

ALBERTA SECURITIES COMMISSION

IN THE MATTER OF the *Securities Act*,
R.S.A. 2000, c. S-4 (the “Act”)

-and-

IN THE MATTER OF TSX Inc.

ORDER

(Section 213)

1. WHEREAS The Toronto Stock Exchange Inc. (the “TSE”) has applied to the Alberta Securities Commission (the “Commission”) for an exemption from recognition as an exchange under subsection 62(1) of the Act (the “Exemption Application”);
2. AND WHEREAS the TSE changed its name to TSX Inc. (“TSX”) and the Canadian Venture Exchange Inc. changed its name to TSX Venture Exchange Inc./Bourse de croissance TSX Inc. (“TSX Venture Exchange”);
3. AND WHEREAS the TSE has advised the Commission that it will complete a reorganization (the “Reorganization”). Under the Reorganization, TSX will become a wholly owned subsidiary of a new holding company, TSX Group Inc. (“TSX Group”) and TSX Venture Exchange will continue to be a wholly owned subsidiary of TSX. Following the Reorganization, TSX Group intends to conduct an initial public offering;
4. AND WHEREAS TSX has represented to the Commission that:
 - 4.1 TSX is carrying on business in Alberta;
 - 4.2 TSX will continue to carry on business in Alberta following the Reorganization;
 - 4.3 the Ontario Securities Commission (the “OSC”) has recognized TSX as a stock exchange under section 21 of the Ontario *Securities Act*, R.S.O. 1990, c. s-5 as amended (the “Ontario Act”) and will continue to recognize TSX following the Reorganization;
 - 4.4 TSX is currently subject to the regulatory oversight of the OSC and will continue to be subject to the regulatory oversight of the OSC following the Reorganization;

- 4.5 TSX is aware that the Commission has entered into a Memorandum of Understanding About the Oversight of Exchanges and Quotation and Trade Reporting Systems (the “Master MOU”) under which it has been agreed that the OSC will act as the lead regulator for TSX and that the Master MOU or a similar agreement will continue to apply to the regulatory oversight of TSX by the OSC;
- 4.6 under the terms of the Master MOU, the OSC is the lead regulator of TSX and is responsible for conducting an oversight program of TSX to ensure that TSX meets appropriate standards for market operation and regulation;
- 4.7 TSX and the OSC have adopted a protocol for the approval of changes to TSX’s by-laws, rules, policies and other regulatory instruments (“Regulatory Instruments”), under which TSX provides to the OSC all proposed Regulatory Instruments. TSX expects that this protocol or a similar protocol will continue to apply to the approval of changes to TSX’s Regulatory Instruments;
- 4.8 under the terms of the Master MOU, the OSC acknowledges that the TSX will provide the Commission with:
 - 4.8.1 copies of all Regulatory Instruments at the same time the TSX files them with the OSC for review and approval; and
 - 4.8.2 copies of all Regulatory Instruments approved by the OSC;
5. AND WHEREAS TSX has agreed to the terms and conditions set out in this order;
6. IT IS HEREBY ORDERED pursuant to section 213 of the Act that the TSX is exempted from recognition as an exchange provided TSX meets and continues to meet the following terms and conditions:
 - 6.1 TSX operates a national exchange for senior issuers separately from the national exchange for junior issuers operated by TSX Venture Exchange;
 - 6.2 TSX continues to be recognized by the OSC as an exchange or a stock exchange under the Ontario Act;
 - 6.3 the OSC continues to be the lead regulator of TSX under the Master MOU or any amended or similar agreement and TSX continues to be subject to the regulatory oversight of the OSC under the oversight program established by the OSC from time to time;
 - 6.4 neither the Commission nor the OSC has terminated the Master MOU or any amended or similar agreement;

- 6.5 TSX concurrently provides to the Commission copies of all Regulatory Instruments that it files with the OSC for review and approval, and all final Regulatory Instruments approved by the OSC; and
 - 6.6 when requested by the Commission through the OSC, TSX provides to the Commission any information in the possession of TSX relating to participating organizations, shareholders and the market operations of TSX, including, but not limited to, shareholder and participating organization lists, products, trading information and disciplinary decisions;
7. IT IS HEREBY FURTHER ORDERED that TSX is deemed to be in compliance with paragraphs 6.5 and 6.6 above unless the Commission provides TSX with written notice of non-compliance and TSX fails to provide the documents or information within 10 business days following receipt of the notice.

DATED at the City of Calgary)
in the Province of Alberta) "original signed by"
this 3rd day of September, 2002.) Stephen P. Sibold, Q.C., Chair
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) "original signed by"
) Glenda A. Campbell, Q.C., Vice-Chair
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