shareholders (other than the founding securityholders in respect of their founding securities) in accordance with the terms of Sections 1031 to 1033 if the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022.

In accordance with Section 1001, a draft of the escrow agreement must be submitted to the Exchange for pre-clearance.

Sec. 1013.

The underwriters must agree to defer and deposit a minimum of 50% of their commissions from the IPO as part of the escrowed funds. The deferred commissions will only be released to the underwriters upon completion of a qualifying acquisition within the permitted time set out in Section 1022. If the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the deferred commissions placed in escrow will be distributed to the holders of the ~~securities~~applicable shares as part of the liquidation distribution. ~~Securityholders~~Shareholders exercising their ~~conversion~~redemption rights will be entitled to their pro rata portion of the escrowed funds including any deferred commissions.

Sec. 1014.

The proceeds from the IPO that are not placed in escrow and interest or other proceeds earned on the escrowed funds from permitted investments may be applied as payment for administrative expenses incurred by the SPAC in connection with the IPO, for general working capital expenses and for the identification and completion of a qualifying acquisition.

Public Distribution

Sec. 1015.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) at least 1,000,000 freely tradeable securities are held by public holders;

(b) the aggregate market value of the securities held by public holders is at least $30,000,000; and

(c) at least ~~300~~150 public holders of securities, holding at least one board lot each.

Pricing

Sec. 1016.

A SPAC seeking listing on the Exchange must issue securities pursuant to the IPO for a minimum price of $2.00 per share or unit.

Other Requirements

Sec. 1017.

In connection with its original listing, a SPAC will be subject to the following Sections of this Manual:

(a) Section 325 – Management

(b) Section 327 – Escrow Requirements

(c) Section 328 – Restricted Shares

(d) Sections 338-351 – The Listing Application Procedure

(e) Sections 352-356 – Approval of Listing and Posting Securities

(f) Sections 358-359 – Public Availability of Documents

(g) Section 360 – Provincial Securities Laws

Sec. 1018.

A SPAC seeking a listing on the Exchange will not be permitted to adopt a security based compensation arrangement prior to the completion of a qualifying acquisition.

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

Additional ~~Funds~~Equity by Way of Rights Offering Only

Sec. 1019.

Prior to completion of a qualifying acquisition, the Exchange will permit a listed SPAC to raise additional funds pursuant to the issuance ~~of~~or potential issuance of equity securities from treasury provided that: (i) the issuance is by way of rights offering in accordance with the requirements in Part VI of this Manual and (ii) at least 90% of the funds raised are placed in escrow in accordance with the provisions of Sections 1010 to 1014. Contemporaneous with or following completion of a qualifying acquisition, a listed SPAC may raise additional funds in accordance with Part VI of this Manual.

Sec. 1020.

The Exchange will only permit a listed SPAC to raise additional funds ~~to be raised by a listed SPAC~~pursuant to the issuance or potential issuance of equity securities from treasury pursuant to Section 1019 to fund a qualifying acquisition and/or administrative expenses of the SPAC.

Other Requirements

Sec. 1021.

Prior to completion of its qualifying acquisition, in addition to this Part X, a listed SPAC will be subject to the following Parts of this Manual:

(a) Parts IV and V~~;~~, other than Section 464 in respect of the requirement to hold an annual meeting provided that an annual update is disseminated via press release and available on the SPAC's website;

(b) Part VI, ~~provided that, until~~other than:

1. Section 624(h) in respect of the requirement to provide at least 21 days' notice in advance of a shareholders' meeting to holders of Restricted Securities;

2. Section 624(l) in respect of the requirement of certain take-over protective provisions, also referred to as coat-tail provisions; and

3. Section 624(m) in respect of the prohibition on the issuance of shares with greater voting rights than any listed shares for the issuance of the founding securities.

Until completion of a qualifying acquisition, a listed SPAC may only issue and make equity securities issuable in accordance with Sections 1019 to 1020. Security based compensation arrangements may not be adopted until completion of a qualifying acquisition~~, for which securityholder approval will be required in accordance with Section 613~~;

(c) Part VII with the exception of Subsections 710(a)(ii) and 710(a)(iii);

(d) Part IX; and

(e) Applicable listing fees and forms.

