☐	Trading – Interest Rate Derivatives	☐	Back-office - Options
☒	Trading – Equity and Index Derivatives	☒	Technology
☒	Back-office – Futures	☒	Regulation

CIRCULAR 074-14
June 9, 2014

SELFCERTIFICATION

NEW PRODUCT:
THE FTSE EMERGING MARKETS INDEX FUTURES (EMF) CONTRACT

AMENDMENTS TO ARTICLES 6380, 6801 to 6804, 6807, 6808 AND 6812 OF THE RULES OF BOURSE DE MONTREAL INC.

AMENDMENTS TO ARTICLE 14102 OF THE RULES OF BOURSE DE MONTREAL INC.

ADDITION OF ARTICLES 15999.4 – 15999.17 TO THE RULES OF BOURSE DE MONTREAL INC.

AMENDMENTS TO ARTICLE 15001 OF THE RULES OF BOURSE DE MONTREAL INC.

MODIFICATIONS TO

THE PROCEDURES APPLICABLE TO THE EXECUTION OF CROSS TRANSACTIONS AND THE EXECUTION OF PREARRANGED TRANSACTIONS,

THE PROCEDURES APPLICABLE TO THE EXECUTION OF BLOCK TRADES,

THE DAILY SETTLEMENT PRICE PROCEDURES FOR FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS,

THE PROCEDURES FOR THE CANCELLATION OR ADJUSTMENT OF TRADES

AND *THE PROCEDURES FOR THE EXECUTION AND REPORTING OF EXCHANGE FOR PHYSICAL (EFP), EXCHANGE FOR RISK (EFR) AND SUBSTITUTION OF OTC DERIVATIVE INSTRUMENTS FOR FUTURES CONTRACTS TRANSACTIONS*

The Rules and Policies Committee of Bourse de Montréal Inc. ("**Bourse**") approved amendments to Rules Six, Fourteen and Fifteen and to applicable Procedures of the Bourse in order to launch the FTSE Emerging Markets Futures Contracts ("**EMF**"). The Bourse will proceed with the launch of the EMF on **June 13, 2014**. Bourse wishes to advise Approved Participants that such amendments were self-certified in accordance with the self-certification process as established in the *Derivatives Act* (R.S.Q., chapter I 14.01).

Amendments to Rules Six, Fourteen and Fifteen and to Procedures applicable to the EMF as well as the EMF specifications, which you will find enclosed, will become effective on **June 9, 2014**. Please note that amended versions of the rules and procedures of Bourse will be available on Bourse's website (www.m-x.ca**)**.

For further information, please contact Mr. Léon Bitton, Vice-President, Research and Development, Research and Development at 514 871-3583 or by email at lbitton@m-x.ca.

Me Pauline Ascoli
Vice-President, Legal Affairs, Derivatives

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

RULE SIX

TRADING

Section 6365- 6401
Electronic Trading of Derivatives Instruments Traded on the Bourse

6380 Prenegotiation Discussions, Cross Transactions, Prearranged Transactions, Block Trades, ~~and~~ Riskless Basis Cross Transactions and Block Trades Priced at a Basis to the Index Close
(25.09.00, 24.09.01, 29.10.01, 31.01.05, 10.11.08, 29.01.10, 09.06.14)

For the purpose of this article, the terms hereunder are defined as follows:

1) Prenegotiation Discussions

Prenegotiation discussions are considered having occurred when approved participants engage in negotiations with each other or with other approved participants and/or clients prior to entering orders which may result in a cross transaction, a prearranged transaction, a block trade, an exchange-for-physical or exchange-for-risk transaction (according to the provisions of article 6815 of this Rule), a substitution transaction (according to the provisions of article 6815A of this Rule) or a riskless basis cross transaction. Clients must consent to allow approved participants to engage in prenegotiation discussions with other approved participants and/or clients with respect to an order.

2) Cross Transactions

A cross transaction is considered having occurred when two orders of opposite sides originating from the same approved participant are intentionally executed against each other in whole or in part as a result of prenegotiation discussions.

3) Prearranged Transactions

A prearranged transaction is considered having occurred when one or more approved participants engage in prenegotiation discussions in order to agree on the terms of a transaction before entering the orders in the electronic trading system of the Bourse.

Execution of cross transactions and prearranged transactions are permitted by the Bourse when:

i) they are on eligible securities or derivative instruments;

ii) the orders are for a volume ~~quantity~~ equal to or greater than the minimum volume~~quantity~~ threshold established for that eligible security or derivative instrument;

iii) the prescribed time delay between the input of an order and its opposite side order is respected;

iv) the transactions are executed in accordance with the Procedures Applicable to the Execution of Cross Transactions and the Execution of Prearranged Transactions.

The eligible securities or derivative instruments, the prescribed time delays and the minimum volume~~quantity~~ thresholds are determined by the Bourse and published in the Procedures Applicable to the Execution of Cross Transactions and the Execution of Prearranged Transactions.

It is forbidden to use the hidden volume~~quantity~~ functionality of the electronic trading system of the Bourse to execute a cross transaction or a prearranged transaction.

4) Block Trades

A block trade is considered having occurred when one or more approved participants and/or clients engage in prenegotiation discussions to arrange large size transactions away from the electronic trading system of the Bourse (as permitted by article 6005 of this Rule) at prices mutually agreed upon, report to the Bourse the terms of their agreement and the Bourse agrees to them.

An approved participant of the Bourse may execute a block trade for a volume~~quantity~~ equal to or greater than the applicable minimum volume threshold in a security or derivative instrument, other than an equity option or a share futures contract, designated by the Bourse pursuant to the following conditions:

i) A block trade may be arranged in a designated security or derivative instrument only during the trading hours and business days authorized by the Bourse. Once a block trade has been arranged, an approved participant must submit details of the block trade to the Bourse as soon as practicable and in any event within the period of time prescribed by the Bourse.

ii) A block trade may be arranged only in a security or derivative instrument that has been designated by the Bourse for that purpose. Such designations will be published by the Bourse, together with the minimum volume thresholds applying to those designated securities or derivative instruments. Approved participants are permitted to enter into block trades in any strategy recognized by the Bourse.

iii) Where a strategy involves the trading of two or more different securities or derivative instruments, the smaller of the minimum volume thresholds of the securities or derivative instruments comprised in the block trade will be applied to each of these securities or derivative instruments. Where the strategy involves the trading of two or more different contract months and/or strike prices of the same contract month, the minimum volume threshold will apply to each leg of the trade, except where specific provision has been made within the published minimum thresholds.

iv) Approved participants may not aggregate separate orders in order to meet the minimum volume thresholds.

v) The price at which a block trade is arranged must be “fair and reasonable” in light of (i) the size of such a block trade; (ii) currently traded prices and bid and ask prices in the same contract, at the relevant time; (iii) currently traded prices and bid and ask prices in other contract months for futures contracts or other option series for options contracts; (iv) currently traded prices and bid and ask prices in other relevant markets, including without limitation the underlying markets; (v) the volatility and liquidity of the relevant market; and (vi) general market conditions.

vi) Block trades shall not set off special terms orders or otherwise affect orders in the regular market.

vii) With the exception of futures contracts on the FTSE Emerging Markets Index, ~~I~~it is strictly prohibited for an approved participant, for both the buyer and the seller, to enter into a block trade to circumvent the contract month roll in the corresponding security or derivative instrument.

