

Chapter 6

Request for Comments

6.1.1 Notice of Filing by CanPx Inc. of Form 21-101F5 - Initial Operation Report of Information Processor

NOTICE OF FILING BY CANPX INC. OF FORM 21-101F5

INITIAL OPERATION REPORT FOR INFORMATION PROCESSOR

Introduction

Background

On August 8, 2001, CanPX Inc. (CanPX) filed Form 21-101F5 to become the information processor for unlisted debt securities under the ATS Rules. The information processor will collect order and trade information for government debt securities and corporate debt securities from marketplaces, inter-dealer bond brokers and dealers executing trades of corporate debt securities and will create a consolidated feed and distribute it to information vendors, news services and other customers. Staff are publishing this notice to seek comments from market participants. A copy of the filing is available for inspection at the offices of the Ontario Securities Commission, the British Columbia Securities Commission, the Alberta Securities Commission and the Commission des valeurs mobilières du Québec.

Requirements for an Information Processor

Part 8 of National Instrument 21-101 Marketplace Operation (National Instrument 21-101) requires marketplaces, inter-dealer bond brokers and dealers executing trades in unlisted debt securities to provide certain pre-trade and post-trade information to an information processor. An information processor is defined as a company that receives and provides information under National Instrument 21-101 and has filed Form 21-101F5¹.

Part 14 of National Instrument 21-101 sets out the requirements applicable to an information processor. The provisions of Part 14 require an information processor to file the information required by Form 21-101F5 (and any amendments thereto), enter into agreements with marketplaces, inter-dealer bond brokers and dealers required to provide information, provide timely and reliable collection and processing of information, and comply with certain system requirements.

Review of Filings

Section 16.2 of Companion Policy 21-101CP states that the CSA will review Form 21-101F5 to determine whether it is contrary to the public interest for the filer to act as an information processor. The CSA is looking at a number of factors when reviewing the form, including,

1. *Corporate Ownership and Governance* – whether the filer has a corporate ownership and governance structure that will enable it to avoid or properly manage potential conflicts of interest;
2. *Performance Capability* – whether the filer has the appropriate performance capability, standards and procedures for the collection, processing, distribution, and publication of information of orders for, and trades in, securities and personnel qualifications;
3. *Fair Access* - whether all marketplaces may obtain access to the information processor on fair and reasonable terms that do not unreasonably discriminate;
4. *Financial Resources* - whether the filer has sufficient financial resources for the proper performance of its functions; and
5. *Alternatives* – whether there is another entity that can perform the proposed function for the same type of security.

Summary of the Filing

1. Corporate Ownership and Governance

CanPX, a corporation formed on December 17, 1998, entered into an agreement with investment dealers and inter-dealer bond brokers **Formation Agreement** on March 1, 1999 setting out how CanPX must organize itself and conduct its business (Formation Agreement). Under the Formation Agreement, thirteen investment dealers each hold one Class B Common Share and four inter-dealer bond brokers each hold one Class A Common Share. The Formation Agreement has been amended to allow each Participating ATS (defined in the amended Formation **Agreement**) to hold one Class C Common Share.

The board of directors of CanPX is composed of eight members. The Class B shareholders have the right to nominate five directors, at least three of whom must be Canadian residents. The Class A shareholders have the right to nominate three directors, at least two of whom must be Canadian residents. If a Participating ATS executes the Formation Agreement, the board will be expanded to 9 members and the Class C shareholders will be given the right to nominate one director.

¹ Section 1.1 of National Instrument 21-101.

Although CanPX is a privately owned organization, if it becomes an information processor, it will be subject to various requirements under National Instrument 21-101. The purpose of these requirements is to ensure the availability of prompt and accurate order and trade information on a consolidated basis and to assess its ongoing viability. In light of these policy objectives, we are considering whether CanPX should have independent directors on its board.

On November 16, 2001, CanPX entered into a contract with Moneyline Telerate (Moneyline) under which Moneyline developed the CanPX Transparency System and agreed to act as a technical facilitator and exclusive worldwide sales agent for the CanPX Transparency System. We have been advised that Moneyline owns less than 10% of the non-voting equity common shares of an alternative trading system (ATS) that will be trading fixed income securities. Moneyline is not providing any hardware, software or hosting facilities to the ATS and it has not made arrangements to provide technical support to the ATS. In addition, we note, that the CanPX/Moneyline contract provides, among other things, that Moneyline must treat as confidential all information relating to any CanPX participant Moneyline acquires in any way while performing its responsibilities and obligations under the contract. The contract further provides that the CanPX Transparency System must accept data from the source feeds provided by all CanPX participants in accordance with standard industry protocols and that the system must be designed so as not to create unreasonable barriers of entry to new participants when connecting their source feeds to the system. We will continue to monitor this issue.

2. Performance Capability

As indicated above, MoneyLine has entered into a contract with CanPX to develop the CanPX Transparency System and act as a technical facilitator and the exclusive worldwide sales agent for the CanPX Transparency System. The CanPX Transparency System is a platform and mechanism for providing market transparency for the Canadian fixed income debt market.

a. Information to be Provided to the Information Processor

Under National Instrument 21-101, inter-dealer bond brokers, ATSS and dealers must provide an information processor with information about government debt securities and corporate debt securities. The amended Formation Agreement between CanPX and the inter-dealer bond brokers, ATSS and dealers sets out the transparency requirements and is attached as Appendix "A". The transparency requirements may be varied by an order issued by the appropriate securities regulatory authority.

Under the Formation Agreement, ATSS that display pre-trade information will provide quotation information about all executable bids and offers of government debt securities and corporate debt securities designated by CanPX, including the amount of securities to which the bids and offers in question pertain. They will also provide transactional information about the prices at which trades of government debt securities and corporate debt securities are executed and the volume of trading for any given transaction, subject to the volume caps contemplated by the CSA (for government debt securities and

investment grade corporate debt securities, \$2 million+; for non-investment grade corporate debt securities, \$200,000+).

Under the Formation Agreement, inter-dealer bond brokers are required to provide quotation information about all executable bids and offers of government debt securities designated by CanPX, including the amount of securities to which the bids and offers in question pertain. They will also provide transactional information about the prices at which trades of government debt securities and corporate debt securities are executed and the volume of trading for any given transaction.

Under the Formation Agreement, dealers are required to provide transactional information about the prices at which trades of corporate debt securities are executed and the volume of trading for any given transaction, subject to the volume caps described above.

All information about government debt securities and pre-trade information about corporate debt securities will be provided to CanPX in real-time or as close to real-time as possible. All information about corporate debt securities will be provided to CanPX within one-hour of the trade.

CanPX will determine the list of benchmark government debt securities and designated corporate debt securities about which information will be shown on the consolidated feed. The list of designated government debt securities and corporate debt securities is attached as Appendix "B" to this Notice. The list is current as of January 9, 2002. CanPX has developed criteria to determine the designated corporate debt securities to be shown. The criteria are attached to the Formation Agreement as Schedule "F".

CanPX is a member of the Bond Market Transparency Committee that was set up by the CSA to provide input into various issues relating to the fixed income market, including the list of government debt securities and corporate debt securities that will be shown on CanPX's consolidated feed. Committee members also represent dealers, inter-dealer bond brokers, buy-side participants, alternative trading systems, issuers and regulators.

b. Data to be Displayed by the Information Processor

The CanPX Transparency System will consolidate real-time and traded prices for unlisted debt securities and will make this consolidated data available to financial market participants, institutional firms and retail investors.