D. Completion of a Qualifying Acquisition

Permitted Time for Completion of a Qualifying Acquisition

Sec. 1022.

A SPAC must complete a qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus. Where the qualifying acquisition is comprised of more than one acquisition, the SPAC must complete each of the acquisitions comprising the qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus, in addition to meeting the requirements of Section 1023.

Fair Market Value of a Qualifying Acquisition

Sec. 1023.

The businesses or assets forming the qualifying acquisition must have an aggregate fair market value equal to at least 80% of the aggregate amount then on deposit in the escrow account, excluding deferred underwriting commissions held in escrow and any taxes payable on the income earned on the escrowed funds. Where the qualifying acquisition is comprised of more than one acquisition, and the multiple acquisitions are required to satisfy the aggregate fair market value of a qualifying acquisition, these acquisitions must close concurrently and within the time frame in Section 1022.

~~Securityholder~~Shareholder and Other Approvals

Sec. 1024.

The qualifying acquisition must be approved by: (i) a majority of directors unrelated to the qualifying acquisition, and (ii) a majority of the votes cast by ~~securityholders~~shareholders of the SPAC at a meeting duly called for that purpose. Shareholder approval of the qualifying acquisition is not required where the SPAC has placed at least 100% of the gross proceeds raised in its IPO and any additional equity raised pursuant to Section 1019 in escrow in accordance with Section 1010. The shareholder approval requirements set out in Parts V and VI of the Manual will not apply to transactions concurrently effected with the qualifying transaction, provided that they are disclosed in the prospectus for the resulting issuer and shareholder approval is not otherwise required for the qualifying acquisition.

Where the qualifying acquisition is comprised of more than one acquisition, each acquisition must be approved. ~~The founding securityholders shall not be entitled to vote any of their securities with respect to the approval of the qualifying acquisition.~~

Sec. 1025.

The SPAC's IPO prospectus must disclose whether shareholder approval will be required as a condition of the completion of the qualifying acquisition and the shareholders entitled to vote upon the matter.

If a qualifying acquisition is subject to shareholder approval, the SPAC must prepare an information circular containing prospectus level disclosure of the resulting issuer assuming completion of the qualifying acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.

Sec. 1026.

The SPAC may impose additional conditions on the ~~approval~~completion of a qualifying acquisition, provided that the conditions are described in the prospectus or information circular describing the qualifying acquisition. For example, the SPAC may impose a condition not to proceed with a proposed qualifying acquisition if more than a pre-determined percentage of public ~~holders of securities vote against the proposed qualifying acquisition and~~shareholders exercise their ~~conversion~~redemption rights.

~~**Sec. 1026.**~~

~~In connection with the securityholder meeting at which there will be a vote on a qualifying acquisition, the SPAC must prepare an information circular containing prospectus level disclosure of the resulting issuer assuming completion of the qualifying acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.~~

Sec. 1027.

In accordance with Section 1008, holders of ~~securities who vote against the qualifying acquisition,~~shares (other than founding securityholders in respect of their founding securities) must be entitled to ~~convert~~redeem their ~~securities~~shares for their pro rata portion of the escrowed funds in the event that the qualifying acquisition is completed. Subject to applicable laws, ~~securityholders~~shareholders who exercise their ~~conversion~~redemption rights shall be paid within 30 calendar days of completion of the qualifying acquisition and such ~~converted securities~~redeemed shares shall be cancelled.

Prospectus Requirement for Qualifying Acquisition

Sec. 1028.

The SPAC must prepare and file a prospectus containing disclosure regarding the SPAC and its proposed qualifying acquisition with the Canadian securities regulatory authority in each jurisdiction in which the SPAC and the resulting issuer is and will be a reporting issuer assuming completion of the qualifying acquisition and, if applicable, in the jurisdiction in which the head office of the resulting issuer assuming completion of the qualifying acquisition is located in Canada. ~~The~~Completion of the qualifying acquisition without a receipt for the final prospectus will result in the delisting of the SPAC.