The eligible securities or derivative instruments and the minimum volume~~quantity~~ thresholds are determined by the Bourse and published in the Procedures for the Execution of Block Trades.

5) Riskless Basis Cross Transactions

A riskless basis cross transaction occurs when an approved participant and a client engage in pre negotiation discussions to conclude a riskless basis cross transaction outside of the posted order book (as permitted by article 6005 of this Rule) at a pre-determined price. The futures contract price is comprised of an average price resulting from a preliminary transaction in the cash market plus a prenegotiated basis spread mutually agreed upon between the approved participant and the client.

A riskless basis cross transaction can be executed on the Bourse once the approved participant has acquired market exposure using cash instruments as prescribed in the procedures established by the Bourse.

In order to qualify as a riskless basis cross transaction, the following conditions must be respected:

i) Riskless basis cross transactions must at all times be executed in accordance with such other procedures, terms and conditions that the Bourse may prescribe from time to time.

ii) The futures contracts that are eligible to riskless basis cross transactions, and the last day and time for executing such transactions shall be determined by the Bourse.

iii) The cash components acceptable for the purpose of a riskless basis cross transaction are those specified in the procedures set by the Bourse.

iv) Each party to a riskless basis cross transaction must satisfy the Bourse, upon request, that the transaction is a bona fide transaction. To this effect, parties to such a transaction must maintain and must provide to the Bourse upon request complete records and documentary evidence relating to such transaction including all records relating to the purchase or sale of securities and futures contracts and to any transfer of positions made in connection with such transaction.

v) It is prohibited for any party to a riskless basis cross transaction to effect a transaction which is contrary to the requirements and practices prescribed by the rules, policies and procedures of the Bourse or to effect such a transaction for the sole purpose of reporting, registering or recording a price that is not a bona fide price or of making a transaction which is a "wash trade", an accommodation trade or a fictitious sale.

vi) A riskless basis cross transaction may be made at such prices that are mutually agreed upon by the two parties to this transaction. However, the price at which the futures contract leg of the transaction is arranged must be fair and reasonable in light of factors such as, but not limited to, the size of the transaction, the currently traded prices and bid and ask prices in the same contract at the relevant time, the volatility and liquidity of the relevant market as well as the general market conditions.

vii) Each riskless basis cross transaction must be reported to the Bourse in accordance with the procedures set by the Bourse. Such report must be in the form prescribed by the Bourse and must contain all the information required on such prescribed form.

viii) Each riskless basis cross transaction must be immediately disseminated by the Bourse once it has validated it.

ix) It is strictly prohibited for any party, for both the buyer and the seller, to enter into a riskless basis cross trade to circumvent the contract month roll in the corresponding security or derivative instrument.

6) Block Trades Priced at a Basis to the Index Close (BICs) on FTSE Emerging Markets Index Futures Contracts

Block trade priced at a basis to the index close (BICs) are block trade transactions on **FTSE Emerging Markets** Index Futures Contracts which are priced in reference to the closing price of the underlying index and the basis as determined during prenegotiation discussions.

The futures price assigned to a BIC is based on a prospective index price or on the applicable closing price of the relevant index, adjusted by a valid price increment ("basis").

The basis and final price of the BIC must be fair and reasonable taking into consideration, but without limitation to the consideration of, the following factors: financing rates, expected dividend income, time remaining until the index futures contract expiration, and any factors set forth in article 6380 4) v) of this Rule, as applicable.

A BIC is considered having occurred when one or more approved participants and/or clients engage in prenegotiation discussions to arrange large size transactions, in accordance with the minimum volume thresholds determined by the Bourse, away from the electronic trading system of the Bourse (as set forth by article 6005 of this Rule) at a basis that has been mutually agreed upon, report to the Bourse the terms of their agreement and the Bourse agrees to them.

While the basis to a prospective index price or the applicable closing price of the relevant index is established during prenegotiation discussions, the outright price for the transaction will only be established once the applicable closing price of the relevant index has been established.

An approved participant of the Bourse may execute a BIC for a volume equal to or greater than the applicable minimum volume threshold in a security or derivative instrument designated by the Bourse pursuant to the conditions set forth in article 6380 4) of this Rule.

D. SPECIAL RULES FOR TRADING FUTURES CONTRACTS

Section 6801 - 6820
Terms of Trade
Futures

6801 Standard Trading Unit
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 29.04.02, 14.06.02, 03.05.04, 24.07.06, 16.11.07, 30.05.08, 15.05.09, 18.06.10, 01.09.10, 01.10.10, 06.05.11, 16.02.12, 18.12.12, 09.06.14)

No futures contract shall be traded on the Bourse unless it has standardized terms and is issued by the appropriate clearing corporation in cooperation with the Bourse.

Unless otherwise determined by the Bourse, each trading unit shall consist of the following:

a) in the case of the 30-day overnight repo rate futures:

a nominal value of CAN$5,000,000.

b) in the case of the Overnight Index Swap futures:

a nominal value of CAN$5,000,000.

c) in the case of the 1-month Canadian bankers' acceptance futures:

a nominal value of CAN$3,000,000 of 1-month Canadian bankers' acceptances.

d) in the case of the 3-month Canadian bankers' acceptance futures:

a nominal value of CAN$1,000,000 of 3-month Canadian bankers' acceptances.

e) in the case of 2-year Government of Canada Bond futures:

CAN$200,000 nominal value of a notional Government of Canada Bond bearing a coupon of 6%.

f) in the case of the 5-year Government of Canada Bond futures:

CAN$100,000 nominal value of a notional Government of Canada Bond bearing a coupon of 6%.

g) in the case of the 10-year Government of Canada Bond futures:

CAN$100,000 nominal value of a notional Government of Canada Bond bearing a coupon of 6%.

h) in the case of the 30-year Government of Canada Bond futures:

CAN$100,000 nominal value of a notional Government of Canada Bond bearing a coupon of 6%.

i) in the case of the futures contract on the S&P/TSX 60 Index:

i) in the case of standard futures contracts on the S&P/TSX 60 Index: CAN–$200 times the S&P/TSX 60 Index standard futures contract level; and

ii) In the case of mini futures contracts on the S&P/TSX 60 Index: CAN-$50 times the S&P/TSX 60 Index mini futures contract level.

j) in the case of the mini futures contract on the S&P/TSX Composite Index:

CAN-$5 times the level of the S&P/TSX Composite Index mini futures.

k) in the case of the futures contract on designated S&P/TSX sectorial indices:

The Bourse, in consultation with the Canadian Derivatives Clearing Corporation, shall establish the unit of trading for each futures contract that has been approved for trading.

l) in the case of the futures contract on Canadian and international stocks:

The Bourse, in consultation with the Canadian Derivatives Clearing Corporation, shall establish the unit of trading for each futures contract that has been approved for trading.

m) in the case of the futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement:

100 carbon dioxide equivalent (CO_2e) units. Each unit is an entitlement to emit one metric ton of carbon dioxide equivalent (CO_2e).

n) in the case of the futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement:

100 carbon dioxide equivalent (CO_2e) units. Each unit is an entitlement to emit one metric ton of carbon dioxide equivalent (CO_2e).

o) in the case of the futures contract on designated Canadian Crude Oil:

1,000 U.S. barrels.

p) in the case of the futures contract on the FTSE Emerging Market Index:

USD $100 multiplied by the level of the FTSE Emerging Market Index futures.

