

Maple Group Acquisition Corporation



**Recent Milestones, Commitments &
Enhancements**

May 3, 2012

Caution Regarding Forward-Looking Information

This document contains “forward-looking information” (as defined in applicable Canadian securities legislation). This information is based on the current expectations, assumptions, projections, estimates and other factors that the management of Maple believe to be relevant as of the date of this document. This information is naturally subject to uncertainty and changes in circumstances. The forward-looking information contained in this document includes, but is not limited to, statements relating to the proposed acquisition of TMX Group by Maple, and the effects thereof, and the proposed subsequent combination with Alpha Group and CDS, and the effects thereof, and other statements other than historical facts. TMX Group has not had access to confidential information relating to Alpha Group, including the terms of the Alpha shareholder agreement. To the extent the information in this document relates to Alpha Group, TMX Group is relying on Maple for the accuracy of that information. This document provides a summary of, and is entirely qualified by, the draft and final recognition orders of the OSC and AMF (available on the OSC and AMF websites, respectively) and the more detailed information that is set out in the notice of extension of Maple to be dated May 3, 2012 and mailed to TMX Group shareholders (that will be filed on SEDAR at www.sedar.com and on Maple's website at www.abetterexchange.com).

Often, but not always, forward-looking statements and forward-looking information can be identified by the use of the words “expect”, “will”, “intend”, “estimate”, “may” and similar expressions. Forward-looking statements are necessarily based upon a number of factors, estimates and assumptions that, while considered reasonable by Maple, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that such forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Maple and/or its subsidiaries to be materially different from the estimated future results, performance or achievements expressed or implied by those forward looking statements and information, and the forward-looking statements and information are not guarantees of future performance. In addition to the risks identified in the press release, these risks, uncertainties and other factors include, but are not limited to: the satisfaction of the conditions to the proposed acquisition of TMX Group, including obtaining required regulatory approvals; failure to acquire Alpha Group or CDS; the inability to successfully integrate TMX Group's operations with those of Alpha Group and CDS, including, without limitation, incurring and/or experiencing unanticipated costs and/or delays or difficulties; costs of on-exchange clearing and depository services, trading volumes (which could be higher or lower than estimated) and revenues; future levels of revenues being lower than expected or costs being higher than expected; conditions affecting the industry; local and global political and economic conditions; unforeseen fluctuations in trading volumes; competition from other exchanges or marketplaces, including alternative trading systems and new technologies, on a national and international basis; foreign exchange rate fluctuations and interest rate fluctuations (including from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; dependence on the economy of Canada; competitive products and pricing pressures; success of business and operating initiatives; failure to retain and attract qualified personnel; failure to implement strategies; dependence on information technology; dependence on adequate numbers of customers; risks associated with clearing operations; inability to protect intellectual property; the adverse effect of a systemic market event on the derivatives business; risks associated with integrating the operations, systems, and personnel of new acquisitions; dependence on market activity that cannot be controlled and/or conditions in the securities market that are less favourable than expected; and changes in the level of capital investment. Other factors could also cause actual results to differ materially from those in the forward-looking information. For additional information on such risks, please consult “Risk Factors” found on page 64 of Maple's June 10, 2011 circular, and page 2 of Maple's January 31, 2012 Notice of Extension.

Actual results, events, performances, achievements and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this document. Maple and its investors make no representations as to present or future value or the present or future trading price of any security, including Maple shares.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking information as a prediction of actual results. Neither Maple nor its investors nor any of their respective affiliated companies undertakes any obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except to the extent legally required.

The Maple Proposal

Maple and TMX Group are pursuing a transaction that has considerable benefits for participants in the Canadian capital markets.

The Maple offer is to acquire a minimum of 70% and a maximum of 80% of the shares of TMX Group for \$50 in cash per share. As part of the integrated acquisition transaction the remaining shares of TMX Group will be exchanged for shares of Maple on a one-for-one basis.

Common ownership of TMX Group, CDS and Alpha will:

- ◆ Strengthen the Canadian financial infrastructure
- ◆ Enhance efficiency and introduce new capabilities for all market participants
- ◆ Improve the global competitiveness of Canada's capital markets
- ◆ Increase the attractiveness of Canada's capital markets to foreign investors and foreign issuers
- ◆ Better enable regulators to monitor and manage systemic risk

These benefits will be delivered while preserving Canada's trusted and transparent regulatory regime and reputation for prudential excellence.