If a qualifying acquisition is subject to shareholder approval, the SPAC must obtain a receipt for its final prospectus from the applicable securities regulatory authorities prior to mailing the information circular described in ~~Section 1026. If a receipt for the final prospectus is not obtained, completion of the qualifying acquisition will result in the delisting of the SPAC.~~Section 1025.

If a qualifying acquisition is not subject to shareholder approval, the SPAC must: (i) mail a notice of redemption to shareholders and make its final prospectus publicly available on its website at least 21 days prior to the deadline for redemption; and (ii) send by prepaid mail or otherwise physically deliver the prospectus to shareholders no later than midnight (Toronto time) on the second business day prior to the deadline for redemption. The notice of redemption must be pre-cleared by TSX prior to mailing.

Exchange discretion with respect to the requirements of this Section may only be exercised after discussions with, and the concurrence of, the OSC.

Exchange Approval

Sec. 1029.

The issuer resulting from the completion of the qualifying acquisition by the SPAC must meet the Exchange's original listing requirements set out in Part III of this Manual. The Exchange will provide the issuer with up to 90 days from the completion of the qualifying acquisition to provide evidence that it meets the Public Distribution Requirements set out in Section 315, failing which the issuer will generally be put under a remedial delisting review as described in Part VII.

Failure to obtain the Exchange's approval of the listing of the resulting issuer prior to the completion of the qualifying acquisition will result in the delisting of the SPAC. For greater certainty, a qualifying acquisition may include a merger or other reorganization or an acquisition of the SPAC by a third party.

Escrow Requirements

Sec. 1030.

Upon completion of the qualifying acquisition, the resulting issuer shall be subject to the Exchange's Escrow Policy.

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

Sec. 1031.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, subject to applicable laws, it must complete a liquidation distribution within 30 calendar days after the end of such permitted time, pursuant to which the escrowed funds must be distributed to the holders of shares (other than founding securityholders in respect of their founding securities) on a pro rata basis, and in accordance with Section 1032.

Sec. 1032.

In accordance with Section 1004, the founding securityholders may not participate in any liquidation (or redemption) distribution with respect to any of their founding securities. In addition, in accordance with Section 1013, all deferred underwriter commissions held in escrow will be part of the liquidation (or redemption) distribution. A liquidation (or redemption) distribution

therefore includes the minimum of 90% of the gross proceeds raised in the IPO, as required under Section 1010 and 50% of the underwriters' commissions as described in this Section. Any interest or other proceeds earned through permitted investments that remains in escrow shall also be part of the liquidation (or redemption) distribution. The amount distributed on a liquidation distribution shall however be net of any applicable taxes and direct expenses related to the liquidation distribution.

Sec. 1033.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the Exchange will delist the SPAC's securities on or about the date on which the liquidation distribution is completed.

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

Sec. 1034.

Once a qualifying acquisition has been completed, the resulting issuer will be subject to all continued listing requirements in this Manual without exception.

APPENDIX B

CLEAN VERSION OF PUBLIC INTEREST AMENDMENTS

Part I Introduction

[…]

Interpretation

[…]

"founding securities" means securities in the SPAC held by the founding securityholders, excluding any purchased by founding securityholders under the IPO prospectus, concurrently with the IPO prospectus on the same terms, on the secondary market or under a rights offering by the SPAC;

[…]

Part X Special Purpose Acquisition Corporations (SPACs)

Scope of Policy

Listing a SPAC on the Exchange is a two-stage process. The first stage involves the filing and clearing of an IPO prospectus, the completion of the IPO and the listing of the SPAC's securities on the Exchange. The second stage involves the identification and completion of a qualifying acquisition.

The main headings in this Part X are:

A. General Listing Matters

B. Original Listing Requirements

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

D. Completion of a Qualifying Acquisition

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

A. General Listing Matters

Securities to be Listed

Sec. 1001.

To secure a listing of its securities on the Exchange, a SPAC must complete a listing application which, together with supporting documentation and information, must demonstrate that it is able to meet the Exchange's original listing requirements for SPACs, as detailed in Sections 1003 to 1018. The listing application, preliminary prospectus, draft escrow agreement governing the IPO proceeds and personal information forms for all insiders of the SPAC should be filed with the Exchange concurrently with the filing of the preliminary prospectus with the applicable Canadian securities regulatory authorities.