3. Fair Access

CanPX will make its consolidated data available through a variety of distribution channels. The information will be available through (i) CanPX's website (ii) through Moneyline's website, as an optional subscription on MoneyLine's basic services, and (iii) through an XML feed directly from Moneyline. The system will operate from 7:00 am to 6:00 pm Eastern Standard Time.

4. Financial Resources

a. Fees to establish a connection

CanPX will charge a connection fee. Inter-dealer bond brokers, ATSS and dealers will need dedicated local Internet Protocol circuits (at a cost approximately \$500 per month) plus hardware (at an additional cost of \$175 per month) to provide real-time pricing and trade data. For information not provided in real time, they may use file transfer protocols (FTP) through the internet.

b. Fees to obtain the information

A number of different products will be available from CanPX and Moneyline. These products include:

- (i) CanPX Private Label Internet Product - \$35.00/terminal/month
- (ii) CanPX Optional Services Product - \$35.00/terminal/month
- (iii) CanPX Website Product – CanPX monthly fee - \$2000.00/month
- (iv) CanPX/US Treasury Premium Product – To be determined
- (v) CanPX website – delayed information - free

c. Revenue Sharing

Participants in CanPX will share in the revenues received from selling the consolidated information. CanPX will allocate the total sales revenue generated by CanPX through the sale of information less costs and expenses, between its shareholders based on their relative trading shares in unlisted debt securities displayed on CanPX. CanPX will determine the total dollar trading volume of trades of all government and corporate debt securities shown on the CanPX Transparency System traded by or through each inter-dealer bond broker (the IDB market), dealer (the Corporate market) and Participating ATS (the ATS market). CanPX will then pay:

- (i) inter-dealer bond brokers and dealers the percentage that represents their pro rata proportionate share of the total traded volume in the IDB market,
- (ii) dealers the percentage that represents their pro rata proportionate share of the total traded volume in the Corporate market, and
- (iii) Participating ATS the percentage that represents their pro rata proportionate share of the total traded volume in the ATS market.

5. Alternatives

Currently, no other entities have come forward to act as the information processor.

Comments

You are invited to make written submissions on the information contained in [this Notice and CanPX's filing](#). We will consider the comments we receive by February 18, 2002.

Subject to comments received, we intend to recommend to each Commission that it is not prejudicial to the public interest for CanPX to become the information processor for unlisted debt securities.

You should make your submissions to the following jurisdictions care of the OSC, in duplicate,

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Commission des valeurs mobilières du Québec

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario
M5H 3S8
E-mail: jstevenson@osc.gov.on.ca

You should also address your submissions to the Commission des valeurs mobilières du Québec as follows:

Denise Brosseau, Secretary
Commission des valeurs mobilières du Québec
800 Victoria Square
Stock Exchange Tower
P.O. Box 246, 22nd Floor
Montréal, Québec
H4Z 1G3
E-mail: consultation-en-cours@cvmq.com

Please submit a diskette containing your submissions.

You may refer any questions to:

Louyse Gauvin
Special Advisor to the Chair
British Columbia Securities Commission
(604) 899-6538 or (800) 373-6393 (in B.C.)

Glenda Campbell
Vice-Chair
Alberta Securities Commission
(403) 297-4230

Randee Pavalow
Director, Capital Markets
Ontario Securities Commission
(416) 593-8257

Tracey Stern
Legal Counsel, Market Regulation
Ontario Securities Commission
(416) 593-8167

Ann Leduc
Direction de la recherche et du développement des marchés
Commission des valeurs mobilières du Québec
(514) 940-2199, ext. 4572

Fernand Lavigne
Analyste, Service de l'inscription
Commission des valeurs mobilières du Québec

(514) 940-2199, ext. 4315

David Lemay
Analyste, Service de l'inscription
Commission des valeurs mobilières du Québec
(514) 940-2199, ext. 4315

APPENDIX "A"

Formation Agreement

AMENDED AND RESTATED FORMATION AGREEMENT

BETWEEN

CANPX INC.,

a corporation incorporated under the laws of Ontario

AND

THE CORPORATIONS LISTED ON SCHEDULE "A" HERETO,
as such schedule may be amended and supplemented from
time to time

AND

**THE INVESTMENT DEALERS AND OTHER
CORPORATIONS LISTED ON SCHEDULE "B" HERETO,**
as such schedule may be amended and supplemented from
time to time

**THIS AMENDED AND RESTATED FORMATION
AGREEMENT** made as of November 30, 2001

BETWEEN:

CanPX Inc., a corporation incorporated under the laws
of Ontario (the "Corporation")

AND

The corporations listed on Schedule A hereto, as
such schedule may be amended and supplemented
from time to time (the "Brokers")

AND

**The investment dealers and other corporations
listed on Schedule B hereto,** as such schedule may
be amended and supplemented from time to time (the
"Dealers")

WHEREAS the Corporation has been established to
develop and market a system linking together digital
record-based electronic feeds from participating interdealer
brokers and other relevant marketplaces in order that investors
may view electronic screen-based real time price quotations
and transactional information regarding the Canadian debt
markets;

AND WHEREAS the Corporation, Brokers and Dealers
entered into an Agreement dated as of March 1, 1999 (the
"Formation Agreement") to record their agreement as to the
manner in which the Corporation should be established and to
deal with how its affairs should be conducted;

AND WHEREAS concurrently with the execution of the
Formation Agreement, the Corporation, Brokers and Dealers
entered into a Unanimous Shareholders' Agreement (the
"Unanimous Shareholders' Agreement") to record their

agreement as to the manner in which the Corporation's affairs shall be conducted and to grant to each other certain rights and obligations with respect to the ownership of shares of the Corporation;

AND WHEREAS in connection with the Corporation's undertaking the responsibilities of an "information processor" (as such term is defined in National Instrument 21-101 of the Canadian Securities Administrators ("NI 21-101")), the parties to the Formation Agreement have agreed to amend and restate the Formation Agreement and to execute and deliver this Agreement in order to provide for the potential participation in the Corporation of the Participating ATSS, being entities carrying on the business of an "alternative trading system", as such term is defined in NI 21-101;

AND WHEREAS the Corporation, Brokers and Dealers have, concurrently with the execution of this Agreement, entered into an amended and restated shareholders agreement (the "Amended and Restated Shareholders Agreement");

AND WHEREAS each of the parties has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation, the Dealers and Brokers hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless otherwise expressly provided, capitalized terms shall have the following meanings:

"Agreement" means this Agreement, including all schedules hereto, as it may be amended, modified, restated or supplemented from time to time;

"Amended and Restated Shareholders Agreement" has the meaning ascribed thereto in the recitals;

"ATS" or **"Alternative Trading System"** has the meaning ascribed thereto in NI 21-101;

"ATS Market" has the meaning ascribed thereto in Section 4.3.