6802 Price

(24.01.86, 22.04.88, 08.09.89, 17.10.91, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

a) During the life of a contract, only the price per unit of physical commodity is negotiable.

b) The price for any particular delivery month of a contract is determined by the bids and offers made on the Bourse, subject to the regulations.

c) Unless otherwise determined by the Bourse, the price shall be quoted as follows:

Government of Canada Bond futures	Per CAN$100 nominal value
30-day overnight repo rate futures	In terms of an index of 100 minus the monthly average overnight repo rate in percentage point on an annual basis for a 365-day year
Overnight Index Swap futures	In terms of an index of 100 minus the compounded daily overnight repo rate in percentage point on an annual basis for a 365-day year
1-month Canadian bankers' acceptance futures	In terms of an index of 100 minus the yield in percentage point on an annual basis for a 365-day year on 1-month Canadian bankers' acceptances
3-month Canadian bankers' acceptance futures	In terms of an index of 100 minus the yield in percentage point on an annual basis for a 365-day year on 3-month Canadian bankers' acceptances
Futures contracts on the S&P/TSX Indices	In index points.
Canadian share Futures Contract	In CAN cents and dollars per share
International Share Futures Contract	In unit(s) of International currency per share
Futures contract on carbon dioxide equivalent (CO_2e) units with physical and cash settlement	In CAN dollars and cents per metric ton of carbon dioxide equivalent (CO_2e)
Futures contracts on Canadian Crude Oil	In U.S. dollars and cents per U.S. barrel
Futures contracts on the FTSE Emerging Markets Index	In index points, expressed to two decimals.

6803 Currency
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

Trading, clearing, settlement and delivery shall be in the currency designated by the Bourse and unless otherwise determined shall be as follows:

30-day overnight repo rate futures	CAN Dollars
Overnight Index Swap futures	CAN Dollars

1-month and 3-month Canadian bankers' acceptance futures	CAN Dollars
Government of Canada Bond futures	CAN Dollars
Futures contracts on S&P/TSX Indices	CAN Dollars
Canadian share futures Contract	CAN Dollars
Futures contract on carbon dioxide equivalent (CO_2e) units with physical and cash settlement	CAN Dollars
International share futures contracts	International currency
Futures contracts on Canadian Crude Oil	U.S. Dollars
Futures contracts on the FTSE Emerging Markets Index	U.S. Dollars

6804 Futures Contracts Expiries
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 27.07.94, 19.01.95, 11.03.98, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

Unless otherwise determined by the Bourse, contract expiries shall be as follows:

30-day overnight repo rate futures	Monthly and quarterly contract months
Overnight Index Swap futures	Monthly and quarterly contract months
1-month Canadian bankers' acceptance futures	The first 6 consecutive months
3-month Canadian bankers' acceptance futures	Quarterly months in the March, June, September and December cycle as well as monthly expirations in the January, February, April, May, July, August, October and November cycle
Government of Canada Bond futures	Quarterly months in the March, June, September and December cycle
Futures contracts on S&P/TSX Indices	Quarterly months in the March, June, September and December cycle
Share futures contracts	Quarterly months in the March, June, September and December cycle as well as selected monthly expirations in January, February, April, May, July, August, October and November cycle
Futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement	Daily, monthly, quarterly and annual expiries

Futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement	Daily, monthly, quarterly and annual expiries
Futures contracts on Canadian Crude Oil	Monthly and quarterly expiries
Futures contracts on the FTSE Emerging Markets Index	March, June, September and December

6807 Minimum Price Fluctuations
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 29.04.02, 14.06.02, 15.10.02, 03.05.04, 17.11.04, 01.12.06, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

Unless otherwise determined by the Bourse, minimum price fluctuations shall be as follows:

a) 30-day overnight repo rate futures	0.005 per $100 nominal value
b) Overnight Index Swap futures	0.001 per $100 nominal value
c) 1-month and 3-month Canadian Bankers' acceptance futures	i) For the nearest contract month(s), as determined by the Bourse, 0.005 per $100 nominal value. ii) For all contract months excluding the nearest contract month(s) as determined by sub-paragraph i), 0.01 per $100 nominal value.
d) Government of Canada Bond futures Contracts	a minimum of 0.005 per $100 nominal value
e) Futures contract on the S&P/TSX 60 Index	0.01 index point
f) Mini Futures contract on the S&P/TSX Composite Index	1 index point
g) Canadian share futures contract	A minimum of $0.01 CDN per Canadian share
h) International share futures contracts	At a minimum of the corresponding unit of fluctuation used by the market on which the underlying stock is traded
i) Futures contracts on S&P/TSX sectorial indices	0.01 index point
j) Futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement	A minimum of $0.01 CDN per metric ton of carbon dioxide equivalent (CO_2e)
k) Futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement	A minimum of $0.01 CDN per metric ton of carbon dioxide equivalent (CO_2e)

l) Futures contracts on Canadian Crude Oil	A minimum of $0.01 U.S. per barrel
m) Futures contracts on the FTSE Emerging Markets Index	i) 0.05 index points for outright positions ii) 0.01 index point for calendar spreads and block trades

6808 Price Limits / Trading halts
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 24.07.06, 30.05.08, 17.04.09, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

The Bourse shall establish for each contract a maximum price limit with respect to the previous day's settlement price and there shall be no trading above or below that limit except as provided below. Unless otherwise determined by the Bourse, the daily price limits shall be as follows:

a) 30-day overnight repo rate futures: NIL

b) Overnight Index Swap futures: NIL

c) 1-month and 3-month Canadian bankers' acceptance futures: NIL

d) Government of Canada Bond futures: NIL

e) Futures contracts on the S&P/TSX Indices:

i) Trading halts

Trading halts on the futures contracts on the S&P/TSX Indices shall be coordinated with the trading halt mechanism of the underlying stocks. In accordance with Policy T-3 of the Bourse entitled "Circuit Breaker", a trading halt of the futures contracts shall be triggered only in conjunction with the triggering of circuit breakers set in coordination with the New York Stock Exchange and The Toronto Stock Exchange.

ii) Resumption of Trading

In the event that trading in the securities market resumes after a trading halt, trading in the S&P/TSX Index futures contracts shall resume only after a percentage (as determined by the Bourse from time to time) of the stocks underlying the S&P/TSX Indices have re-opened.