Exercise of Discretion

Sec. 1002.

The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may grant or deny an application notwithstanding the prescribed original listing requirements. In exercising its discretion, the Exchange must be satisfied that the fundamental investor protections in this Part X are met. In addition, the Exchange will consider:

(a) The experience and track record of the officers and directors of the SPAC;

(b) The nature and extent of officers' and directors' compensation;

(c) The extent of the founding securityholders' equity ownership in the SPAC, which is generally expected to be an aggregate equity interest of: (i) not less than 10% of the SPAC immediately following closing of the IPO; and (ii) not more than 20% of the SPAC immediately following closing of the IPO, taking into account the price at which the founding securities are purchased and the resulting economic dilution;

(d) The amount of time permitted for completion of the qualifying acquisition prior to the liquidation distribution; and

(e) The gross proceeds publicly raised under the IPO prospectus.

B. Original Listing Requirements

IPO

Sec. 1003.

A SPAC must, concurrently with listing on the Exchange, raise a minimum of $30,000,000 through an IPO of shares or units; if units are issued, each unit may consist of one share and no more than two share purchase warrants.

Sec. 1004.

Prior to listing on the Exchange, the founding securityholders must subscribe for units, shares or warrants of the SPAC. The terms of the initial investment must be disclosed in the IPO prospectus. The founding securityholders must agree not to transfer any of their founding securities prior to the completion of a qualifying acquisition. In the event of liquidation and delisting, the founding securityholders must agree that their founding securities shall not participate in a liquidation distribution.

Sec. 1005.

The shares, warrants, rights, units or other securities to be listed on the Exchange must be qualified by a prospectus receipted by the issuer's principal regulator.

No Operating Business

Sec. 1006.

A SPAC seeking listing on the Exchange must not carry on an operating business. A SPAC may be in the process of reviewing a potential qualifying acquisition, but may not have entered into a written or oral binding acquisition agreement with respect to a potential qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that as of the date of filing, the SPAC has not entered into a written or oral binding acquisition agreement with respect to a potential qualifying acquisition. A SPAC may have identified a target business sector or geographic area in which to make a qualifying acquisition, provided that it discloses this information in its IPO prospectus.

Jurisdiction of Incorporation

Sec. 1007.

The Exchange will consider the jurisdiction of incorporation of a SPAC as part of the listing application process. The Exchange recommends that SPACs seeking listing on the Exchange be incorporated under Canadian federal or provincial corporate laws. Where a SPAC is incorporated under laws outside of Canada and wishes to list on the Exchange, the Exchange recommends that it obtain a preliminary opinion as to whether the jurisdiction of incorporation is acceptable to the Exchange.

Capital Structure

Sec. 1008.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) the security provisions must contain:

(i) a redemption (or substantially similar) feature, pursuant to which shareholders (other than founding securityholders in respect of their founding securities) may, in the event such qualifying acquisition is

completed within the time frame set out in Section 1022, elect that each share held be redeemed for an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the exercise of the redemption right), divided by (2) the aggregate number of shares then outstanding, excluding founding securities; and

(ii) a liquidation distribution (or substantially similar) feature, pursuant to which shareholders (other than the founding securityholders in respect of their founding securities) must, if the qualifying acquisition is not completed within the permitted time set out in Section 1022, be entitled to receive, for each share held, an amount at least equal to: (1) the aggregate amount then on deposit in the escrow account (net of any applicable taxes and direct expenses related to the liquidation distribution), divided by (2) the aggregate number of shares then outstanding excluding the founding securities.

Notwithstanding the foregoing, the SPAC may establish a limit as to the maximum number of shares with respect to which a shareholder, together with any affiliates or persons acting jointly or in concert, may exercise a redemption right, provided that such limit (i) may not be set at lower than 15% of the shares sold in the IPO; and (ii) is disclosed in the IPO prospectus.

Exchange discretion with respect to the requirements of this Subsection may only be exercised after discussions with, and the concurrence of, the OSC.