"Attributed Information" means digital price quotation and transactional information depicted on the trading screens of any particular Broker which (i) relates to trading activity in which that particular Broker and any of its customers are involved and (ii) relates to Domestic Debt Securities issued by the Government of Canada, a province, a municipality or a crown corporation (but, for greater certainty, not by any private sector corporation) and (iii) includes information regarding the identity of the Brokers participating in such trading activity;

"Broker Sales Revenue" means sales revenue generated by a Broker through the sale of Attributed Information in accordance with Article 5.

"Brokers" means the corporations listed on Schedule A hereto, as such schedule may be amended and supplemented from time to time;

"Capital Loans" means the loans referred to in Section 2.4, together with any and all interest and other amounts payable by the Corporation in respect thereof;

"Corporate Bonds" means such Canadian dollar denominated debt securities issued by private sector corporations as the Corporation may from time to time designate, having reference to the criteria for selection set out in Schedule F;

"Corporate Bond Market" has the meaning ascribed thereto in Section 4.3;

"Dealers" means the investment dealers and other corporations listed on Schedule B hereto, as such schedule may be amended and supplemented from time to time;

"Designated Issues" means such Domestic Debt Securities (other than debt securities issued by private sector corporations) as the Corporation may from time to time designate (including, without limitation, "when issued" treasury bills, bond issues announced for forthcoming auction, strip bonds and any "rolls" based on such treasury bills or bonds) and shall for the initial phase of the Corporation's operations (until otherwise designated by the Corporation) include the following specific issues:

- (i) benchmark or "on the run" three month, six month and one year maturity Canada and provincial treasury bills and "when issued" Canada treasury bills for all such maturities; and
- (ii) benchmark two year, five year, ten year and long maturity Canada and provincial bonds and such benchmark maturity issues which are announced for forthcoming auction;

"Domestic Debt Securities" has the meaning given to that term by Regulation 2100 of the IDA;

"Effective Date" means the date, following any trial start-up period, on which the Corporation becomes fully operational by making its services available to the marketplace on a regular commercial basis;

"IDA" means the Investment Dealers Association of Canada;

"Investment Grade" means, with respect to Corporate Bonds, a Corporate Bond that is rated by one of the listed rating organizations at or above one of the following rating categories or a rating category that preceded or replaces a category listed below:

Rating Organization	Long Term Debt	Short Term Debt
Fitch, Inc.	BBB	F-3
Dominion Bond Rating Service Limited	BBB	R-2
Moody's Investors Service, Inc.	Baa	Prime-3
Standard & Poors Corporation	BBB	A-3

“**IDB Market**” has the meaning ascribed thereto in Section 4.3;

“**Net Corporation Sales Revenue**” means sales revenue generated by the Corporation through the sale of Unattributed Information and related products or services in accordance with Article 4 after deduction of all costs and expenses incurred by the Corporation including, without limitation, costs and expenses determined by the Corporation's Board of Directors, acting reasonably, to have been incurred in developing and selling the Unattributed Information and related products or services, all costs and expenses payable to any facilitator or manager appointed in accordance with Section 2.3 and any interest payable on Capital Loans outstanding pursuant to Section 2.4;

“**NI 21-101**” means National Instrument 21-101 of the Canadian Securities Administrators, as it shall be in effect at the relevant time.

“**Participating ATS**” means an entity that carries on the business of an ATS and that has become a party to this Agreement and to the Amended and Restated Shareholders Agreement;

“**Prime Rate**” means the rate of interest per annum designated by The Toronto-Dominion Bank as its prime rate of interest at any time and from time to time for Canadian dollar loans to its preferred corporate customers;

“**Proportionate Trading Share**” means, for any particular Broker, Dealer or Participating ATS and with respect to any particular period of time, the ratio obtained when the Weighted Trading Activity of that Broker, Dealer or Participating ATS is divided by the aggregate Weighted Trading Activity of all Brokers (in the case of a Broker), all Dealers (in the case of a Dealer) or all Participating ATSs (in the case of a Participating ATS);

“**Shareholder**” means the registered holder of a share in the capital of the Corporation;

“**Total Market Issues**” means Designated Issues plus Corporate Bonds;

“**Total Traded Volume**” has the meaning ascribed thereto in Section 4.3.1;

“**Unattributed Information**” means the composite information referred to in Section 3.1; and

“**Weighted Trading Activity**” means, for any particular Broker, Dealer or Participating ATS and, with respect to any particular period of time, the aggregate dollar volume of trades in Total Market Issues transacted by or through the Broker, Dealer or Participating ATS (in each case, while it was a party to this Agreement) weighted by multiplying such dollar volume by the following factors (which are to be reviewed and, if appropriate, adjusted by the Corporation from time to time) and aggregating the results thereof:

- (i) for trades in Canada treasury bills of all maturities, 0.23;
- (ii) for trades in Canada bonds from 0 to 3 years from maturity, 0.23;
- (iii) for trades in Canada bonds over 3 years and up to and including 10 years from maturity, 0.30; and
- (iv) for trades in Canada bonds over 10 years from maturity, 0.45.

1.2 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each party hereto irrevocably and unconditionally attorns to the jurisdiction of the courts of such province.

1.3 Use of Singular and Plural

Words importing the singular include the plural and vice versa and words importing gender include all genders.

1.4 References

Except as otherwise specifically provided, reference in this Agreement to any contract, agreement or any other instrument shall be deemed to include references to the same as varied, amended, supplemented or replaced from time to time and reference in this Agreement to any enactment, including without limitation any statute, law, by-law, regulation, ordinance or order, shall be deemed to include references to such enactment as re-enacted, amended or extended from time to time.

1.5 Generally Accepted Accounting Principles

Unless otherwise specifically provided herein, all accounting terms shall be applied and construed in accordance with Canadian generally accepted accounting principles consistently applied.

1.6 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, paragraphs, subsections and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and the schedules hereto and not to any particular article, section, paragraph,

clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

ARTICLE 2 THE CORPORATION

2.1 Shareholdings

In accordance with the terms and conditions of the Amended and Restated Shareholders Agreement, each of the Brokers is the registered holder of one Class A common share of the Corporation and each of the Dealers is the registered holder of one Class B common share of the Corporation. Any Participating ATS will, in accordance with the terms and conditions of the Amended and Restated Shareholders Agreement, be issued one Class C common share of the Corporation. For greater certainty, no Broker, Dealer or Participating ATS may ever hold more than one Class A, B or C common share of the Corporation, as the case may be. Accordingly, in the event of any amalgamation or other merger or combination of two or more Brokers, Dealers or Participating ATSS, the surviving or resulting Broker, Dealer or Participating ATS shall be entitled to only one common share of the Corporation and the other share or shares held by the pre-amalgamation or merger entities shall be surrendered to the Corporation on the same terms as those applicable to withdrawals under Section 6.2.

2.2 Articles and By-laws of the Corporation

Each of the parties hereto acknowledges and agrees that the articles and by-laws of the Corporation are as stated in Schedule C to this Agreement.

2.3 Facilitator/Management Agreement

The business of the Corporation shall be operated through a facilitator/management agreement to be entered into by the Corporation with such other party, and on such terms and conditions, as the Corporation may deem appropriate.

