

1.1.2 Notice of Commission Approval of Memorandum of Understanding with the Autorité des marchés financiers regarding Co-ordination and Information Sharing relating to TMX Group Inc., TSX Inc. and Bourse de Montréal Inc.

**NOTICE OF COMMISSION APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH
THE AUTORITÉ DES MARCHES FINANCIERS REGARDING CO-ORDINATION AND INFORMATION SHARING
RELATING TO TMX GROUP INC., TSX INC. AND BOURSE DE MONTRÉAL INC.**

The Commission has approved a memorandum of understanding (MOU) between the Commission and the Autorité des marchés financiers (AMF). The MOU sets out a process for coordination between the Commission and the AMF in the event that a person or company proposes to own more than 10 percent of TMX Group. The MOU also provides for information sharing relating to the oversight of TMX Group Inc., TSX Inc. and Bourse de Montréal Inc.

The MOU is subject to the approval of the Minister of Finance. The MOU was sent to the Minister on October 8, 2008.

LETTER OF INTENT BETWEEN:
AUTORITÉ DES MARCHÉS FINANCIERS
AND
ONTARIO SECURITIES COMMISSION
REGARDING

**CO-ORDINATION AND INFORMATION SHARING RELATING TO
TMX GROUP INC., TSX INC. AND BOURSE DE MONTRÉAL INC.**

TSX Group Inc., now TMX Group Inc. ("TMX Group"), and Bourse de Montréal Inc. ("Bourse") have combined their organizations resulting in the Bourse becoming a direct subsidiary of TMX Group ("Transaction"), effective May 1, 2008.

Under the "lead regulator" model of oversight of Canadian exchanges, the Ontario Securities Commission ("OSC") has recognized TSX Inc. ("TSX") as an exchange (OSC Recognition Order), and is the lead regulator responsible for the oversight of this entity and the Autorité des marchés financiers ("AMF") has authorized the Bourse as an exchange and recognized it as a self-regulatory organization (AMF Authorization and Recognition Order) and is the lead regulator of the Bourse. Moreover, the OSC has also recognized TMX Group Inc. as an exchange.

Both regulators recognize that this letter has the sole purpose of acknowledging the common intent to cooperate and to assist each other in a timely and co-ordinated response between the OSC and the AMF with regard to an application to own more than 10% of TMX Group and to share information.

PART I – Application to own more than 10% of TMX Group.

Following the Transaction, if a person or company or combination of persons or companies acting jointly or in concert seeks to beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of TMX Group, approval of both the AMF and OSC is required. Approval of the AMF is required pursuant to written undertakings, dated April 9, 2008, given by TMX Group to the AMF, attached as Annexe 1 to AMF Authorization and Recognition Order. Approval of the OSC is required pursuant to section 21.11 of the *Securities Act* (Ontario), as amended by regulation, and an order of the OSC dated September 3, 2002.

Upon the OSC and/or the AMF receiving an application for approval to own more than 10% of TMX Group or any successor ("Application"), the OSC and the AMF will use best efforts to adhere to the following process:

1. The OSC shall promptly notify the Director, SRO Oversight of the AMF in writing of receipt of an Application and shall provide the Director, SRO Oversight of the AMF with any information it receives pertaining to the Application. The AMF shall likewise promptly notify the Manager, Market Regulation of the OSC in writing if it receives an Application and shall provide the Manager, Market Regulation of the OSC with any information it receives pertaining to the Application;
2. If either the OSC or the AMF determines that an Application should be published for comment, the OSC and the AMF will co-ordinate the publication date and the length of the consultation period;
3. AMF and OSC will agree on which entity will act as the "co-ordinating regulator" responsible for the process set out below;
4. Comments to the co-ordinating regulator will be provided in writing within 20 business days of receiving notice of the Application or if a Notice of the Application has been published for comment, 10 business days after the expiry of the comment period;
5. The co-ordinating regulator will send a comment letter on behalf of the OSC and AMF to the filer(s) of the Application within seven business days of receiving comments. In the event that OSC and AMF comments conflict, OSC and AMF will try to reach consensus;
6. Once a response to the initial comment letter from the filer(s) of the Application is received, any additional comments will be provided to the co-ordinating regulator in writing within 10 business days of receipt of the response. If no additional comments are received, the OSC and the AMF will proceed with any necessary approvals;
7. OSC and AMF will discuss and attempt to resolve any concern(s) raised regarding the filer(s)' response, including discussing with the filer(s) if necessary. If these concerns are not resolved to the satisfaction of both OSC and AMF,

the concerns will be escalated to the Chair of the OSC and the President and chief executive officer of the AMF or other OSC and AMF senior executives;

8. OSC and AMF will prepare documentation for approval of the Application within 14 business days of resolving comments under paragraph (6) or (7) and will notify each other once approval is obtained;
9. The co-ordinating regulator will promptly notify the filer(s) of the Application in writing after approval of the Application is granted by each of the OSC and AMF.

PART II – Information Sharing

For as long as the OSC recognizes TSX or TMX Group and for as long as the AMF authorizes and recognizes the Bourse:

1. The OSC will use best efforts to promptly advise the AMF in writing if the OSC:
 - a. becomes concerned about the financial viability of TSX or TMX Group;
 - b. is advised by TMX Group that it will not allocate sufficient financial and other resources to the Bourse to ensure that the Bourse can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the AMF Authorization and Recognition order;
 - c. is advised by TMX Group that it will not allocate sufficient financial and other resources to the TSX to ensure that the TSX can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the OSC Recognition order;
 - d. is considering revoking or revokes its recognition of TSX or TMX Group;
 - e. becomes aware of an intention of TSX or TMX Group to cease its operations or dispose of all or substantially all of its assets.
2. The AMF will use best efforts to promptly advise the OSC in writing if the AMF:
 - a. becomes concerned about the financial viability of the Bourse;
 - b. is advised by the Bourse that it will not have sufficient financial and other resources to ensure that it can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the AMF Authorization and Recognition order;
 - c. is considering revoking or revokes its authorization and recognition of the Bourse;
 - d. becomes aware of an intention of the Bourse to cease its operations or dispose of all or substantially all of its assets.

In addition, to the extent practicable, as appropriate in the particular circumstances and subject to applicable privacy laws, the OSC and the AMF endeavour to inform each other in advance of:

1. any material events that may have a significant impact on the operations or activities of either the Bourse, TSX or TMX Group; and
2. sanctions that could adversely impact the Bourse, TSX or TMX Group in the other regulator's jurisdiction.

Effective Date:

This letter of intent comes into effect on January 1st, 2009.

AUTORITÉ DES MARCHÉS FINANCIERS

Per: _____

Title: _____

Date: _____

ONTARIO SECURITIES COMMISSION

Per: _____

Title: _____

Date: _____

For purposes of An Act respecting the
Ministère du Conseil exécutif (R.S.Q., c. M-30),
**Secrétaire général associé aux affaires
intergouvernementales canadiennes**

Per: _____

Date: _____