(b) in addition to Section 1008(a) where units are issued in the IPO:

(i) the share purchase warrants must not be exercisable prior to the completion of the qualifying acquisition;

(ii) the share purchase warrants must expire on the earlier of: (x) a date specified in the IPO prospectus and (y) the date on which the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022; and

(iii) share purchase warrants may not have an entitlement to the escrowed funds upon liquidation of the SPAC.

Prohibition of Debt Financing

Sec. 1009.

The SPAC shall not be permitted to obtain any form of debt financing (excluding ordinary course short term trade or accounts payables) other than contemporaneous with, or after, completion of its qualifying acquisition. A credit facility may be entered into prior to completion of a qualifying acquisition, but may only be drawn down contemporaneous with, or after, completion of a qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that it will not obtain any form of debt financing other than in accordance with this Section 1009.

Despite the foregoing, a SPAC may obtain unsecured loans on reasonable commercial terms, including from founding securityholders or their affiliates, up to a maximum aggregate principal amount equal to the lesser of: (i) 10% of the funds escrowed under Section 1010; and (ii) $5 million, repayable in cash no earlier than the closing of the qualifying acquisition, provided that (1) such limit is disclosed in the IPO prospectus and the prospectus of the resulting issuer; and (2) any such debt financing obtained by the SPAC shall not have recourse against the escrowed funds.

Use of Proceeds Raised in the IPO and Escrow Requirements

Sec. 1010.

Immediately upon listing on the Exchange, a SPAC must place at least 90% of the gross proceeds raised in its IPO; and the underwriter's deferred commissions (in accordance with Section 1013), in escrow with an escrow agent acceptable to the Exchange. The following entities, if Canadian, are examples of the types of escrow agents that are acceptable to the Exchange: trust companies, financial institutions and law firms.

Sec. 1011.

The escrow agent must invest the escrowed funds in permitted investments. The SPAC must disclose the proposed nature of this investment in its IPO prospectus, as well as any intended use of the interest or other proceeds earned on the escrowed funds from the permitted investments.

Sec. 1012.

The escrow agreement governing the escrowed funds must provide for:

(a) the termination of the escrow and release of the escrowed funds on a pro rata basis to shareholders who exercise their redemption rights in accordance with Section 1008(a)(i) and the remaining escrowed funds to the SPAC if the SPAC completes a qualifying acquisition within the permitted time set out in Section 1022; and

(b) the termination of the escrow and the distribution of the escrowed funds to shareholders (other than the founding securityholders in respect of their founding securities) in accordance with the terms of Sections 1031 to 1033 if the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022.

In accordance with Section 1001, a draft of the escrow agreement must be submitted to the Exchange for pre-clearance.

Sec. 1013.

The underwriters must agree to defer and deposit a minimum of 50% of their commissions from the IPO as part of the escrowed funds. The deferred commissions will only be released to the underwriters upon completion of a qualifying acquisition within the permitted time set out in Section 1022. If the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the deferred commissions placed in escrow will be distributed to the holders of the applicable shares as part of the liquidation distribution. Shareholders exercising their redemption rights will be entitled to their pro rata portion of the escrowed funds including any deferred commissions.

Sec. 1014.

The proceeds from the IPO that are not placed in escrow and interest or other proceeds earned on the escrowed funds from permitted investments may be applied as payment for administrative expenses incurred by the SPAC in connection with the IPO, for general working capital expenses and for the identification and completion of a qualifying acquisition.

Public Distribution

Sec. 1015.

A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) at least 1,000,000 freely tradeable securities are held by public holders;

(b) the aggregate market value of the securities held by public holders is at least $30,000,000; and

(c) at least 150 public holders of securities, holding at least one board lot each.

Pricing

Sec. 1016.

A SPAC seeking listing on the Exchange must issue securities pursuant to the IPO for a minimum price of $2.00 per share or unit.

Other Requirements

Sec. 1017.

In connection with its original listing, a SPAC will be subject to the following Sections of this Manual:

(a) Section 325 – Management

(b) Section 327 – Escrow Requirements

(c) Section 328 – Restricted Shares

(d) Sections 338-351 – The Listing Application Procedure

(e) Sections 352-356 – Approval of Listing and Posting Securities

(f) Sections 358-359 – Public Availability of Documents

(g) Section 360 – Provincial Securities Laws

Sec. 1018.

