

Notice to Members

March 6, 2013

2013-007

Alpha Migration to TMX Quantum™ Operational and Administrative Changes

TMX Group is pleased to provide additional information related to the migration of Alpha to TMX Quantum. As a result of the migration, there are various operational, reporting, and administrative changes that this notice serves to outline. Previously published information related to the migration have been focused on the technical migration, and can be found in PO Notice 2012-046, PO Notice 2012-050, and PO Notice 2013-003.

Key Dates

As a reminder, key dates related to the migration are currently as follows:

Publication of Alpha Specifications	November 30, 2012
Alpha Available in TMX Quantum GTE (Testing)	February 19, 2013
Technical Launch	April 1, 2013
Alpha Migration to TMX Quantum Production Launch	April 29, 2013

Production Launch Contingency

As a reminder of the production launch, effective at the close of business on Friday, April 26th all open orders on the existing Alpha platform will be purged from the book. On Monday, April 29th, Alpha will operate on TMX Quantum at its new location in the existing TMX Group data centres.

As indicated in PO Notice 2013-003 published February 1, 2013, the two weekends following the planned Production Launch date of April 29, 2013 have been designated as contingency migration dates if required. The contingency plan is as follows:

- By noon EST on Saturday April 27, 2013, TMX will send an email through normal external notification channels confirming whether or not the launch will proceed as planned for Monday April 29.
- If notification is provided that the launch will not proceed as planned for Monday April 29, Alpha will open for trading on Monday April 29 on the existing system and the production migration to Quantum will be re-scheduled to Monday May 6, 2013.
- If unexpected issues arise in production on Monday April 29, 2013 preventing Alpha from effectively operating on Quantum, Alpha will close for the day and re-open the next day on the existing Alpha system, and the production migration to Quantum will be re-scheduled to Monday May 6, 2013.



Trading Policy Manual

As a result of the migration of Alpha to TMX Quantum and the overall integration of Alpha with TMX, certain changes are required to Alpha's Trading Policies. The changes are primarily related to the removal of references to Alpha's Listings business, the adoption of TSX Smart Order Router by Alpha, Market Making, operational and functional changes such as order types and price parameters, and the movement of existing Direct Market Access terms and conditions from the Member Agreements to the Trading Policies. Copies of both the clean and blacklined versions of the revised Trading Policies can be found on the Alpha website at <http://alphatradingsystems.ca/en/TradingAgreements>.

The revised Alpha Trading Policies are intended to take effect April 29, 2013. The revised Alpha Trading Policies will be published for public comment by the Ontario Securities Commission for a 45-day period and are subject to regulatory approval.

The attached TMX Alpha Functional Overview is intended to provide Members with a summary of the operational and functional changes and enhancements to existing Alpha features as a result of the migration.

Alpha Trading Fee Schedule

The following changes to the Alpha Trading Fee Schedule will take effect April 29, 2013, subject to regulatory approval. These changes are intended to align the Alpha fee schedule with the fees and rebates for equivalent services which are provided on TSX, TSX Venture and TMX Select.

Market Making and Odd lot Dealer Programs

As previously outlined in Appendix 1 of PO Notice 2012-050, the Market Making program on Alpha will be discontinued. The Odd lot dealer program will be retained and dealers enrolled in the program will have the Odd lot dealer fee schedule applied to all executions for the symbols under their responsibility. Additional compensation for fulfilling TSX Venture listed odd lot auto-fill obligations will also be provided.

Access and Connectivity Fees

Fees for network connectivity, order entry certification, bundle set-up and access to the external test environment are aligned with the fees for TSX, TSX Venture and TMX Select.

Broadcast Feed

We are pleased to announce that an Alpha broadcast feed will be introduced aligning the format with the broadcast feeds available for TSX, TSX Venture and TMX Select. The Alpha broadcast feed will contain public and private data which may be accessed through existing decryption keys.

Copies of both the clean and blacklined versions of the revised Alpha Trading Fee Schedule can be found on the Alpha website at <http://alphatradingsystems.ca/en/TradingAgreements>.



Alpha Agreements

In order to streamline the Alpha Agreements to make them more consistent with existing TSX/TSXV/TMX Select Agreements and TMX contracting practices, Alpha users will be required to execute updated copies of the agreements as outlined below.

TMX Account and Vendor Relationship Managers will be contacting all Members with existing Alpha agreements to answer any questions and discuss the necessary steps to prepare for April 29, 2013. Copies of the revised Agreements can be obtained through the TMX Equities Secure Documentation Portal at <https://www.tcbdata.com/tmxequitymarkets/login.cfm>, or requested from your TMX Account Manager by email at trading_sales@tsx.com or by phone at the below numbers.

Emily Choi	(416) 947-4248
Brenda Cunningham	(416) 947-4241
Jeff Foster	(416) 947-4229
Monika Marcziova	(416) 947-4534
Stephanie Orloff	(416) 814-8848
Olga Trofimova	(416) 947-4355

Member Agreements

The existing Alpha Member agreements include both “Member” and gateway access terms and conditions. Alpha Members are required to execute an updated Alpha Member agreement which follows the TSX/TSXV/Select approach in having a condensed, “Member” specific agreement that largely references the policy manual, where gateway access terms exist separately in the Gateway Agreement.