f) Canadian share futures contract

i) Trading halts

Trading halts on Canadian share futures contract shall be coordinated with the trading halt mechanism of the underlying stocks. In accordance with Policy T-3 of the Bourse entitled "Circuit Breaker", a trading halt of the futures contract shall be triggered in conjunction with the triggering of circuit breakers set in coordination with the New York Stock Exchange and The Toronto Stock Exchange.

g) International share futures contract

In the event that a recognized exchange suspends trading in the underlying share of a share futures contract, then the Bourse may determine a course of action in relation to the share futures contract, including, but not limited to, the suspension or halting in the trading of the contract.

h) Futures contract on carbon dioxide equivalent (CO_2e) units with physical and cash settlement

NIL

i) Futures contracts on Canadian Crude Oil

NIL

j) Futures contracts on the FTSE Emerging Markets Index

NIL

6812 Last Day of Trading
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 13.07.98, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

Unless otherwise determined by the Bourse, the business day on which trading for each contract will terminate shall be as follows:

a) 30-day overnight repo rate futures:

last business day of the contract month.

b) Overnight Index Swap futures:

the day of a Bank of Canada Fixed Announcement Date.

c) 1-month and 3-month Canadian Bankers' Acceptance futures:

i) at 10:00 a.m. (Montréal time) on the second London (Great Britain) bank business day immediately preceding the third Wednesday of the contract month;

ii) if the day as determined by sub-paragraph i) is an exchange or bank holiday in Toronto or Montréal, futures trading shall terminate on the previous bank business day.

d) 5-year and 10-year Government of Canada Bond futures:

on the 7th business day preceding the last business day of the delivery month.

e) Futures contract of the S&P/TSX 60 Index:

the exchange traded day preceding the final settlement day as defined in article 15721 of the Rules.

f) Mini futures contract on the S&P/TSX Composite Index:

the exchange traded day preceding the final settlement day as defined in article 15986 of the Rules.

g) Canadian Share Futures Contracts:

at 4:00 p.m. (Montréal time) on the third Friday of the contract month or if not a business day, the first preceding business day.

h) International Share Futures Contract:

the last day of trading on International share futures contracts shall coincide with the last day of trading of the corresponding stock index futures contract traded on a recognized exchange for which the underlying stock is a constituant, or such other day as prescribed by the Bourse.

i) Futures Contracts on S&P/TSX sectorial indices:

the exchange traded day preceding the final settlement date as defined in article 15771 of the Rules.

j) Futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement:

the third business day preceding the last business day of the contract expiry. For contracts with daily expiries, the last day of trading is the first trading day of the contract.

k) Futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement:

the third business day preceding the last business day of the contract expiry. For contracts with daily expiries, the last day of trading is the first trading day of the contract.

l) Futures contracts on Canadian Crude Oil:

the first business day prior to the crude oil "Initial Notice of Shipment Date" of the delivery month as determined by the Bourse, or such other day as prescribed by the Bourse. Initial Notice of Shipment Date means, with respect to the contract month, the first due date and time generally accepted by industry for the filing of the Notice of Shipment.

m) Futures Contracts on the FTSE Emerging Markets Index:

On the third Friday of the contract month or, if the FTSE Emerging Markets Index is not published on that day, the first preceding trading day for which the Index is scheduled to be published.

RULE SIX

TRADING

Section 6365- 6401
Electronic Trading of Derivatives Instruments Traded on the Bourse

6380 Prenegotiation Discussions, Cross Transactions, Prearranged Transactions, Block Trades, Riskless Basis Cross Transactions and Block Trades Priced at a Basis to the Index Close
(25.09.00, 24.09.01, 29.10.01, 31.01.05, 10.11.08, 29.01.10, 09.06.14)

For the purpose of this article, the terms hereunder are defined as follows:

1) Prenegotiation Discussions

Prenegotiation discussions are considered having occurred when approved participants engage in negotiations with each other or with other approved participants and/or clients prior to entering orders which may result in a cross transaction, a prearranged transaction, a block trade, an exchange-for-physical or exchange-for-risk transaction (according to the provisions of article 6815 of this Rule), a substitution transaction (according to the provisions of article 6815A of this Rule) or a riskless basis cross transaction. Clients must consent to allow approved participants to engage in prenegotiation discussions with other approved participants and/or clients with respect to an order.

2) Cross Transactions

A cross transaction is considered having occurred when two orders of opposite sides originating from the same approved participant are intentionally executed against each other in whole or in part as a result of prenegotiation discussions.

3) Prearranged Transactions

A prearranged transaction is considered having occurred when one or more approved participants engage in prenegotiation discussions in order to agree on the terms of a transaction before entering the orders in the electronic trading system of the Bourse.

Execution of cross transactions and prearranged transactions are permitted by the Bourse when:

i) they are on eligible securities or derivative instruments;

ii) the orders are for a volume equal to or greater than the minimum volume threshold established for that eligible security or derivative instrument;

iii) the prescribed time delay between the input of an order and its opposite side order is respected;

iv) the transactions are executed in accordance with the Procedures Applicable to the Execution of Cross Transactions and the Execution of Prearranged Transactions.

The eligible securities or derivative instruments, the prescribed time delays and the minimum volume thresholds are determined by the Bourse and published in the Procedures Applicable to the Execution of Cross Transactions and the Execution of Prearranged Transactions.

It is forbidden to use the hidden volume functionality of the electronic trading system of the Bourse to execute a cross transaction or a prearranged transaction.

4) Block Trades

A block trade is considered having occurred when one or more approved participants and/or clients engage in prenegotiation discussions to arrange large size transactions away from the electronic trading system of the Bourse (as permitted by article 6005 of this Rule) at prices mutually agreed upon, report to the Bourse the terms of their agreement and the Bourse agrees to them.

An approved participant of the Bourse may execute a block trade for a volume equal to or greater than the applicable minimum volume threshold in a security or derivative instrument, other than an equity option or a share futures contract, designated by the Bourse pursuant to the following conditions:

i) A block trade may be arranged in a designated security or derivative instrument only during the trading hours and business days authorized by the Bourse. Once a block trade has been arranged, an approved participant must submit details of the block trade to the Bourse as soon as practicable and in any event within the period of time prescribed by the Bourse.

ii) A block trade may be arranged only in a security or derivative instrument that has been designated by the Bourse for that purpose. Such designations will be published by the Bourse, together with the minimum volume thresholds applying to those designated securities or derivative instruments. Approved participants are permitted to enter into block trades in any strategy recognized by the Bourse.

iii) Where a strategy involves the trading of two or more different securities or derivative instruments, the smaller of the minimum volume thresholds of the securities or derivative instruments comprised in the block trade will be applied to each of these securities or derivative instruments. Where the strategy involves the trading of two or more different contract months and/or strike prices of the same contract month, the minimum volume threshold will apply to each leg of the trade, except where specific provision has been made within the published minimum thresholds.

iv) Approved participants may not aggregate separate orders in order to meet the minimum volume thresholds.

v) The price at which a block trade is arranged must be “fair and reasonable” in light of (i) the size of such a block trade; (ii) currently traded prices and bid and ask prices in the same contract, at the relevant time; (iii) currently traded prices and bid and ask prices in other contract months for futures contracts or other option series for options contracts; (iv) currently traded prices and bid and ask prices in other relevant markets, including without limitation the underlying markets; (v) the volatility and liquidity of the relevant market; and (vi) general market conditions.

vi) Block trades shall not set off special terms orders or otherwise affect orders in the regular market.

vii) With the exception of futures contracts on the FTSE Emerging Markets Index, it is strictly prohibited for an approved participant, for both the buyer and the seller, to enter into a block trade to circumvent the contract month roll in the corresponding security or derivative instrument.