2.4 Capital Loans

In order to fund its obligations from time to time, the Corporation may at any time require its shareholders to advance loans to the Corporation in accordance with this Section 2.4 and on such additional terms (including, without limitation, as to payment of principal and interest) as the Corporation may reasonably designate. For greater certainty, all capital requirements of the Corporation will be funded by way of Capital Loans. Funding requests will be funded within ten (10) days of the date of any written notice of such request by the Corporation, which notice shall provide details of:

- (a) the total amount each Shareholder is required to advance pursuant to this Section 2.4;
- (b) the total amount of Capital Loans that will be outstanding after the fulfilment of the funding request;
- (c) a brief description of the proposed use of the funds being requested; and
- (d) payment instructions.

The amount of funding to be advanced by the Shareholders will be determined as follows:

2.4.1 if the Corporation at the time of the funding request has (and would after the fulfilment of that funding request have) not more than \$200,000 in principal amount of Capital Loans outstanding, the funding request shall be made collectively and contemporaneously to all Shareholders on the basis of equal proportionate amounts as between classes of Shareholders such that, where there are two classes of shares issued and outstanding, then 50% of the funding request shall be made collectively to the holders of each separate class of shares and where there are three classes of shares issued and outstanding, then 33 1/3% of the funding request shall be made collectively to the holders of each separate class of shares, and so on.

2.4.2 if the Corporation at the time of the funding request has (or would after the fulfilment of that funding request have) more than \$200,000 in principal amount of Capital Loans outstanding, the funding request shall be made collectively and contemporaneously to all Shareholders other than Brokers, provided that any funding requests made at any time when the Corporation has (or would after the fulfilment of that funding request have) more than \$500,000 in principal of Capital Loans outstanding shall require the approval of the Class B Shareholders in accordance with Section 2.9 of the Amended and Restated Shareholders Agreement.

As between each individual Shareholder, the obligation to advance Capital Loans shall be based on the Proportionate Trading Share of each holder of the relevant class of shares in the six month period immediately preceding the date on which the funding request is made by the Corporation (which date shall not be less than 15 days or more than 60 days prior to the date on which the loans are to be advanced to the Corporation). Repayments of the principal amount of Capital Loans shall be (i) on a chronological basis with the longest outstanding loans from time to time being repaid prior to more recently advanced Capital Loans and (ii) on a contemporaneous and proportionate basis with respect to Capital Loans arising from contemporaneous funding requests so that, for greater certainty, any particular Capital Loan shall be repaid in the same proportions as it was advanced. Capital Loans shall accrue interest at the Prime Rate in effect from time to time. The parties acknowledge that Section 3.6 of the Amended and Restated Shareholders Agreement provides that the Corporation may require entities that seek to participate in the Corporation after the effective date hereof to pay such consideration or to make such loan to the Corporation, as a pre-requisite to becoming a party hereto, as the Corporation may require in order to balance the interests of such entity with pre-existing Dealers, Brokers and Participating ATSS.

2.5 Priority of Capital Loans

Each of the parties hereto acknowledges and agrees that any and all Capital Loans at any time outstanding shall rank in right

of payment prior to any and all other amounts which may at any time be payable by the Corporation to any Dealer, Broker or Participating ATS, and each party hereto hereby subordinates and postpones all of its present and future receivables of any kind from or in respect of the Corporation (including, without limitation, all entitlement to receive payments of Net Corporation Sales Revenue in accordance with Article 4 and to receive repayments, reimbursements, dividends and other monies or consideration from or in respect of the Corporation or its shares) to payment of any Capital Loans outstanding at the time that the relevant entity becomes entitled to payment of such receivables.

ARTICLE 3 COMPOSITE MARKET DATA

3.1 Business of the Corporation

The business of the Corporation shall be the development and marketing of a system linking together digital record-based electronic feeds from the Brokers, Dealers and Participating ATSs and from other market participants subject to NI 21-101 to create a composite feed containing price quotation and transactional information regarding trading activity in Total Market Issues (the "Unattributed Information") based upon feeds provided by the above-noted entities which contain the information described in Section 3.2. The data will be presented by the Corporation for informational purposes only and will not identify any particular Broker, Dealer or Participating ATS as the source of any particular data.

3.2 Unattributed Information Feed

Effective as of the later of the date of this Agreement or the date it becomes a party hereto, each Broker, Dealer (but only with respect to trades of Corporate Bonds executed outside of a Broker, ATS or any other market that makes post-trade information publicly available) and Participating ATS shall provide the Corporation (or any facilitator/manager appointed by it pursuant to Section 2.3) on a real time basis (except as otherwise noted herein or in any of the Schedules hereto) with such digital record-based electronic price quotation and transactional information in its possession regarding trading activity in such Total Market Issues as may be reasonably required by the Corporation (or such facilitator/manager) to carry on the Corporation's activities in the manner contemplated hereby and in compliance with NI 21-101. Such information shall include, without limitation, the information regarding Total Market Issues as is set out in Schedule D to this Agreement but shall not include the information referred to in Section

3.3. To the extent that any Broker, Dealer or Participating ATS is able to demonstrate to the Corporation that it has obtained specific exemptive relief from the Canadian Securities Administrators from the transparency obligations set out in NI 21-101, its responsibilities with respect to provision of information pursuant to this Section 3.2 shall be specifically limited or reduced by the terms of such exemptive relief. The parties acknowledge and agree that the Corporation may amend Schedule D from time to time to respond to any requirements of the Canadian Securities Administrators or other applicable securities regulatory authority having jurisdiction (and for no other reason) and that such changes shall be effective on the day designated by the Corporation, which shall be not less than ten (10) days following the date on

which the Corporation provides an amended version of such Schedule to each party hereto.

3.3 Excluded Information

Notwithstanding anything else in this Agreement, the information to be provided by the Brokers, Dealers and Participating ATSs pursuant to Section 3.2 shall not include the identity of parties and brokers to any transaction or proposed transaction, unless specifically authorized by the relevant entity providing such information.

3.4 Method of Transmitting Information

The information referred to in Section 3.2 shall be electronically transmitted on a real time basis to the Corporation (except as otherwise noted herein or in any Schedule hereto) pursuant to reasonable arrangements to be made between the Corporation and each Broker, Participating ATS and relevant Dealer and other market participants, if any, subject to NI 21-101. No interdealer broker in Domestic Debt Securities who is not a party to this Agreement, including those whose names appear in Schedule E to this Agreement (which schedule shall be updated from time to time by the Corporation), shall be permitted access to the information of any Broker, Dealer, Participating ATS or other market participants, if any, subject to NI 21-101 referred to in Section 3.2 or to the composite information referred to in Section 3.1 and satisfactory evidence shall be provided by the Corporation from time to time that this restriction is in effect.

3.5 Co-operation

Each of the Corporation, the Dealers, Brokers and Participating ATSs shall at all times and from time to time co-operate in giving effect to the provisions of this Article 3 and in reasonably facilitating the business of the Corporation. Except as is specifically provided for in Article 4, none of the Brokers, Dealers and Participating ATSs shall be entitled to any compensation or other consideration for the provision of the information referred to in Section 3.2. If at a future date the Corporation requests new or additional information feeds from any such entities which expose such entities to significant development costs, they shall be entitled to reasonable reimbursement in an amount to be agreed in advance with the Corporation, which amount may differ from entity to entity.

3.6 Limitation of Obligations

For greater certainty, this Agreement shall not impose any obligation on any of the Brokers or on any Dealer or Participating ATSs to obtain or provide any quotation or transactional information not in the possession or control of such entity from time to time.

