

APPENDIX A

LOCAL MATTERS

UNDERTAKINGS PROVIDED BY TMX IP

In connection with the extension of its role as information processor for exchange-traded securities other than options,⁶ TSX Inc. (TSX) in its capacity as an IP (TMX IP) undertakes the following:

1. PUBLIC INTEREST RESPONSIBILITIES

- (a) TMX IP must conduct its business and operations in a manner that is consistent with the public interest.
- (b) TMX IP must provide written reports to the CSA Staff, as required by the CSA Staff, describing how it is meeting its regulatory and public interest functions.

2. CHANGES TO FORM F5

- (a) As required by section 14.2 of NI 21-101, TMX IP will file with the CSA Staff amendments to the information provided in Form F5. TMX IP must not implement a significant change to the information in the Form F5 without the prior approval of the CSA Staff.

3. GOVERNANCE AND CONFLICTS OF INTEREST

- (a) TMX IP will notify the CSA Staff of the representatives of the IP Governance Committee and the IP Advisory Sub-Committee, and will provide notice of any changes to those representatives.
- (b) The Boards of Directors of TMX Group Limited and TSX will not be involved in IP Governance Committee decisions relating to the scope of service, operational priorities, bandwidth, capacity planning, performance management, including service levels, and the fee and revenue sharing model related to TMX IP.
- (c) TMX IP will maintain and monitor compliance with policies and procedures to separate TSX's marketplace business operations from TMX IP operations and manage inherent conflicts of interest and provide material changes to these policies and procedures to the CSA Staff for review.
- (d) The technology used by TMX IP will not give the marketplaces affiliated with TMX Group Limited an advantage with respect to their data as compared to other marketplaces.

⁶ In Québec, options are derivatives under the *Derivatives Act* (Québec) and are excluded from the definition of "exchange-traded securities".

4. IP PRODUCTS

- (a) Unless TMX IP obtains prior approval from CSA Staff, it may only distribute the following products (together the Consolidated Data Products):
- a. The Consolidated Data Feed (CDF);
 - b. The Canadian Best Bid and Offer (CBBO);
 - c. The Consolidated Best Bid and Offer for Protected Only Markets (CBBOP);
 - d. The Consolidated Last Sale (CLS);
 - e. The Consolidated Depth of Book (CDB); and
 - f. The Consolidated Depth of Book for Protected Only Markets (CDBP).
- (b) Unless TMX IP obtains prior approval from CSA Staff, it must distribute all Consolidated Data Products.
- (c) TMX IP will review the Consolidated Data Products, and consider any new products or changes to the Consolidated Data Products that may be reasonably required by amendments that may be adopted by the CSA Staff during the term of these undertakings.
- (d) TMX IP may bundle each data product comprising the Consolidated Data Products for sale to Data Purchasers, but must also make each data product available as a separate permissionable feed.
- (e) If TSX or any of its affiliated entities intend to create and distribute products using the data provided to TMX IP under Part 7 of NI 21-101 through its commercial distribution channels and not through TMX IP:
- i. The data required to be provided to TMX IP by Data Contributors, other than data from the marketplaces that are affiliates of TSX, must not be used without the permission of the Data Contributors; and
 - ii. Any additional product must be made available for purchase separately from, and not bundled with, the Consolidated Data Products or any other products approved under paragraph 4(a).
- (f) TSX, in its capacity of TMX IP, will not provide any of its affiliated entities with the data provided by the Data Contributors, other than the data from the marketplaces that are affiliates of TSX, without the permission of the Data Contributors.
- (g) TMX IP will consolidate, update and provide in real-time the Consolidated Data Products during the hours of operation of any Canadian marketplace required to provide information to an IP under NI 21-101, provided that TMX IP may perform normal course recycle, batch and maintenance operations. TMX IP will provide customer support between the hours of 7:30 – 17:30 Toronto time and 24/7 technical support.

5. AGREEMENTS WITH DATA CONTRIBUTORS

- (a) TMX IP will ensure that Data Contributors are given access to TMX IP on fair and reasonable terms.
- (b) The standard agreements and contracts to be entered into between TMX IP and Data Contributors in connection with TMX IP services will be provided to the CSA Staff for review and approval prior to their execution.
- (c) Proposed material changes to agreements or contracts between TMX IP and Data Contributors will be provided to the CSA Staff for review and approval.

6. FEES, FEE STRUCTURE AND REVENUE SHARING

- (a) TMX IP will make available, on its website, the fee schedule for TMX IP Consolidated Data Products.
- (b) If any adjustments or modifications are proposed to fees, fee structure, or the fee/revenue sharing model relating to the services of TMX IP, TMX IP will ask the IP Governance Committee to seek input from the IP Advisory Sub-Committee prior to approving such adjustments or modifications.
- (c) TMX IP will report annually, in writing, to the CSA Staff whether it has fully recovered its costs (including cost of capital and cost to meet the requirements under subsections 14.4(2), (4), and (5) of NI 21-101) associated with offering TMX IP services and will review and report on whether the profit margin received from TMX IP services is in line with industry standards.
- (d) If there are excess revenues over costs plus a reasonable profit margin, and that excess is not allocated to operating and/or capacity expansion of TMX IP, TMX IP will examine its options for the use of that excess revenue and analyze and recommend an appropriate use to the IP Governance Committee. TMX IP will ask the IP Governance Committee to review the analysis and recommendations and provide its views in writing to TMX IP. The analysis, recommendations and the views of the IP Governance Committee will be provided to the CSA Staff within 30 days of the IP Governance Committee having received the analysis and recommendations.
- (e) TMX IP will conduct reviews of the “pass-through” fee model, as requested by the CSA Staff (the Review Initiation Date). Such review will examine the fee models used by data consolidators in other jurisdictions and the cost of data in Canada. It will consider reports or studies available at the time of the review. A report outlining the conclusions from the review and the basis for those conclusions, along with any recommendations, will be provided to the IP Governance Committee promptly upon completion. TMX IP will ask the IP Governance Committee to review the report and provide its views, in writing, to TMX IP. The report and the views of the IP Governance Committee will be provided to the CSA Staff within 90 days of the Review Initiation Date.

7. NON-EXCLUSIVITY

TMX IP acknowledges that the designation as an IP does not grant TMX IP any exclusive right to consolidating and disseminating order and trade data. TMX IP will not seek exclusivity through the terms of any contract relating to the Consolidated Data Products, or involving the data underlying the Consolidated Data Products, with a Data Contributor or Data Purchaser.

8. SELF-ASSESSMENT

(a) TMX IP will conduct the annual independent system review referred to in section 14.5 of NI 21-101 and provide the report of such review to the CSA Staff no later than 90 days after the end of TMX IP's fiscal year.

(b) TMX IP will conduct an annual self-assessment of its compliance with subsections 14.4(2), (4) and (5) of NI 21-101 and with its performance with respect to the terms and conditions of these undertakings. The report of such self-assessment will be provided to the IP Governance Committee promptly upon its completion. TMX IP will ask the IP Governance Committee to review the report and provide its views in writing. The report and the views of the IP Governance Committee will be provided to the CSA Staff no later than 90 days after the end of TMX IP's fiscal year.

9. FINANCIAL VIABILITY

TMX Group Limited will provide TMX IP with sufficient financial and other resources to ensure its financial viability and the proper performance of its functions.

10. NOTICE

TMX IP must provide the CSA Staff with at least one year's notice, should it determine not to continue to act as an IP.

11. TERMINATION

These undertakings will automatically terminate on the earlier of (i) July 1, 2026, or (ii) the date TMX IP ceases to act as an IP.