The eligible securities or derivative instruments and the minimum volume thresholds are determined by the Bourse and published in the Procedures for the Execution of Block Trades.

5) Riskless Basis Cross Transactions

A riskless basis cross transaction occurs when an approved participant and a client engage in pre negotiation discussions to conclude a riskless basis cross transaction outside of the posted order book (as permitted by article 6005 of this Rule) at a pre-determined price. The futures contract price is comprised of an average price resulting from a preliminary transaction in the cash market plus a prenegotiated basis spread mutually agreed upon between the approved participant and the client.

A riskless basis cross transaction can be executed on the Bourse once the approved participant has acquired market exposure using cash instruments as prescribed in the procedures established by the Bourse.

In order to qualify as a riskless basis cross transaction, the following conditions must be respected:

i) Riskless basis cross transactions must at all times be executed in accordance with such other procedures, terms and conditions that the Bourse may prescribe from time to time.

ii) The futures contracts that are eligible to riskless basis cross transactions, and the last day and time for executing such transactions shall be determined by the Bourse.

iii) The cash components acceptable for the purpose of a riskless basis cross transaction are those specified in the procedures set by the Bourse.

iv) Each party to a riskless basis cross transaction must satisfy the Bourse, upon request, that the transaction is a bona fide transaction. To this effect, parties to such a transaction must maintain and must provide to the Bourse upon request complete records and documentary evidence relating to such transaction including all records relating to the purchase or sale of securities and futures contracts and to any transfer of positions made in connection with such transaction.

v) It is prohibited for any party to a riskless basis cross transaction to effect a transaction which is contrary to the requirements and practices prescribed by the rules, policies and procedures of the Bourse or to effect such a transaction for the sole purpose of reporting, registering or recording a price that is not a bona fide price or of making a transaction which is a "wash trade", an accommodation trade or a fictitious sale.

vi) A riskless basis cross transaction may be made at such prices that are mutually agreed upon by the two parties to this transaction. However, the price at which the futures contract leg of the transaction is arranged must be fair and reasonable in light of factors such as, but not limited to, the size of the transaction, the currently traded prices and bid and ask prices in the same contract at the relevant time, the volatility and liquidity of the relevant market as well as the general market conditions.

vii) Each riskless basis cross transaction must be reported to the Bourse in accordance with the procedures set by the Bourse. Such report must be in the form prescribed by the Bourse and must contain all the information required on such prescribed form.

viii) Each riskless basis cross transaction must be immediately disseminated by the Bourse once it has validated it.

ix) It is strictly prohibited for any party, for both the buyer and the seller, to enter into a riskless basis cross trade to circumvent the contract month roll in the corresponding security or derivative instrument.

6) Block Trades Priced at a Basis to the Index Close (BICs) on FTSE Emerging Markets Index Futures Contracts

Block trade priced at a basis to the index close (BICs) are block trade transactions on **FTSE Emerging Markets** Index Futures Contracts which are priced in reference to the closing price of the underlying index and the basis as determined during prenegotiation discussions.

The futures price assigned to a BIC is based on a prospective index price or on the applicable closing price of the relevant index, adjusted by a valid price increment (“basis”).

The basis and final price of the BIC must be fair and reasonable taking into consideration, but without limitation to the consideration of, the following factors: financing rates, expected dividend income, time remaining until the index futures contract expiration, and any factors set forth in article 6380 4) v) of this Rule, as applicable.

A BIC is considered having occurred when one or more approved participants and/or clients engage in prenegotiation discussions to arrange large size transactions, in accordance with the minimum volume thresholds determined by the Bourse, away from the electronic trading system of the Bourse (as set forth by article 6005 of this Rule) at a basis that has been mutually agreed upon, report to the Bourse the terms of their agreement and the Bourse agrees to them.

While the basis to a prospective index price or the applicable closing price of the relevant index is established during prenegotiation discussions, the outright price for the transaction will only be established once the applicable closing price of the relevant index has been established.

An approved participant of the Bourse may execute a BIC for a volume equal to or greater than the applicable minimum volume threshold in a security or derivative instrument designated by the Bourse pursuant to the conditions set forth in article 6380 4) of this Rule.

D. SPECIAL RULES FOR TRADING FUTURES CONTRACTS

Section 6801 - 6820
Terms of Trade
Futures

6801 Standard Trading Unit
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 29.04.02, 14.06.02, 03.05.04, 24.07.06, 16.11.07, 30.05.08, 15.05.09, 18.06.10, 01.09.10, 01.10.10, 06.05.11, 16.02.12, 18.12.12, 09.06.14)

No futures contract shall be traded on the Bourse unless it has standardized terms and is issued by the appropriate clearing corporation in cooperation with the Bourse.

Unless otherwise determined by the Bourse, each trading unit shall consist of the following:

a) in the case of the 30-day overnight repo rate futures:

a nominal value of CAN$5,000,000.

b) in the case of the Overnight Index Swap futures:

a nominal value of CAN$5,000,000.

c) in the case of the 1-month Canadian bankers' acceptance futures:

a nominal value of CAN$3,000,000 of 1-month Canadian bankers' acceptances.

d) in the case of the 3-month Canadian bankers' acceptance futures:

a nominal value of CAN$1,000,000 of 3-month Canadian bankers' acceptances.

e) in the case of 2-year Government of Canada Bond futures:

CAN$200,000 nominal value of a notional Government of Canada Bond bearing a coupon of 6%.

f) in the case of the 5-year Government of Canada Bond futures:

CAN$100,000 nominal value of a notional Government of Canada Bond bearing a coupon of 6%.

g) in the case of the 10-year Government of Canada Bond futures:

CAN$100,000 nominal value of a notional Government of Canada Bond bearing a coupon of 6%.

h) in the case of the 30-year Government of Canada Bond futures:

CAN$100,000 nominal value of a notional Government of Canada Bond bearing a coupon of 6%.

i) in the case of the futures contract on the S&P/TSX 60 Index:

   i) in the case of standard futures contracts on the S&P/TSX 60 Index: CAN$200 times the S&P/TSX 60 Index standard futures contract level; and

   ii) In the case of mini futures contracts on the S&P/TSX 60 Index: CAN$50 times the S&P/TSX 60 Index mini futures contract level.