ARTICLE 4 UNATTRIBUTED INFORMATION SALES

4.1 Corporation's Sale of Information

Subject to the Amended and Restated Shareholders Agreement, the Corporation shall be entitled to enter into agreements and arrangements from time to time for the sale or distribution of Unattributed Information and related information products or services in such form, and on such

reasonable commercial terms, as it may deem appropriate. The Corporation shall establish prices for its information products and information services intended to enable it to recover initial start-up costs over a reasonable period of time and to generate a reasonable rate of return on investment capital sufficient to ensure ongoing viability and growth.

4.2 Excluded Information

Notwithstanding anything else in this Agreement, any sale or distribution of Unattributed Information by the Corporation in accordance with Section 4.1 shall not include any information regarding the identity of the Broker, Dealer or Participating ATS that provided any particular information.

4.3 Revenue

Net Corporation Sales Revenue generated from the agreements and arrangements referred to in Section 4.1 shall be calculated and paid by the Corporation from time to time, as consideration for the participation of the parties hereto in the activities of the Corporation, as follows:

- 4.3.1 The Corporation shall, for the relevant period of time, determine the aggregate dollar volume of trades reported and displayed by the Corporation in Total Market Issues ("Total Traded Volume") transacted by or through each Dealer, Broker and, if there are any during such period of time, Participating ATS (in each case while such entity was a party to this Agreement). The aggregate dollar volume of trades in Total Market Issues during the relevant period through all Brokers (as a group) is referred to as the "IDB Market". The aggregate dollar volume of trades in Corporate Bonds during the relevant period by Dealers (as a group) who are reporting data to the Corporation as set out in Section 3.2 (and, for greater certainty, only with respect to trades of Corporate Bonds executed outside of a Broker, ATS or any other market that makes post-trade information publicly available) is referred to as the "Corporate Bond Market". The aggregate dollar volume of trades in Total Market Issues during the relevant period through all Participating ATSs (as a group) (if during such period of time there are any Participating ATSs) is referred to as the "ATS Market". The Corporation shall determine the pro rata share of Total Traded Volume of each of the IDB Market, the Corporate Bond Market and the ATS Market. The Corporation shall ensure that the computation of the volume of trading activity with respect to the IDB Market shall be performed in a manner consistent with that used with respect to the Corporate Bond Market and the ATS Market. The Corporation shall determine the total dollar volume of trading activity based on data provided to the Corporation (upon request) by Brokers, Dealers and Participating ATSs.
- 4.3.2 The Corporation shall pay and distribute to the Brokers and Dealers, in the manner provided for in Section 4.4, that percentage of Net Corporation Sales Revenue as is equal to the

IDB Market's pro rata share of Total Traded Volume.

- 4.3.3 The Corporation shall pay and distribute to the Dealers who are reporting data to the Corporation as set out in Section 3.2, in the manner provided for in Section 4.5, that percentage of Net Corporation Sales Revenue as is equal to the Corporate Bond Market's pro rata share of Total Traded Volume.
- 4.3.4 If at the relevant time there are any Participating ATSs, the Corporation shall pay and distribute to the Participating ATSs and to Dealers (but only to the extent described in Section 4.6), in the manner provided for in Section 4.6, that percentage of Net Corporation Sales Revenue as is equal to the ATS Market's pro rata share of Total Traded Volume.

Notwithstanding anything else contained in this Agreement or any other document, the Corporation shall not pay (and no Broker, Dealer or Participating ATS shall be entitled to receive any payment of) Net Corporation Sales Revenue at any time when Capital Loans are outstanding. Each of the Corporation, the Brokers, Dealers and Participating ATSs hereby acknowledges and agrees that payment of Net Corporation Sales Revenue is subordinated and postponed to payment of all Capital Loans outstanding at any time when Net Corporation Sales Revenue would otherwise become payable by the Corporation so that, prior to payment of Net Corporation Sales Revenue, the Corporation shall have repaid all Capital Loans then outstanding. An example illustrating the method of calculating Net Corporation Sales Revenue to be paid out by the Corporation is attached hereto as Schedule G.

4.4 Allocation of Net Corporation Sales Revenue among Brokers

The aggregate Net Corporation Sales Revenue payable to the Brokers and Dealers pursuant to Section 4.3 ("IDB Market Participation Amount") shall be allocated as follows: (i) an aggregate amount of 50% of the IDB Market Participation Amount shall be paid and distributed to individual Brokers based on their respective Proportionate Trading Share in Total Market Issues in the IDB Market during the applicable period of time in which the Net Corporation Sales Revenue is earned, as reasonably determined by the Corporation; and (ii) an aggregate amount of 50% of the IDB Market Participation Amount shall be paid and distributed to individual Dealers based on their respective Proportionate Trading Share in Total Market Issues in the IDB Market during the applicable period of time in which the Net Corporation Sales Revenue is earned, as reasonably determined by the Corporation. These calculations will be made by the Corporation (or its facilitator/manager) based on the information provided or available to it pursuant to this Agreement. Reasonable arrangements will be made to safeguard the confidentiality of the information upon which these calculations are based. The Corporation and its facilitator/manager shall not have any liability whatsoever to any Broker or Dealer or to any other person in connection with any inaccuracy in calculating a Broker's or Dealer's entitlement to Net Corporation Sales Revenue pursuant to this Section 4.4 provided that the Corporation has acted in good faith.

4.5 Allocation of Net Corporation Sales Revenue among Dealers

The aggregate Net Corporation Sales Revenue payable to the Dealers pursuant to Section 4.3 shall be allocated to individual Dealers who are reporting data to the Corporation as set out in Section 3.2 based on their respective Proportionate Trading Share in Corporate Bonds in the Corporate Bond Market during the applicable period of time in which the Net Corporation Sales Revenue is earned, as reasonably determined by the Corporation. These calculations will be made by the Corporation (or its facilitator/manager) based on the information provided or available to it pursuant to this Agreement. Reasonable arrangements will be made to safeguard the confidentiality of this information. The Corporation and its facilitator/manager shall not have any liability whatsoever to any Dealer in connection with any inaccuracy in calculating a Dealer's entitlement to Net Corporation Sales Revenue pursuant to this Section 4.5 provided that the Corporation has acted in good faith.

4.6 Allocation of Net Corporation Sales Revenue among Participating ATSS

The aggregate Net Corporation Sales Revenue payable to the Participating ATSS pursuant to Section 4.3, if any ("ATS Market Participation Amount"), shall be allocated as follows: (a) to the extent that trading activity by Dealers on or through a Participating ATS represents a percentage of the Proportionate Trading Share in Total Market Issues in the ATS Market the Corporation shall allocate to such Dealers (as a group) that percentage of the ATS Market Participation Amount and shall pay such amount to individual Dealers based on their respective Proportionate Trading Share in Total Market Issues in the ATS Market during the applicable period of time in which the Net Corporation Sales Revenue is earned, as reasonably determined by the Corporation; and (b) the balance of the ATS Market Participation Amount shall be allocated to individual Participating ATSS based on their respective Proportionate Trading Share in Total Market Issues in the ATS Market during the applicable period of time in which the Net Corporation Sales Revenue is earned, as reasonably determined by the Corporation. These calculations will be made by the Corporation (or its facilitator/manager) based on the information provided or available to it pursuant to this Agreement. Reasonable arrangements will be made to safeguard the confidentiality of this information. The Corporation and its facilitator/manager shall not have any liability whatsoever to any Participating ATS or Dealer in connection with any inaccuracy in calculating any Participating ATSS's or Dealer's entitlement to Net Corporation Sales Revenue pursuant to this Section 4.6, provided that the Corporation has acted in good faith.