Gateway Access

Those Members, clients, access providers, and vendors that currently have an Order Entry Gateway Agreement with TSX/TSXV will be required to execute an addendum to their existing TSX/TSXV Order Entry Gateway Agreement for continued order entry access to Alpha post-April 29, 2013.

For those firms that do not already have an Order Entry Gateway Agreement with TSX/TSXV, a long-form Alpha Order Entry Gateway Agreement must be executed.



Market Data Feeds

All existing Alpha data feeds will cease to be available after the migration to Alpha on TMX Quantum. The following Alpha data feeds will be available effective April 29, 2013:

ABF - Alpha Broadcast Feed (Level 2 with encrypted private and public data, STAMP protocol)

ARF - Alpha Reconciliation Feed (encrypted private and public data, STAMP protocol)

AL1 - Alpha Level 1 Trades and Quotes (QRTMD Feed fixed file format)

AL2 - Alpha Level 2 Orders and Trades (QRTMD Feed STAMP protocol)

AQL1 - Alpha TMX QuantumFeed Level 1 (XMT protocol binary format)

AQL2 - Alpha TMX QuantumFeed Level 2 (XMT protocol binary format)

TMX Datalinx clients can access Alpha Market Data under their current market data agreements with TSX Inc. For more information on Alpha Market Data or to subscribe to the new Alpha feeds, please contact marketdata@tmx.com or (416) 947-4778

Alpha Invoicing

Upon completion of the migration of Alpha to TMX Quantum and TMX's finance systems on April 29, 2103, all Alpha invoicing and associated monthly reports will change to be aligned with the format and content of the existing TSX, TSX Venture, and TMX Select invoicing and associated month end reports. As a result, increased transparency will be provided on the Alpha invoice in a similar manner to what clients have come to expect on existing TMX invoices.

The Alpha fees and/or rebates on the invoice will be segregated by product and listing market. To complement the invoice the following reconciliation reports will be available for each Member in an encrypted format and delivered via their current TSX configured reconciliation report email accounts.

Fee Sum report:	This report lists all equity and non-equity trading fees by product grouping for the Member firm.
Trader Detail Non-Clob:	This report provides non-clob product information at the symbol and trader ID level. Information includes all non-clob product volumes, values, trades and fees for the invoice month.
Trader Detail Clob:	This report provides clob product information at the symbol and trader ID level. Information includes all clob product volumes, values, trades and fees for the invoice month.
Trader Product Detail:	This report provides clob and non-clob product information at the trader ID level. Information includes product volumes, values, trades and fees for the invoice month.



Alpha Member Daily Trading Summaries

Effective April 29, 2013 the existing Alpha daily trading summaries will be discontinued and replaced with the enhanced suite of existing Daily Diary Reports as they are provided for TSX, TSX Venture, and TMX Select. The Alpha Daily Diary Reports will be fully encrypted and delivered daily to all Members via their current TSX configured email accounts. Alpha Daily Diary test reports are available in GTE and include:

- New Open Orders by UserID
- New Open Orders by Broker
- Removed Orders by UserID
- Removed Orders by Broker
- Diary List by Time
- Diary List by Price

Market Summary Reports

Existing daily and weekly market reports for Alpha and the IntraSpread™ facility will continue to be distributed by email, but will also be made available through the Alpha website. These reports include:

Alpha Daily Record

The Alpha Daily Record is a detailed summary of each day's trading activity on Alpha, broken down by symbol. It also offers valuable trading statistics, including most active symbols traded, top insider buys/sells, and largest block trades.

Daily Alpha Market Share Analysis Report

The Alpha Market Share Analysis Report provides Alpha's market share based on volume, value and trades for each listing market. It also provides Alpha top 30 symbol statistics as well as select IntraSpread™ statistics.

Weekly Market Summary Report

The Alpha Weekly Market Summary report is a detailed summary of the week's trading activity on Alpha and the IntraSpread™ Facility. It also offers valuable trading statistics, including Alpha top 10 securities by volume, IntraSpread™ security and Member statistics and charts of key indicators.



Alpha Support and Operations

Effective April 29, 2013, TSX Market Operations will assume support for Alpha operations and trading support. TSX Trading Support can be contacted at Trading_Services@tmx.com or 416-947-4357 and TSX Market Operations can be contacted at Vendor_Services@tmx.com or 416-947-4705

Your existing TMX Account Manager for TSX, TSX Venture, and TMX Select is now your main business and relationship point of contact for Alpha. TMX Account Managers will be contacting all Alpha Members to ensure you have the appropriate contact information.

For additional information or questions related to this notice, please contact your TMX Account Manager or by email at trading_sales@tsx.com.

Emily Choi	(416) 947-4248
Brenda Cunningham	(416) 947-4241
Jeff Foster	(416) 947-4229
Monika Marcziova	(416) 947-4534
Stephanie Orloff	(416) 814-8848
Olga Trofimova	(416) 947-4355

About TMX Group (TSX-X)

TMX Group's key subsidiaries operate cash and derivative markets 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, Boston Options Exchange, Shorcan, Shorcan Energy Brokers, Equicom and other TMX Group companies provide listing markets, trading markets, clearing facilities, 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>.

A French version of this notice is available on our web site at www.tmx.com. Une version française de cet avis est disponible sur notre site Web à l'adresse www.tmx.com.