j) in the case of the mini futures contract on the S&P/TSX Composite Index:

   CAN$5 times the level of the S&P/TSX Composite Index mini futures.

k) in the case of the futures contract on designated S&P/TSX sectorial indices:

   The Bourse, in consultation with the Canadian Derivatives Clearing Corporation, shall establish the unit of trading for each futures contract that has been approved for trading.

l) in the case of the futures contract on Canadian and international stocks:

   The Bourse, in consultation with the Canadian Derivatives Clearing Corporation, shall establish the unit of trading for each futures contract that has been approved for trading.

m) in the case of the futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement:

   100 carbon dioxide equivalent (CO_2e) units. Each unit is an entitlement to emit one metric ton of carbon dioxide equivalent (CO_2e).

n) in the case of the futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement:

   100 carbon dioxide equivalent (CO_2e) units. Each unit is an entitlement to emit one metric ton of carbon dioxide equivalent (CO_2e).

o) in the case of the futures contract on designated Canadian Crude Oil:

   1,000 U.S. barrels.

p) in the case of the futures contract on the FTSE Emerging Market Index:

   USD $100 multiplied by the level of the FTSE Emerging Market Index futures.

6802 Price
(24.01.86, 22.04.88, 08.09.89, 17.10.91, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

a) During the life of a contract, only the price per unit of physical commodity is negotiable.

b) The price for any particular delivery month of a contract is determined by the bids and offers made on the Bourse, subject to the regulations.

c) Unless otherwise determined by the Bourse, the price shall be quoted as follows:

Government of Canada Bond futures	Per CAN$100 nominal value
30-day overnight repo rate futures	In terms of an index of 100 minus the monthly average overnight repo rate in percentage point on an annual basis for a 365-day year
Overnight Index Swap futures	In terms of an index of 100 minus the compounded daily overnight repo rate in percentage point on an annual basis for a 365-day year
1-month Canadian bankers' acceptance futures	In terms of an index of 100 minus the yield in percentage point on an annual basis for a 365-day year on 1-month Canadian bankers' acceptances
3-month Canadian bankers' acceptance futures	In terms of an index of 100 minus the yield in percentage point on an annual basis for a 365-day year on 3-month Canadian bankers' acceptances
Futures contracts on the S&P/TSX Indices	In index points.
Canadian share Futures Contract	In CAN cents and dollars per share
International Share Futures Contract	In unit(s) of International currency per share
Futures contract on carbon dioxide equivalent (CO_2e) units with physical and cash settlement	In CAN dollars and cents per metric ton of carbon dioxide equivalent (CO_2e)
Futures contracts on Canadian Crude Oil	In U.S. dollars and cents per U.S. barrel
Futures contracts on the FTSE Emerging Markets Index	In index points, expressed to two decimals.

6803 Currency
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

Trading, clearing, settlement and delivery shall be in the currency designated by the Bourse and unless otherwise determined shall be as follows:

30-day overnight repo rate futures	CAN Dollars
Overnight Index Swap futures	CAN Dollars

1-month and 3-month Canadian bankers' acceptance futures	CAN Dollars
Government of Canada Bond futures	CAN Dollars
Futures contracts on S&P/TSX Indices	CAN Dollars
Canadian share futures Contract	CAN Dollars
Futures contract on carbon dioxide equivalent (CO_2e) units with physical and cash settlement	CAN Dollars
International share futures contracts	International currency
Futures contracts on Canadian Crude Oil	U.S. Dollars
Futures contracts on the FTSE Emerging Markets Index	U.S. Dollars

6804 Futures Contracts Expiries
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 27.07.94, 19.01.95, 11.03.98, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

Unless otherwise determined by the Bourse, contract expiries shall be as follows:

30-day overnight repo rate futures	Monthly and quarterly contract months
Overnight Index Swap futures	Monthly and quarterly contract months
1-month Canadian bankers' acceptance futures	The first 6 consecutive months
3-month Canadian bankers' acceptance futures	Quarterly months in the March, June, September and December cycle as well as monthly expirations in the January, February, April, May, July, August, October and November cycle
Government of Canada Bond futures	Quarterly months in the March, June, September and December cycle
Futures contracts on S&P/TSX Indices	Quarterly months in the March, June, September and December cycle
Share futures contracts	Quarterly months in the March, June, September and December cycle as well as selected monthly expirations in January, February, April, May, July, August, October and November cycle
Futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement	Daily, monthly, quarterly and annual expiries

Futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement	Daily, monthly, quarterly and annual expiries
Futures contracts on Canadian Crude Oil	Monthly and quarterly expiries
Futures contracts on the FTSE Emerging Markets Index	March, June, September and December

6807 Minimum Price Fluctuations
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 29.04.02, 14.06.02, 15.10.02, 03.05.04, 17.11.04, 01.12.06, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

Unless otherwise determined by the Bourse, minimum price fluctuations shall be as follows:

a) 30-day overnight repo rate futures	0.005 per $100 nominal value
b) Overnight Index Swap futures	0.001 per $100 nominal value
c) 1-month and 3-month Canadian Bankers' acceptance futures	i) For the nearest contract month(s), as determined by the Bourse, 0.005 per $100 nominal value. ii) For all contract months excluding the nearest contract month(s) as determined by sub-paragraph i), 0.01 per $100 nominal value.
d) Government of Canada Bond futures Contracts	a minimum of 0.005 per $100 nominal value
e) Futures contract on the S&P/TSX 60 Index	0.01 index point
f) Mini Futures contract on the S&P/TSX Composite Index	1 index point
g) Canadian share futures contract	A minimum of $0.01 CDN per Canadian share
h) International share futures contracts	At a minimum of the corresponding unit of fluctuation used by the market on which the underlying stock is traded
i) Futures contracts on S&P/TSX sectorial indices	0.01 index point
j) Futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement	A minimum of $0.01 CDN per metric ton of carbon dioxide equivalent (CO_2e)
k) Futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement	A minimum of $0.01 CDN per metric ton of carbon dioxide equivalent (CO_2e)

l) Futures contracts on Canadian Crude Oil	A minimum of $0.01 U.S. per barrel
m) Futures contracts on the FTSE Emerging Markets Index	i) 0.05 index points for outright positions ii) 0.01 index point for calendar spreads and block trades

6808 Price Limits / Trading halts
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 24.07.06, 30.05.08, 17.04.09, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

The Bourse shall establish for each contract a maximum price limit with respect to the previous day's settlement price and there shall be no trading above or below that limit except as provided below. Unless otherwise determined by the Bourse, the daily price limits shall be as follows:

a) 30-day overnight repo rate futures: NIL

b) Overnight Index Swap futures: NIL

c) 1-month and 3-month Canadian bankers' acceptance futures: NIL

d) Government of Canada Bond futures: NIL

e) Futures contracts on the S&P/TSX Indices:

i) Trading halts

Trading halts on the futures contracts on the S&P/TSX Indices shall be coordinated with the trading halt mechanism of the underlying stocks. In accordance with Policy T-3 of the Bourse entitled "Circuit Breaker", a trading halt of the futures contracts shall be triggered only in conjunction with the triggering of circuit breakers set in coordination with the New York Stock Exchange and The Toronto Stock Exchange.