4.7 Right to Withhold Net Corporation Sales Revenue

Notwithstanding Section 4.3 and any other provision hereof, the Corporation shall be entitled at all times and from time to time to make any deduction, retention and withholding of Net Corporation Sales Revenue as it may deem necessary or appropriate, acting reasonably, to make adequate provision for the payment and satisfaction of incurred or anticipated expenses and other obligation of the Corporation.

**ARTICLE 5
WITHDRAWALS AND ADDITIONS**

5.1 Supplemental Parties to this Agreement

Any interdealer broker, investment dealer or ATS which is not already a party to this Agreement and which is approved by the Corporation may participate in the activities of the Corporation by: (i) agreeing, in writing, to become a party to and be bound by this Agreement by executing the Accession form in the form attached as Schedule "H" and all other agreements and documents executed pursuant to this Agreement (including the Amended and Restated Shareholders Agreement) and (ii) paying such consideration or making such loans to the Corporation as may be required by the Corporation to balance the interests of such person with pre-existing Dealers, Brokers and Participating ATSS. If any additional interdealer brokers, investment dealers or ATSS become parties to this Agreement, Schedule A or B hereto, as the case may be, shall be deemed to be amended as of that date to include reference to such additional entity and each Participating ATS shall be listed on a separate schedule.

5.2 Withdrawal from Agreement

Any Broker, Dealer or Participating ATS can withdraw its participation in the business of the Corporation and terminate its further obligations under this Agreement and related agreements at any time following 180 days from the Effective Date by giving to the Corporation 90 days advance notice of such intention. Upon any such withdrawal and termination becoming effective or upon ceasing to carry on business in Canada or upon combining its business with another party that becomes a signatory to this Agreement (the "Entitlement Date"), the Broker, Dealer or Participating ATS shall surrender to the Corporation its share in the capital of the Corporation and shall become entitled to be paid consideration therefor in an amount equal to the book value of such share, as reasonably determined by the Corporation. Payment of such consideration shall be deferred and shall be made by the Corporation at any time following payment of all Capital Loans outstanding on the Entitlement Date and prior to payment of any Net Corporation Sales Revenue following the Entitlement Date. Each Dealer, Broker and Participating ATS hereby subordinates and postpones its right to receive any consideration for surrendered shares to payment of Capital Loans outstanding on the Entitlement Date.

**ARTICLE 6
GENERAL PROVISIONS**

6.1 Further Assurances

Each of the parties covenants and agrees that at any time and from time to time it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances and assurances as may be reasonably required for the better carrying out and performance of all the terms of this Agreement.

6.2 No Representations

Nothing herein constitutes or shall be interpreted as constituting an admission or agreement as to the proprietary

rights of any Shareholder or other person with respect to any of the information to be used and distributed by the Corporation or a representation or warranty on the part of the Corporation or any of its Shareholders that it, any of the Shareholders or any other person holds exclusive or non-exclusive proprietary or other rights to information regarding trading activity in Canada and Canadian provincial money market and bond instruments, Corporate Bonds or any other information which is referred to in this Agreement or that any such party is authorized to represent or bind any person who may hold any such proprietary or other rights.

6.3 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication or by delivery as hereafter provided. Any such notice or other communication, if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the business day following the sending or, if delivered by hand, shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. Notices and other communication shall be addressed as follows:

- (a) if to the Corporation:

CanPX Inc.
Attention:
Ian C.W. Russell, Secretary
c/o Investment Dealers Association of
Canada
Standard Life Centre
121 King Street West, Suite 1600
Toronto, Ontario
M5H 3T9
Facsimile No.: (416) 364-0753

- (b) if to a Broker:

to the address and facsimile number designated by each of them at the time they execute this Agreement unless subsequently changed by notice given in accordance with this section.

- (c) if to a Dealer:

to the address and facsimile numbers designated by each of them at the time they execute this Agreement unless subsequently changed by notice given in accordance with this section.

- (d) if to a Participating ATS:

to the address and facsimile numbers designated by each of them at the time they execute this Agreement unless subsequently changed by notice given in accordance with this section.

6.4 Counterparts

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.

6.5 Assignment

The rights and obligations of the parties hereunder shall not be assignable without the prior written consent of the other parties hereto.

6.6 Successors and Assigns

This Agreement shall be binding upon and enure to the benefits of the parties hereto and their respective successors and permitted assigns. Nothing herein, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

6.7 Entire Agreement

This Agreement, the schedules referred to herein and the Amended and Restated Shareholders Agreement, together with any other documents delivered pursuant hereto and thereto, constitute the entire agreement between the parties hereto pertaining to the matters herein and therein set forth and supersede all prior agreements (including the Formation Agreement), whether oral or written, express or implied, with respect to the subject matter thereof. None of the parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or the schedules or the other documents delivered pursuant hereto. The parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules and such other documents, they have not in any way relied and will not in any way rely upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically referenced or set forth in this Agreement or in such schedules or other documents.

6.8 Amendments

No modification or amendment to this Agreement may be made unless agreed to by the parties hereto in writing.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the day and year first above written.

SCHEDULE "A"

Participating Brokers

Freedom International Brokerage Inc.

Shorcan Brokers Limited

Tullett & Tokyo Liberty Ltd.

Prebon Yamane (Canada) Ltd.

SCHEDULE "B"

Participating Dealers

Casgrain & Company Limited

CIBC World Markets Inc.

Deutsche Bank Securities Canada Inc.

J. P. Morgan Securities Canada Inc.

National Bank Financial Inc.

Merrill Lynch Canada Inc.

BMO Nesbitt Burns Inc.

RBC Capital Markets

Scotia Capital Inc.

TD Securities Inc.

SCHEDULE "C"

CanPX Inc. Constatng Documents

See attached.

SCHEDULE "D"

Quotation and Transactional Information to be provided to the Corporation

Brokers

- quotation information for all open bids and offers with respect to Designated Issues (including details as to type, issuer, coupon and maturity of security, best bid price, best ask price and total disclosed volume at such prices), to be provided in real time.

- details of trades of all Designated Issues (including details as to the type, issuer, series, coupon and maturity and price and time of the trade and the volume traded) to be provided in real time.

- details of trades of all Corporate Bonds (including details as to the type, issuer, class, series, coupon and maturity and price and time of the trade and, subject to the caps set out below, the volume traded) to be provided within one hour of the trade. If the total par value of a trade of an Investment Grade Corporate Bond is greater than Cdn.\$2 million, the trade details provided to the Corporation shall report the trade as "\$2 million+". If the total par value of a trade of a non-Investment Grade Corporate Bond is greater than Cdn.\$200,000, the trade details provided to the Corporation shall report the trade as "\$200,000+".

