

Notice to Participating Organizations and Members

May 26, 2014

2014-017

TMX QUANTUM XA™ IMPLEMENTATION UPDATE

The following notice is being published as a follow up to PO Notice # 2014-009 issued March 21, 2014 and to provide an update on details of the TMX Quantum XA rollout.

TSX Migration to TMX Quantum XA

Symbols trading on TSX will be migrated onto TMX Quantum XA over three phases commencing Monday, June 2nd, 2014 as follows:

Phase 1 :

Effective Monday, June 2nd all symbols beginning with the letters J and Y will be trading on TMX Quantum XA.

- Effective at the close of business on **Friday, May 30th at 5:00p.m.**, all open orders on the securities starting with the Letters J and Y will be purged as part of the TMX Quantum end of day batch process. No open orders for these symbols will be transferred as part of the migration.
- Production environment will be available on **Saturday, May 31st** for the purpose of re-entering GTC/GTD orders according to the following schedule:
 - Order Book/Order Status/Trading Tier: 3:00a.m. - 4:00a.m.
 - Pre-Open: 7:00a.m. -12:00p.m.

Any duration orders entered on Saturday on the letters J and Y will remain in the system with time priority effective for start-up on Monday, June 2nd. Clients can also choose to re-enter GTC/GTD orders during the Monday regular pre-open session.

- Note that orders purged as part of Friday's end of day batch (including all expired orders) will be reflected on Saturday's Reconciliation feed. Monday's Order Book will also be reflective of Saturday's order entry session on TMX Quantum XA.
- Vendors who rely solely on the Order Book download (TBF, TRF, TL2, TQL2) for the purpose of building their level 2 displays will not be required to bring up their systems on Saturday.

Phase 2 and Phase 3

After the successful migration of the first phase of symbols, the following symbols/symbol groups will be migrated to TMX Quantum XA on the following dates:

- Monday, June 9th - all remaining symbols beginning with the Letters E through L, and T through Z
- Monday, June 16th - all remaining symbols beginning with the letters A through D, and M through S
- Monday, June 23rd - contingency date

Handling of Open Orders for all Phases

Based on customer feedback, we will be purging all open orders as part of the migration. The orders will be removed as part of the batch process on Friday evenings preceding each migration date. In order to accommodate re-entering of the GTC and GTD orders, the production environment will be available on the respective Saturdays.

Note that for each migration phase for those symbols being migrated, orders cancelled as part of the Friday's end of day batch (including all expired orders) will be reflected on the Saturday's Reconciliation feed. Monday's Order Status/Order Book will be reflective of Saturday's order entry session.

Contingency Planning for all Phases

As per TMX standard procedure with all major equity trading implementations, a contingency plan has been created as part of the TMX Quantum XA initiative.

- Migration Weekends:
 - By noon EST on each Saturday of the respective migration phases noted above, Market Operations will send an email through normal external notification channels confirming whether or not the migration will proceed as planned for the Monday.
 - If notification is provided that the migration will not proceed as planned, the symbols scheduled for that phase of the migration will open for trading on the Monday on the existing TMX Quantum platform. The open orders which were purged as part of the Friday night batch on TMX Quantum will be automatically reinstated into the trading system for those symbols scheduled for that phase of the migration.
- If throughout the migration period unexpected issues arise in production preventing effective operation of the TMX Quantum XA platform, TMX will consider rolling back migrated symbols to the existing TMX Quantum platform overnight. In case of a roll

back, any open orders would not be transferred from the TMX Quantum XA platform back to the TMX Quantum platform.

TSX Venture Exchange (TSXV) Migration to TMX Quantum XA:

The test environment (GTE) for TSXV on TMX Quantum XA will be available on June 4, 2014.

The migration of TSX Venture Exchange to TMX Quantum XA is planned to commence on Monday September 8, 2014 and will occur over two phases. Further information related to the TSXV migration will be published by the end of June 2014.

Alpha Migration to TMX Quantum XA

The migration of Alpha to TMX Quantum XA is planned for Q2 2015. Further information related to the migration will be published at a later date once details have been confirmed.

If you have further questions or need additional information, please contact TMX Market Operations at (416) 947-4705, or our Account Management Team.

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About TMX Group (TSX-X)

TMX Group's key subsidiaries operate cash and derivative markets and clearinghouses for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, TMX Select, Alpha Group, The Canadian Depository for Securities, Montreal Exchange, Canadian Derivatives Clearing Corporation, Natural Gas Exchange, BOX Options Exchange, Shorcan, Shorcan Energy Brokers, Equicom and other TMX Group companies provide listing markets, trading markets, clearing facilities, depository services, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across Canada (Montreal, Calgary and Vancouver), in key U.S. markets (New York, Houston, Boston and Chicago) as well as in London, Beijing and Sydney. For more information about TMX Group, visit our website at www.tmx.com. Follow TMX Group on Twitter at <http://twitter.com/tmxgroup>.

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