

IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990,
CHAPTER S.5, AS AMENDED (the Act)

AND

IN THE MATTER OF
TSX GROUP INC. AND TSX INC.

ORDER
(Section 144 of the Act)

WHEREAS the Commission issued an order dated April 3, 2000, varied on January 29, 2002, September 3, 2002, August 12, 2005, December 16, 2005 and August 10, 2006 granting and continuing the recognition of TSX Group Inc. and TSX Inc. as a stock exchange pursuant to section 21 of the Act (the Recognition Order);

AND WHEREAS the terms and conditions attached as Schedule A to the Recognition Order reference Market Regulation Services Inc. (RS Inc.) in Item 13;

AND WHEREAS effective June 1, 2008, RS Inc. will combine its operations with the Investment Dealers Association of Canada to form the Investment Industry Regulatory Organization of Canada (IIROC);

AND WHEREAS the Commission is of the opinion that it is not prejudicial to the public interest to vary the Recognition Order to refer to IIROC;

IT IS ORDERED pursuant to section 144 of the Act that the Recognition Order be varied as follows:

1. Item 13 of Schedule A of the Recognition Order is repealed and replaced by the following:

"13. REGULATION

- (a) TSX shall continue to retain the Investment Industry Regulatory Organization of Canada (IIROC) as an RSP to provide certain regulation services which have been approved by the Commission. TSX shall provide to the Commission, on an annual basis, a list outlining the regulation services provided by IIROC and the regulation services performed by TSX. All amendments to those listed services are subject to the prior approval of the Commission.
- (b) In providing the regulation services, as set out in the agreement between IIROC and TSX (Regulation Services Agreement), IIROC provides certain regulation services to TSX pursuant to a delegation of TSX's authority in accordance with Section 13.0.8(4) of the Toronto Stock Exchange Act and will be entitled to exercise all the authority of TSX with respect to the administration and enforcement of certain market integrity rules and other related rules, policies and by-laws.
- (c) TSX shall provide the Commission with an annual report with such information regarding its affairs as may be requested from time to time. The annual report shall be in such form as may be specified by the Commission from time to time.
- (d) TSX shall continue to perform all other regulation functions not performed by IIROC. TSX shall not perform such regulation functions through any other party, including its affiliates or associates, without prior Commission approval. For greater certainty, any outsourcing of a business function that is done in accordance with paragraph 23 does not contravene this paragraph.
- (e) Management of TSX (including the Chief Executive Officer) shall at least annually assess the performance by IIROC of its regulation functions and report thereon to the Board of TSX, together with any recommendations for improvements. TSX shall provide the Commission with copies of such reports and shall advise the Commission of any proposed actions arising therefrom."

2. Item 15(a) of Schedule A of the Recognition Order is repealed and replaced by the following:

"15. Purpose of Rules

- (a) TSX shall, subject to the terms and conditions of this Recognition Order and the jurisdiction and oversight of the Commission in accordance with Ontario securities laws, through IIROC and otherwise, establish such

rules, policies and other similar instruments (“Rules”) that are necessary or appropriate to govern and regulate all aspects of its business and affairs.”

3. Item 18 of Schedule A of the Recognition Order is repealed and replaced by the following:

“18. Sanction Rules

TSX shall ensure, through IIROC and otherwise, that its Participating Organizations and its listed issuers are appropriately sanctioned for violations of the Rules. In addition, TSX will provide notice to the Commission of any violations of securities legislation of which it becomes aware in the ordinary course operations of its business.”

4. Item 21 of Schedule A of the Recognition Order is repealed and replaced by the following:

“21. Listed Company Rules

TSX shall ensure, through IIROC and otherwise, that it has appropriate review procedures in place to monitor and enforce issuer compliance with the Rules.”

5. Section 3.5 of Appendix I of the Recognition Order is repealed and replaced by the following:

“3.5 TSX shall use its best efforts to instruct senior management and relevant staff at TSX, and relevant senior management and staff at IIROC, in order that they are alerted to, and are able to identify, Conflicts of Interest which may exist or arise in the course of the performance of their functions. Without limiting the generality of the foregoing:

3.5.1. TSX shall provide instruction that any matter concerning TSX Group that is brought to the attention of staff at TSX must be immediately brought to the attention of the Committee Secretary.

3.5.2. TSX shall maintain a list in an electronic format, to be updated regularly and in any event at least monthly and reviewed and approved by the Conflicts Committee at least monthly, of all Competitors that are TSX-listed issuers, and shall promptly after the above-noted approval by the Conflicts Committee provide the current list to managers at TSX and IIROC who supervise departments that (i) review continuous disclosure; (ii) review requests/applications for exemptive relief; (iii) perform timely disclosure and monitoring functions relating to TSX-listed issuers; and (iv) otherwise perform tasks and/or make decisions of a discretionary nature. In maintaining this list, TSX shall ensure that senior executives in the issuer services division of TSX regularly prepare and review and update the list and provide it promptly to the Conflicts Committee.

3.5.3. TSX shall provide instruction to staff at TSX that any initial listing or continued listing matter or a complaint of a Competitor or of any TSX-listed issuer or listing applicant that asserts that it is a Competitor must be immediately brought to the attention of the Committee Secretary.

3.5.4. TSX shall provide to staff who review initial listing applications and to senior executives in the issuer services division of TSX a summary of the types of businesses undertaken to a significant degree by TSX Group or its affiliates and shall update the list as these businesses change, in order that initial listings staff and senior executives in the issuer services division of TSX may recognize a Competitor.”

6. Section 4 of Appendix I of the Recognition Order is repealed and replaced by the following:

“4. Timely Disclosure and Monitoring of Trading

4.1 TSX shall use its best efforts to ensure that IIROC at all times is provided with the current list of the TSX-listed issuers that are Competitors.”

Dated this 16th day of May, 2008, effective on June 1, 2008.

“W. David Wilson”

“James E.A. Turner”