

APPENDIX 2B

RULE B.2.00

SPONSORSHIP AND SPONSOR REPORT

B.2.01

Sponsorship is required in regard to every application for New Listing, and every application by a Tier 2 Issuer to conduct a Change of Business. Sponsorship may also be required by the Exchange in regard to other significant transactions by Issuers where it is considered necessary or advisable by the Exchange. In making a determination as to whether an Issuer meets Exchange Requirements and is suitable for listing on the Exchange, the Exchange will rely heavily upon the fact that a Sponsor has agreed to sponsor the Issuer and has agreed to prepare and submit a Sponsor Report to the Exchange.

Unless otherwise defined, capitalized terms used in this Rule B.200 and the accompanying Policy Statements have the meanings set out in Policy 1.1 of the Corporate Finance Manual.

B.2.02

This Rule and Policy Statement CR13:

- a. describe the required contents of the report (the “Sponsor Report”) to be provided to the Exchange by the Sponsor;
- b. set forth the minimum review procedures (“Review Procedures”) required to be conducted in connection with preparation of a Sponsor Report; and
- c. identify the criteria which must be met in order for a Member to qualify as a Sponsor.

B.2.03

The Exchange requires that the Sponsor Report:

- a. confirm compliance by the Issuer with Corporate Finance Policy 2.1, Minimum Listing Requirements and sections 2, 5, 11, and 18 of Corporate Finance Policy 3.1, Directors, Officers and Corporate Governance and confirm internal procedures have been adopted to comply with sections 16 and 17 of Policy 3.1;

- b. confirm that the Review Procedures (as defined in Sponsorship Policy Statement 3) have been conducted or, to the extent permitted, identify any Review Procedures not conducted and the reasons such Review Procedures were not conducted;
- c. identify the significant Review Procedures conducted;
- d. identify any information which the Sponsor is or has become aware of in the course of conducting its Review Procedures or its Due Diligence (as defined below) which may reasonably be expected to be of significance to the Exchange in determining the suitability of the listing of the Issuer; and
- e. confirm that the Sponsor has favourably concluded upon the suitability for listing of the Issuer.

B.2.04

The Exchange expects that the Sponsor will conduct a duly diligent review (“Due Diligence”), appropriate to the circumstances, in connection with the sponsorship of an applicant Issuer and that such Due Diligence will be substantially similar to that which would be conducted by an underwriter in connection with the underwriting of a public offering. However, this Rule is not in any way intended to set forth a standard of appropriate Due Diligence. This Rule and Policy Statement CR13 only prescribe the minimum Review Procedures to be conducted in connection with preparation of a Sponsor Report. The scope and extent of appropriate Due Diligence by a Sponsor may be different from or may be considerably more extensive than the Review Procedures required to prepare a Sponsor Report. Compliance with this Rule and Policy Statement CR13 is no assurance of appropriate Due Diligence. .