Dealers

- details of trades of all Corporate Bonds (including details as to the type, issuer, class, series, coupon and maturity and price and time of the trade and, subject to the caps set out below, the volume traded) to be provided within one hour of the trade. If the total par value of a trade of an Investment Grade Corporate Bond is greater than Cdn.\$2 million, the trade details provided to the Corporation shall report the trade as "\$2 million+". If the total par value of a trade of a non-Investment Grade Corporate Bond is greater than Cdn.\$200,000, the trade details provided to the Corporation shall report the trade as "\$200,000+".

Participating ATSS

- quotation information displayed on the ATS for all open bids and offers with respect to Total Market Issues (including details as to type, issuer, coupon and maturity of security, best bid price, best ask price and total disclosed volume at such prices) to be provided in real time.

- details of trades of all Designated Issues (including details as to the type, issuer, series, coupon and maturity and price and time of the trade and, subject to the caps set out below, the volume traded) to be

provided in real time. If the total par value of a trade of any Designated Issue is greater than Cdn.\$2 million, the trade details provided to the Corporation shall report the trade as "\$2 million+".

- details of trades of all Corporate Bonds (including details as to the type, issuer, class, series, coupon and maturity and price and time of the trade and, subject to the caps set out below, the volume traded) to be provided within one hour of the trade. If the total par value of a trade of an Investment Grade Corporate Bond is greater than Cdn.\$2 million, the trade details provided to the Corporation shall report the trade as "\$2 million+". If the total par value of a trade of a non-Investment Grade Corporate Bond is greater than Cdn.\$200,000, the trade details provided to the Corporation shall report the trade as "\$200,000+".

SCHEDULE "E"

Restricted Brokers

Intercapital Plc
Garban Plc
Tradition Brokers
Liberty Brokerage Inc.
Cantor Fitzgerald
GFI Brokers
Eurobrokers Inc.
Biggs Cowan

SCHEDULE "F"

Criteria for determining Corporate Bonds (to be reported to the Corporation)

The Corporation's Board of Directors shall designate, from time to time, certain Canadian dollar denominated debt securities issued by private sector corporations which shall be treated as "Corporate Bonds" for the purposes of this Agreement. The Board of Directors shall review this list (of approximately 20 debt instruments) on a regular basis and may revise the list upon written notice to all parties to the Agreement.

Corporate Bonds - Institutional Securities

Selection criteria with respect to institutional securities include trading volumes, whether bonds are included in domestic Canadian corporate bond indices and issue size (with a minimum issue size of Cdn.\$250 million). The Board will consider other factors to attempt to ensure that the list of Corporate Bonds includes bonds:

- issued by issuers among the major industrial groups of issuers;
- that are highly liquid (relative to comparables);
- that represent a majority of trade flow within the corporate bond markets;
- that, as between themselves, include short-term maturities, mid-term maturities and long term bonds;
- from each industry classification (with at least 2 from each such classification)

Corporate Bonds - Retail Focus

The Board shall endeavour to ensure that the list of Corporate Bonds includes private sector corporations that are represented in a major corporate bond index and that are relatively well known credits to retail investors. The Board will consider other factors, to attempt to ensure that the list of Corporate Bonds includes bonds with a term to maturity less than 5 years, that are priced at a discount and that are issued by well known corporations.

Currency: December 2001

Corporate Bonds

Issuer	Acronym	Coupon	Maturity
DaimlerChrysler	DCX	6.44%	04/03/2002
DaimlerChrysler	DCX	6.60%	06/03/2003
Bell Canada	B	6.25%	12/01/2003
DaimlerChrysler	DCX	6.60%	06/21/2004
Bell Canada	B	6.50%	05/09/2005
Canadian Pacific	CP	6.65%	06/01/2005
Hydro One	HYD	6.94%	06/03/2005
Bombardier	BBD	6.40%	12/22/2006
Westcoast Energy	W	5.70%	04/16/2008
Bell Canada	B	6.15%	06/15/2009
Alberta Energy	AEC	7.15%	12/17/2009
Enbridge Energy	ENB	6.80%	03/10/2010
Hydro One	HYD	7.15%	06/03/2010
Greater Toronto Airport Authority	GTAA	6.70%	07/19/2010
Royal Bank of Canada	RY	7.10%	01/25/2015
Bank of Nova Scotia	BNS	8.90%	06/20/2025
Loblaws Inc.	L	6.50%	01/22/2029
Bell Canada	B	6.55%	05/01/2029
Hydro One	HYD	7.35%	06/03/2030
Greater Toronto Airport Authority	GTAA	7.05%	06/12/2030

SCHEDULE "G"

(Section 4.3)

The following example illustrates the operation of the revenue allocation provisions under Section 4.3, where there are three classes of shares issued and outstanding (i.e., there is at least one Participating ATS):

ASSUMED FACTS:

Total Traded Volume

IDB Market	\$ 85 billion
Corporate Bond Market	\$ 10 billion
ATS Market	<u>\$ 5 billion</u>
	\$100 billion

and where: Net Corporate Sales Revenue is \$50 million

Allocation of Net Corporation Sales Revenue**IDB Market**

- 85% of \$50 million = \$42.5 million
- split 50/50 between Dealers and Brokers
- allocated to individual Dealers and Brokers on Proportionate Trading Share of Total Market Issues in IDB Market

Corporate Bond Market

- 10% of \$50 million = \$5 million
- allocated to relevant Dealers based on Proportionate Trading Share of Corporate Bonds in the Corporate Bond Market

ATS Market

- 5% of \$50 million = \$2.5 million
- split between Participating ATSs and those Dealers (as a group) who have executed trades on or through a Participating ATS
- that percentage of \$2.5 million as is equal to the percentage of trading activity in the ATS Market conducted by Dealers is allocated to relevant Dealers (as a group) and the resulting amount is allocated to relevant Dealers based on their Proportionate Trading Share in Total Market Issues in the ATS Market
- the balance of the \$2.5 million is allocated to Participating ATSs based on their Proportionate Trading Share in Total Market Issues in the ATS Market

SCHEDULE "H"

Form Of Accession To Agreement

To the Amended and Restated Formation Agreement entered into as of the 30th day of November, 2001 (the "Agreement") by and among the Brokers, Dealers and Participating ATs (as such terms are defined in the Agreement) and CanPX Inc.

AGREEMENT

THIS INSTRUMENT forms part of the Agreement, which Agreement permits execution by counterpart. The undersigned hereby acknowledge having received a copy of the said Agreement (attached hereto as Schedule 1) and having read the said Agreement in its entirety.

The undersigned hereby accedes voluntarily and readily to the Agreement and acknowledges and accepts that the terms and conditions thereof shall be binding upon the undersigned as if the undersigned had been an original party thereto.