Recent Developments

Extended offer and outside date	<ul style="list-style-type: none">• Maple and TMX Group have agreed to extend the outside date for completing the Maple transaction to <u>July 31, 2012</u>• Offer to TMX Group shareholders has been initially extended to 5:00 p.m. Eastern Time on <u>May 31, 2012</u>
Secured agreements with Alpha and CDS	<ul style="list-style-type: none">• As announced on April 30, 2012, Maple has reached agreements for the acquisitions of CDS and Alpha• Maple intends to complete these proposed transactions concurrently or as soon as practicable following the completion of the Maple offer for TMX Group
Received Competition Bureau update	<ul style="list-style-type: none">• Competition Bureau staff recently advised Maple that it is possible that measures contained in the draft recognition orders, if finalized and enforced, may materially change the regulatory environment such that the Competition Bureau's serious concerns may be substantially mitigated

Recent Developments

Draft recognition orders published by OSC	<ul style="list-style-type: none">• The OSC is asking for public comment on whether or not the recognition orders and the terms and conditions proposed by the OSC in respect of Maple's proposed acquisition of TMX Group and CDS constitute an appropriate basis on which to conclude that these acquisitions are in the public interest• The draft orders contain a pricing model for CDS and provisions designed to ensure continuing vigorous competition in equities trading• The draft recognition orders were published on May 3, 2012 for a comment period ending on June 4, 2012• Maple would accept the draft orders if finalized as published
Final recognition orders published by AMF	<ul style="list-style-type: none">• The AMF has published final recognition orders that give its approval to Maple's acquisition of TMX Group and, indirectly, Montreal Exchange and Canadian Derivatives Clearing Corporation (CDCC). These orders are acceptable to Maple.• The AMF has published a notice for public comment with respect to Maple's proposed acquisition of CDS. The AMF's notice invites public comment until June 4, 2012.

Maple: Benefits to the Canadian Capital Markets

Increased scale and efficiency	<ul style="list-style-type: none">✓ Under common ownership of TMX Group, CDS and CDCC participants will benefit from dealing with one entity for clearing, settlement and risk management, easing implementation of changes and reducing back-office costs
Growth opportunities	<ul style="list-style-type: none">✓ TMX Group will be better positioned for international growth opportunities, including international acquisitions and joint ventures, as well as continued growth within Canada✓ Attract greater investment activity to Canada's marketplaces providing greater opportunity for public companies in Canada to raise capital and make markets more attractive to foreign issuers
Future innovations	<ul style="list-style-type: none">✓ Incentive to develop innovative new products and services such as institutional trade matching, clearing and settlement services across new asset classes, technology exporting, and securities lending

Maple: Benefits to the Canadian Capital Markets

Cross margining	<ul style="list-style-type: none">✓ Cross-margining could lead to significant collateral savings by providing for risk exposure reduction from off-setting cash and derivatives positions of common members of CDS and CDCC who choose to participate✓ Redeployment of margin savings will lead to enhanced liquidity✓ Reduces margin inefficiencies that presently act as a structural barrier for smaller participants to participate in the derivatives marketplace✓ Joint margining by CDS and CDCC will reduce the likelihood that surviving participants in one risk pool are called on to satisfy losses from a default where offsetting gains in another risk pool may be used to rectify the default✓ Cross-margining is highly unlikely absent the Maple transaction
Clearing and depository costs	<ul style="list-style-type: none">✓ Under the proposed fee model for CDS, Maple and TMX Group anticipate that participants will continue to benefit from lower on-exchange clearing fees as volumes increase, with continued comparable fees for depository services, while delivering the other benefits of the integrated transaction

Maple: Benefits to the Canadian Capital Markets

Enhanced risk management	<ul style="list-style-type: none">✓ The integrated model will permit a move, over time, to a common interface, harmonized risk models and systems, and a common risk management approach:<ul style="list-style-type: none">• Applying best practices for risk management policies, procedures and programs• Reducing aggregate exposure, minimizing operating risk and complexity of risk management for participants• Reducing complexity of risk management oversight, and increasing transparency, for regulators
Enhanced strong regulatory regime	<ul style="list-style-type: none">✓ The recognition orders from the OSC and AMF provide an enhanced regulatory oversight program as a result of the Maple transaction✓ Provincial securities commissions retain all existing oversight and authorities, including for access and fees set by exchanges and clearing systems✓ The Investment Industry Regulatory Organization of Canada (IIROC) would continue to enforce equities trading marketplace rules✓ The Bank of Canada would continue with full regulatory authority over systemic risk

Recognition Orders: A Series of Binding Obligations

- The recognition orders are the product of a comprehensive and careful review by the OSC and AMF
- The draft OSC orders contain Maple's:
 - Proposed pricing model for clearing and depository services currently offered by CDS
 - Prohibitions, obligations and approval requirements with respect to equities trading in response to concerns raised by market participants
- The AMF's final orders reflect the terms and conditions which the AMF has determined address the main public interest issues referred to in the AMF's Notice of Public Consultation dated October 7, 2011
- At a high-level, the provisions in these orders aim to ensure:
 - Independent governance
 - Open access
 - Prices are fair, reasonable and competitive
 - Open and competitive markets
- If these recognition orders are finalized as published Maple would accept them