ii) Resumption of Trading

In the event that trading in the securities market resumes after a trading halt, trading in the S&P/TSX Index futures contracts shall resume only after a percentage (as determined by the Bourse from time to time) of the stocks underlying the S&P/TSX Indices have re-opened.

f) Canadian share futures contract

i) Trading halts

Trading halts on Canadian share futures contract shall be coordinated with the trading halt mechanism of the underlying stocks. In accordance with Policy T-3 of the Bourse entitled "Circuit Breaker", a trading halt of the futures contract shall be triggered in conjunction with the triggering of circuit breakers set in coordination with the New York Stock Exchange and The Toronto Stock Exchange.

g) International share futures contract

In the event that a recognized exchange suspends trading in the underlying share of a share futures contract, then the Bourse may determine a course of action in relation to the share futures contract, including, but not limited to, the suspension or halting in the trading of the contract.

h) Futures contract on carbon dioxide equivalent (CO_2e) units with physical and cash settlement

NIL

i) Futures contracts on Canadian Crude Oil

NIL

j) Futures contracts on the FTSE Emerging Markets Index

NIL

6812 Last Day of Trading
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 13.07.98, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 30.05.08, 15.05.09, 18.06.10, 16.02.12, 09.06.14)

Unless otherwise determined by the Bourse, the business day on which trading for each contract will terminate shall be as follows:

a) 30-day overnight repo rate futures:

last business day of the contract month.

b) Overnight Index Swap futures:

the day of a Bank of Canada Fixed Announcement Date.

c) 1-month and 3-month Canadian Bankers' Acceptance futures:

i) at 10:00 a.m. (Montréal time) on the second London (Great Britain) bank business day immediately preceding the third Wednesday of the contract month;

ii) if the day as determined by sub-paragraph i) is an exchange or bank holiday in Toronto or Montréal, futures trading shall terminate on the previous bank business day.

d) 5-year and 10-year Government of Canada Bond futures:

on the 7th business day preceding the last business day of the delivery month.

e) Futures contract of the S&P/TSX 60 Index:

the exchange traded day preceding the final settlement day as defined in article 15721 of the Rules.

f) Mini futures contract on the S&P/TSX Composite Index:

the exchange traded day preceding the final settlement day as defined in article 15986 of the Rules.

g) Canadian Share Futures Contracts:

at 4:00 p.m. (Montréal time) on the third Friday of the contract month or if not a business day, the first preceding business day.

h) International Share Futures Contract:

the last day of trading on International share futures contracts shall coincide with the last day of trading of the corresponding stock index futures contract traded on a recognized exchange for which the underlying stock is a constituant, or such other day as prescribed by the Bourse.

i) Futures Contracts on S&P/TSX sectorial indices:

the exchange traded day preceding the final settlement date as defined in article 15771 of the Rules.

j) Futures contract on carbon dioxide equivalent (CO_2e) units with cash settlement:

the third business day preceding the last business day of the contract expiry. For contracts with daily expiries, the last day of trading is the first trading day of the contract.

k) Futures contract on carbon dioxide equivalent (CO_2e) units with physical settlement:

the third business day preceding the last business day of the contract expiry. For contracts with daily expiries, the last day of trading is the first trading day of the contract.

l) Futures contracts on Canadian Crude Oil:

the first business day prior to the crude oil "Initial Notice of Shipment Date" of the delivery month as determined by the Bourse, or such other day as prescribed by the Bourse. Initial Notice of Shipment Date means, with respect to the contract month, the first due date and time generally accepted by industry for the filing of the Notice of Shipment.

m) Futures Contracts on the FTSE Emerging Markets Index:

On the third Friday of the contract month or, if the FTSE Emerging Markets Index is not published on that day, the first preceding trading day for which the Index is scheduled to be published.

RULE FOURTEEN
DERIVATIVE INSTRUMENTS – MISCELLANEOUS RULES

(11.03.80, 13.09.05, 04.03.08, 01.04.13, 09.06.14)

Section 14101 – 14150
(04.03.08, 01.04.13, 09.06.14)
Reports for Derivative Instruments

14102 Reports Pertaining to the Accumulation of Positions for Derivative Instruments
(24.04.84, 01.06.84, 13.09.05, 04.03.08, 01.04.13, 09.06.14)

1) Each approved participant must file daily with the Bourse, in the prescribed manner, a report detailing all gross positions held for its own account or for an account or group of accounts which are all owned by the same beneficial owner in derivative instruments listed on the Bourse when these gross positions exceed the reporting thresholds prescribed by the Bourse for each of these derivative instruments.

2) Any report transmitted to the Bourse pursuant to this Rule must be transmitted not later than 8:00 a.m. (Montreal time) on the business day following the one for which positions must be reported.

3) For each account subject to a positions report to the Bourse, each approved participant must provide to the Bourse all the information necessary to the Bourse to allow it to adequately identify and classify this account. The information that must be provided to the Bourse is the following:

   a) the name and complete coordinates of the account beneficial owner;

   b) the full account number as it appears in the approved participant records;

   c) the account type (client, firm, market-maker, professional or omnibus);

   d) the beneficial account owner classification according to the typology established by the Bourse; and

   e) the identification of the nature of transactions made by the account (speculation or hedging). If it is impossible to clearly determine if the account is used for speculative or hedging purposes, it must then, by default, be identified as being a speculative account.

4) In addition to providing the above-mentioned information to the Bourse, each approved participant must provide, for each account being reported, a unique identifier complying with the following requirements;

   a) for any account opened in the name of a natural person or of a corporation or other type of commercial entity wholly-owned by this natural person:

      i) a unique identifier allowing to link together all the accounts having the same beneficial owner. The unique identifier used in such a case must be created by the approved participant in a format that it deems to be appropriate. This unique identifier, once created and used, must not be modified or replaced by a new identifier without having provided prior notice to the Bourse.

b) for any account owned by many natural persons such as a joint account, an investment club account, partnership or holding company:

i) if one of the natural persons owning this account has an ownership interest of more than 50% in the account, the unique identifier used must be the identifier of this person and must be set as specified in subparagraph 3) a) i) above ;

ii) if none of the persons owning the account has an ownership interest of more thant 50%, the unique identifier must be the account name.

c) for any account opened in the name of a corporation other than a corporation wholly-owned by a natural person:

i) if one of the natural persons owning shares of this corporation holds an ownership intererest of more than 50% in the account, the unique identifier used must be the identifier of this person and must be set as specified in subparagraph 3) a) i) above;

ii) if more than 50% of the corporation shares are owned by another corporation, the unique identifier must be the Legal Entity Identifier of this other corporation as attributed by the organization responsible for the attribution of such an identifier;

iii) in all other cases, the unique identifier must be the Legal Entity Identifier of the corporation in whose name the account has been opened;

iv) if, for corporations mentioned in subparagraphs c) ii) and c) iii), no Legal Entity identifier is available, the identifier to be used shall be the incorporation number of the corporation as attributed by the government authority having issued the incorporation certificate of such corporation.

