

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:

<i>Rating Organization</i>	<i>Long Term Debt</i>	<i>Short Term Debt</i>
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 fulfillment 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 fulfillment 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 fulfillment 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 ATs 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 ATs 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 ATs 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 ATS'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. Constating Documents

See attached.

***[STAFF NOTE - THESE DOCUMENTS CAN BE REVIEWED AT THE OFFICES OF
THE OSC, BCSC, CVMQ AND ASC]***

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 ATSS (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 _____, .