Recognition Orders: A Series of Binding Obligations

- The OSC is asking for public comment on whether or not the recognition orders and the terms and conditions proposed by the OSC in respect of Maple's proposed acquisition of TMX Group and CDS constitute an appropriate basis on which to conclude that these acquisitions are in the public interest. The OSC's notice invites public comment for a 30-day period ending June 4, 2012.
- The AMF's final orders give the AMF's approval to Maple's acquisition of TMX Group, and indirectly Montreal Exchange Inc. and the Canadian Derivatives Clearing Corporation, and, subject to final approval, Maple's acquisition of Alpha. In addition, the AMF has published a notice for public comment with respect to its proposed recognition order relating to Maple's proposed acquisition of CDS.
- This review process included an extensive consultation process with Maple, TMX and CDS, market participants, and other regulators – including the Bank of Canada and the Competition Bureau

Commitment to Strong Governance and Accountability

<p>Fair, meaningful and diverse Board representation</p>	<ul style="list-style-type: none"> ✓ Maple will have a 17 person board, including at least 10 independent directors and at least 8 directors who are unrelated to original Maple Shareholders ✓ 1 director drawn from Canadian Independent investment dealer community ✓ 25% of directors required to have derivatives expertise ✓ 25% of directors required to be resident in Quebec ✓ 25% of directors to have public venture market expertise
<p>Effective oversight</p>	<ul style="list-style-type: none"> ✓ Independent governance review to occur at least three years after completion of the transaction, or at any other time requested by OSC or AMF
<p>Strong governance of CDS</p>	<ul style="list-style-type: none"> ✓ CDS 11-person Board to contain at least 4 independent directors, 4 users of CDS (including an IIROC nominee), and a representative from marketplaces unaffiliated with Maple ✓ Market Participant Advisory Committee with industry participants, a majority of whom will be independent of Maple, to have input on CDS clearing operations, including pricing of core services
<p>Ongoing oversight of fees and public interest mandate</p>	<ul style="list-style-type: none"> ✓ OSC and AMF oversight of fees ✓ Fee increases will require regulatory approval ✓ Maple will be recognized as an exchange and, as the parent company of other recognized exchanges, Maple has a public interest mandate to fulfill

Commitment to Open Access to CDS

Open access

- ✓ Access protected on a non-discriminatory basis no matter which marketplace a trade is executed on
- ✓ Access to clearing, settlement and depository services is open to all who satisfy existing participation standards
- ✓ No changes to the participation standards or collateral requirements (other than potential reductions resulting from the implementation of cross-margining) that have been established by CDS
- ✓ No introduction of access fees to marketplaces
- ✓ No preferential pricing or access for large dealers, Maple investors, or trades on the Maple platform
- ✓ Changes to access standards will be subject to review:
 - Consultation with Market Participant Advisory Committee
 - Review by CDS Risk Management and Audit Committee
 - Subject to approval by OSC, AMF and Bank of Canada
- ✓ Acceptance or rejection of applications for participation will continue to be determined by CDS Board of Directors
- ✓ Any party denied access to CDS will continue to have recourse to OSC or AMF

Commitment to Fair and Reasonable Fees for CDS

Lower fees and less risk to market participants

- ✓ Maple will maintain 29% fee reduction announced by CDS for 2012
- ✓ Maple will share any annual revenue increases (from 2012 base line) on clearing and other core CDS Clearing services on a 50:50 basis with participants, starting November 1, 2012
- ✓ Provision of an Integration Rebate to users of on-exchange clearing services that reflects (but is not conditioned upon) efficiencies and synergies from the TMX and CDS integration. This will start at \$2.75 million in 2013 and grow to \$4 million annually by 2016
- ✓ Under this model, assuming volumes are consistent with CDS management projections, Maple expects that on-exchange clearing fees will decrease by more than 50 percent by 2016 as compared to 2012 prices
- ✓ Non discriminatory provision of services: no tiered pricing. Per-transaction pricing for CDS services will be the same for all participants
- ✓ Under this model Maple assumes risk of operating cost increases which under the status quo are passed on to market participants

Commitment to Open and Competitive Markets

Protect the competitive landscape for equities trading in Canada	<p>The draft OSC recognition orders propose the following restrictions and obligations:</p> <ul style="list-style-type: none">✓ No coordinated trading strategies: original Maple shareholders are prohibited from entering into agreements with other marketplace participants with respect to coordination of routing✓ Original Maple shareholders may not offer or pay to their traders any benefit that would incent such traders to direct their orders to a Maple Group/TMX Group marketplace or trading facility✓ Extensive restrictions on discounts and incentives, including restrictions on discounts for services offered by Maple Group/TMX Group/ or CDS that are conditional upon the purchase of other services provided by Maple or its affiliates or CDS or its affiliates
Structural changes to Offer	<ul style="list-style-type: none">✓ Withdrawal of the non-competition agreement (which would have restricted the establishment of investments in competing marketplaces)✓ Withdrawal of non-preferencing obligation in the agreement by dealers in the original Maple investor group not to preference Alpha (which was proposed to take effect in certain circumstances if Maple could not acquire Alpha)