IN WITNESS WHEREOF the undersigned has executed this instrument as of the _____ day of _____,

APPENDIX "B"

List of Designated Government Debt Securities and Corporate Debt Securities

Government of Canada

Bonds		Bills
5.75%	Jun-2003	Jan-17
5.00%	Dec-2003	Jan-31
6.00%	Sep-2005	Feb-14
5.75%	Sep-2006	Feb-28
5.50%	Jun-2010	Mar-14
6.00%	Jun-2011	Mar-28
8.00%	Jun-2023	Apr-11
5.75%	Jun-2029	Apr-25
8.50%	Apr-2002	May-09
5.75%	Jun-2002	May-23
5.50%	Sep-2002	Jun-06
6.00%	Dec-2002	Jun-20
7.25%	Jun-2003	Jul-04
5.25%	Sep-2003	Jul-18
7.50%	Dec-2003	Aug-15
6.50%	Jun-2004	Sep-12
5.00%	Sep-2004	Oct-10
9.00%	Dec-2004	Nov-07
8.75%	Dec-2005	Dec-05
7.00%	Dec-2006	Jan-03
7.25%	Jun-2007	
6.00%	Jun-2008	
10.00%	Jun-2008	
5.50%	Jun-2009	
9.50%	Jun-2010	
9.00%	Mar-2011	
5.25%	Jun-2012	
10.25%	Mar-2014	
11.25%	Jun-2015	
10.21%	Mar-2021	
8.00%	Jun-2027	
4.00%	Dec-2031	
5.75%	Jun-2033	

Provincial

Alberta	6.380%	2004
Alberta	5.000%	2008
Alberta	5.100%	2003
Alberta	5.750%	2004
Alberta	5.930%	2016
Alberta	7.500%	2005
Alberta	7.500%	2003
British Columbia Global	5.250%	2006

Request for Comments

British Columbia	5.700%	2029	Manitoba	5.850%	2011
British Columbia	5.750%	2029	Manitoba	6.250%	2005
British Columbia	5.750%	2012	Manitoba	6.620%	2007
British Columbia	6.000%	2008	Manitoba	7.875%	2003
British Columbia	6.150%	2027	Manitoba	8.500%	2013
British Columbia	6.250%	2009	Manitoba	9.370%	2004
British Columbia	6.350%	2031	New Brunswick	5.250%	2009
British Columbia	6.370%	2010	New Brunswick	5.650%	2028
British Columbia	7.500%	2014	New Brunswick	5.700%	2008
British Columbia	8.000%	2005	New Brunswick	5.800%	2011
British Columbia	8.000%	2023	New Brunswick	5.850%	2011
British Columbia	8.500%	2013	New Brunswick	6.000%	2017
British Columbia	9.000%	2002	New Brunswick	6.370%	2010
British Columbia	9.000%	2004	New Brunswick	6.750%	2017
British Columbia	9.000%	2024	New Brunswick	7.100%	2006
British Columbia	9.500%	2012	New Brunswick	7.500%	2005
British Columbia	9.500%	2022	New Brunswick	7.750%	2006
British Columbia	9.950%	2021	New Brunswick	8.000%	2003
British Columbia Global	7.750%	2003	New Brunswick	8.375%	2002
CMB	4.750%	2007	New Brunswick	8.500%	2013
CMB	5.527%	2006	New Brunswick	9.125%	2002
CMHC	5.000%	2003	Newfoundland	5.700%	2008
CMHC	5.100%	2003	Newfoundland	5.900%	2007
CMHC	5.500%	2002	Newfoundland	6.400%	2011
CMHC	5.750%	2004	Newfoundland	6.550%	2030
CMHC	6.250%	2005	Newfoundland	6.700%	2009
EDC	5.000%	2006	Newfoundland Hydro	5.050%	2006
EDC	5.500%	2004	Newfoundland Hydro	5.250%	2002
EDC	5.370%	2002	Newfoundland Hydro	6.650%	2031
EDC	5.500%	2009	Newfoundland Labrador Hydro	5.050%	2006
EDC	5.750%	2011			
EDC	6.200%	2010	Nova Scotia	5.100%	2003
FCR	5.000%	2003	Nova Scotia	5.400%	2009
FCR	5.200%	2007	Nova Scotia	6.600%	2031
FNQ	6.300%	2006	Ontario Hydro	5.370%	2003
Hydro Quebec	10.000%	2011	Ontario Hydro	5.600%	2008
Hydro Quebec	10.250%	2012	Ontario Hydro	8.250%	2026
Hydro Quebec	10.500%	2021	Ontario Hydro	8.900%	2022
Hydro Quebec	11.000%	2020	Ontario Hydro	9.000%	2025
Hydro Quebec	5.500%	2003	Ontario Hydro Global	5.600%	2008
Hydro Quebec	6.000%	2031	Ontario Hydro Global	9.060%	2002
Hydro Quebec	7.000%	2004	Ontario	4.870%	2004
Hydro Quebec	7.000%	2007	Ontario	5.200%	2007
Hydro Quebec	8.500%	2005	Ontario	5.700%	2008
Hydro Quebec Global	6.000%	2009	Ontario	5.900%	2006
Hydro Quebec Global	7.000%	2004	Ontario	6.100%	2010
Manitoba	10.000%	2011	Ontario	6.100%	2011
Manitoba	10.500%	2031	Ontario	6.125%	2007
Manitoba	5.100%	2006	Ontario	6.200%	2009
Manitoba	5.750%	2006	Ontario	6.200%	2031
Manitoba	5.750%	2008	Ontario	6.250%	2005

Ontario	6.500%	2029
Ontario	7.750%	2006
Ontario	8.000%	2003
Ontario	8.100%	2023
Ontario	8.250%	2005
Ontario	8.500%	2025
Ontario	9.000%	2004
Ontario	9.500%	2022
Ontario Global	5.600%	2008
Ontario Global	7.500%	2006
Ontario Global	8.000%	2003
Quebec	11.000%	2009
Quebec	5.250%	2002
Quebec	5.500%	2009
Quebec	6.000%	2029
Quebec	6.250%	2010
Quebec	6.250%	2032
Quebec	6.500%	2005
Quebec	6.500%	2007
Quebec	7.500%	2003
Quebec	7.750%	2006
Quebec	8.500%	2026
Quebec	9.000%	2003
Quebec	9.250%	2002
Quebec	9.370%	2023
Quebec Global	7.500%	2003
Quebec Global	9.370%	2023
Sask	4.750%	2006
Sask	6.150%	2010
Sask	6.250%	2007
Sask	6.400%	2031
Sask	9.500%	2004

Corporate Debt Securities

	Issuer	Acronym	Coupon	Maturity
1	DaimlerChrysler	DCX	6.44%	04/03/2002
2	DaimlerChrysler	DCX	6.60%	06/03/2003
3	Bell Canada	B	6.25%	12/01/2003
4	DaimlerChrysler	DCX	6.60%	06/21/2004
5	Bell Canada	B	6.50%	05/09/2005
6	Canadian Pacific	CP	6.65%	06/01/2005
7	Hydro One	HYD	6.94%	06/03/2005
8	Bombardier	BBD	6.40%	12/22/2006
9	Westcoast Energy	W	5.70%	04/16/2008
10	Bell Canada	B	6.15%	06/15/2009
11	Alberta Energy	AEC	7.15%	12/17/2009
12	Enbridge Energy	ENB	6.80%	03/10/2010
13	Hydro One	HYD	7.15%	06/03/2010
14	Greater Toronto Airport Authority	GTAA	6.70%	07/19/2010
15	Royal Bank of Canada	RY	7.10%	01/25/2015
16	Bank of Nova Scotia	BNS	8.90%	06/20/2025
17	Loblaws Inc.	L	6.50%	01/22/2029
18	Bell Canada	B	6.55%	05/01/2029
19	Hydro One	HYD	7.35%	06/03/2030
20	Greater Toronto Airport Authority	GTAA	7.05%	06/12/2030