A SPAC seeking a listing on the Exchange will not be permitted to adopt a security based compensation arrangement prior to the completion of a qualifying acquisition.

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

Additional Equity by Way of Rights Offering Only

Sec. 1019.

Prior to completion of a qualifying acquisition, the Exchange will permit a listed SPAC to raise additional funds pursuant to the issuance or potential issuance of equity securities from treasury provided that: (i) the issuance is by way of rights offering in accordance with the requirements in Part VI of this Manual and (ii) at least 90% of the funds raised are placed in escrow in accordance with the provisions of Sections 1010 to 1014. Contemporaneous with or following completion of a qualifying acquisition, a listed SPAC may raise additional funds in accordance with Part VI of this Manual.

Sec. 1020.

The Exchange will only permit a listed SPAC to raise additional funds pursuant to the issuance or potential issuance of equity securities from treasury pursuant to Section 1019 to fund a qualifying acquisition and/or administrative expenses of the SPAC.

Other Requirements

Sec. 1021.

Prior to completion of its qualifying acquisition, in addition to this Part X, a listed SPAC will be subject to the following Parts of this Manual:

(a) Parts IV and V, other than Section 464 in respect of the requirement to hold an annual meeting provided that an annual update is disseminated via press release and available on the SPAC's website;

(b) Part VI, other than:

1. Section 624(h) in respect of the requirement to provide at least 21 days' notice in advance of a shareholders' meeting to holders of Restricted Securities;

2. Section 624(l) in respect of the requirement of certain take-over protective provisions, also referred to as coat-tail provisions; and

3. Section 624(m) in respect of the prohibition on the issuance of shares with greater voting rights than any listed shares for the issuance of the founding securities.

Until completion of a qualifying acquisition, a listed SPAC may only issue and make equity securities issuable in accordance with Sections 1019 to 1020. Security based compensation arrangements may not be adopted until completion of a qualifying acquisition;

(c) Part VII with the exception of Subsections 710(a)(ii) and 710(a)(iii);

(d) Part IX; and

(e) Applicable listing fees and forms.

D. Completion of a Qualifying Acquisition

Permitted Time for Completion of a Qualifying Acquisition

Sec. 1022.

A SPAC must complete a qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus. Where the qualifying acquisition is comprised of more than one acquisition, the SPAC must complete each of the acquisitions comprising the qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus, in addition to meeting the requirements of Section 1023.

Fair Market Value of a Qualifying Acquisition

Sec. 1023.

The businesses or assets forming the qualifying acquisition must have an aggregate fair market value equal to at least 80% of the aggregate amount then on deposit in the escrow account, excluding deferred underwriting commissions held in escrow and any taxes payable on the income earned on the escrowed funds. Where the qualifying acquisition is comprised of more than one acquisition, and the multiple acquisitions are required to satisfy the aggregate fair market value of a qualifying acquisition, these acquisitions must close concurrently and within the time frame in Section 1022.

Shareholder and Other Approvals

Sec. 1024.

The qualifying acquisition must be approved by: (i) a majority of directors unrelated to the qualifying acquisition; and (ii) a majority of the votes cast by shareholders of the SPAC at a meeting duly called for that purpose. Shareholder approval of the qualifying acquisition is not required where the SPAC has placed at least 100% of the gross proceeds raised in its IPO and any additional equity raised pursuant to Section 1019 in escrow in accordance with Section 1010. The shareholder approval requirements set out in Parts V and VI of the Manual will not apply to transactions concurrently effected with the qualifying acquisition, provided that they are disclosed in the prospectus for the resulting issuer and shareholder approval is not otherwise required for the qualifying acquisition. Where the qualifying acquisition is comprised of more than one acquisition, each acquisition must be approved.

Sec. 1025.

The SPAC's IPO prospectus must disclose whether shareholder approval will be required as a condition of the completion of the qualifying acquisition and the shareholders entitled to vote upon the matter. If a qualifying acquisition is subject to shareholder approval, the SPAC must prepare an information circular containing prospectus level disclosure of the resulting issuer assuming completion of the qualifying acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.

Sec. 1026.

The SPAC may impose additional conditions on the completion of a qualifying acquisition, provided that the conditions are described in the prospectus or information circular describing the qualifying acquisition. For example, the SPAC may impose a condition not to proceed with a proposed qualifying acquisition if more than a pre-determined percentage of public shareholders exercise their redemption rights.

Sec. 1027.

In accordance with Section 1008, holders of shares (other than founding securityholders in respect of their founding securities) must be entitled to redeem their shares for their pro rata portion of the escrowed funds in the event that the qualifying acquisition is completed. Subject to applicable laws, shareholders who exercise their redemption rights shall be paid within 30 calendar days of completion of the qualifying acquisition and such redeemed shares shall be cancelled.

Prospectus Requirement for Qualifying Acquisition

Sec. 1028.

The SPAC must prepare and file a prospectus containing disclosure regarding the SPAC and its proposed qualifying acquisition with the Canadian securities regulatory authority in each jurisdiction in which the SPAC and the resulting issuer is and will be a reporting issuer assuming completion of the qualifying acquisition and, if applicable, in the jurisdiction in which the head office of

the resulting issuer assuming completion of the qualifying acquisition is located in Canada. Completion of the qualifying acquisition without a receipt for the final prospectus will result in the delisting of the SPAC.

If a qualifying acquisition is subject to shareholder approval, the SPAC must obtain a receipt for its final prospectus from the applicable securities regulatory authorities prior to mailing the information circular described in Section 1025.

If a qualifying acquisition is not subject to shareholder approval, the SPAC must: (i) mail a notice of redemption to shareholders and make its final prospectus publicly available on its website at least 21 days prior to the deadline for redemption; and (ii) send by prepaid mail or otherwise physically deliver the prospectus to shareholders no later than midnight (Toronto time) on the second business day prior to the deadline for redemption. The notice of redemption must be pre-cleared by TSX prior to mailing.

Exchange discretion with respect to the requirements of this Section may only be exercised after discussions with, and the concurrence of, the OSC.

Exchange Approval

Sec. 1029.

The issuer resulting from the completion of the qualifying acquisition by the SPAC must meet the Exchange's original listing requirements set out in Part III of this Manual. The Exchange will provide the issuer with up to 90 days from the completion of the qualifying acquisition to provide evidence that it meets the Public Distribution Requirements set out in Section 315, failing which the issuer will generally be put under a remedial delisting review as described in Part VII.

Failure to obtain the Exchange's approval of the listing of the resulting issuer prior to the completion of the qualifying acquisition will result in the delisting of the SPAC. For greater certainty, a qualifying acquisition may include a merger or other reorganization or an acquisition of the SPAC by a third party.

Escrow Requirements

Sec. 1030.

Upon completion of the qualifying acquisition, the resulting issuer shall be subject to the Exchange's Escrow Policy.

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

Sec. 1031.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, subject to applicable laws, it must complete a liquidation distribution within 30 calendar days after the end of such permitted time, pursuant to which the escrowed funds must be distributed to the holders of shares (other than founding securityholders in respect of their founding securities) on a pro rata basis, and in accordance with Section 1032.

Sec. 1032.

In accordance with Section 1004, the founding securityholders may not participate in any liquidation (or redemption) distribution with respect to any of their founding securities. In addition, in accordance with Section 1013, all deferred underwriter commissions held in escrow will be part of the liquidation (or redemption) distribution. A liquidation (or redemption) distribution therefore includes the minimum of 90% of the gross proceeds raised in the IPO, as required under Section 1010 and 50% of the underwriters' commissions as described in this Section. Any interest or other proceeds earned through permitted investments that remains in escrow shall also be part of the liquidation (or redemption) distribution. The amount distributed on a liquidation distribution shall however be net of any applicable taxes and direct expenses related to the liquidation distribution.

Sec. 1033.

If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the Exchange will delist the SPAC's securities on or about the date on which the liquidation distribution is completed.

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

Sec. 1034.

Once a qualifying acquisition has been completed, the resulting issuer will be subject to all continued listing requirements in this Manual without exception.