In the case where neither the Legal Entity Identifier nor the incorporation number of a corporation are available or can be obtained or communicated by the approved participant in reason of legal or regulatory restrictions, the approved participant shall use a unique identifier that permits to link together all the accounts having the same corporation as beneficial owner. The unique identifier used in such a case can be either the name of the corporation owning the account or be created by the approved participant in a format that it deems appropriate.

Any unique identifier, be it or not created by the approved participant, must not be changed or replaced by a new identifier without prior notice having been given to the Bourse.

For the purposes of this paragraph c), the term “Legal Entity identifier” means the unique idenfication number attributed to a legal entity by any organization accredited to this effect pursuant to the ISO 17442 standard of the International Standardization Organization, as approved by the Financial Stability Board and the G-20 and aiming at implementing a universal and mandatory identification system for legal entities trading any type of derivative instrument.

5) In order to determine if the reporting thresholds are attained, approved participants must aggregate positions held or controlled by the same account beneficial owner.

For the purposes of this article, the term “control” means a beneficial ownership interest greater than 50%.

6) The reporting thresholds established by the Bourse are as follows:

a) For each options class other than options on futures contracts:

i) 250 contracts, in the case of stock and trust units options;

ii) 500 contracts, in the case of options on Exchange Traded Fund unit options;

iii) 500 contracts, in the case of currency options;

iv) 15,000 contracts, in the case of index options;

b) For futures contracts and the related options on futures contracts:

i) 300 contracts, in the case of futures contracts and options on futures contracts on Three-Month Canadian Bankers' Acceptance Futures (BAX and OBX), by aggregating positions on options on futures contracts and positions in the underlying futures contract. In this case, one options contract (OBX) is equal to one futures contract (BAX);

ii) 250 contracts, in the case of 30-Year Government of Canada Bond Futures (LGB);

iii) 250 contracts, in the case of futures and options on futures contracts on Ten-Year Government of Canada Bond Futures (CGB and OGB), by aggregating positions on options on futures contracts and positions in the underlying futures contract. For the purposes of aggregating positions, one options contract (OGB) is equal to one futures contract (CGB);

iv) 250 contracts, in the case of Five-Year Government of Canada Bond Futures (CGF);

v) 250 contracts, in the case of Two-Year Government of Canada Bond Futures (CGZ);

vi) 1,000 contracts, in the case of S&P/TSX 60 Index Standard Futures (SXF) and S&P/TSX 60 Index Mini Futures (SXM), by aggregating positions on both futures contracts. For the purposes of aggregating positions, one standard contract (SXF) is equal to one mini contract (SXM);

vii) 1,000 contracts, in the case of S&P/TSX Composite Index Mini Futures (SCF);

viii) 300 contracts, in the case of 30-Day Overnight Repo Rate Futures (ONX) and Overnight Index Swap Futures (OIS);

ix) 500 contracts, in the case of Sector Index Futures (SXA, SXB, SXH, SXY);

x) 250 contracts, in the case of futures contracts on Canada carbon dioxide equivalent (CO2e) units with physical settlement (MCX);

xi) 1,000 contracts, in the case of futures contracts on the FTSE Emerging Markets Index;

The Bourse may, at its discretion, impose the application of any other reporting threshold that is more severe and lower than those provided in this Rule.

7) in addition to the reports required under the provisions of the present article, each approved participant must report immediately to the Vice-President of the Regulatory Division of the Bourse any situation in which the approved participant has reason to believe that itself or a client, acting alone or in concert with others, has exceeded or is attempting to exceed the position limits established by the Bourse;

8) An approved participant of the Bourse which does not trade or does not hold or manage any trading accounts for its clients or itself for the purposes of transactions in any of the derivative instruments listed on the Bourse may be exempted from complying with the requirements as provided for in paragraph 1) of the present article, under the following conditions:

   i) the approved participant must submit an exemption request in writing to the Regulatory Division, confirming that it has not traded any of the derivative instruments listed on the Bourse in the last calendar year and that it does not plan to trade any of them in a foreseeable future;

   ii) all exemptions granted will be valid as long as all conditions relative to such exemptions are complied with;

   iii) any exemption can be cancelled by the Regulatory Division at any time and, in any case, ends when an approved participant executes a transaction on any of the derivative instruments listed on the Bourse;

9) An approved participant may, with prior approval of the Bourse, delegate to a third party the transmission of position reports required under the provisions of paragraph 1) of the present Rule. In order for such an exemption to be granted, the following conditions must be met:

   i) the approved participant which wishes to delegate the task of producing and submitting position reports to a third party rather than doing so by itself must divulge to this third party all information necessary for the production of such reports, as is required by the Bourse;

   ii) any delegation established in accordance with the present paragraph must first be approved in writing by the Regulatory Division. An approved participant wishing to delegate the submission of positions reports required by the Bourse to a third party must therefore submit a request for approval in writing to the Regulatory Division;

   iii) all approvals of delegation granted by the Regulatory Division will be valid as long as all conditions relative to such approvals are complied with;

   iv) any approval of delegation can be cancelled by the Regulatory Division at any time and, in any case, ends when the third party delegate ceases to produce reports or is no longer able to submit position reports on behalf of the approved participant having delegated such task, pursuant to the requirements of the Bourse;

   v) an approved participant having chosen to delegate the submission position reports to a third party nevertheless remains responsible for the obligations provided in the present article and must ensure that all the information transmitted to the Bourse by the delagatee is complete and accurate.

RULE FOURTEEN
DERIVATIVE INSTRUMENTS – MISCELLANEOUS RULES

(11.03.80, 13.09.05, 04.03.08, 01.04.13, 09.06.14)

Section 14101 – 14150
(04.03.08, 01.04.13, 09.06.14)
Reports for Derivative Instruments

14102 Reports Pertaining to the Accumulation of Positions for Derivative Instruments
(24.04.84, 01.06.84, 13.09.05, 04.03.08, 01.04.13, 09.06.14)

1) Each approved participant must file daily with the Bourse, in the prescribed manner, a report detailing all gross positions held for its own account or for an account or group of accounts which are all owned by the same beneficial owner in derivative instruments listed on the Bourse when these gross positions exceed the reporting thresholds prescribed by the Bourse for each of these derivative instruments.

2) Any report transmitted to the Bourse pursuant to this Rule must be transmitted not later than 8:00 a.m. (Montreal time) on the business day following the one for which positions must be reported.

3) For each account subject to a positions report to the Bourse, each approved participant must provide to the Bourse all the information necessary to the Bourse to allow it to adequately identify and classify this account. The information that must be provided to the Bourse is the following:

   a) the name and complete coordinates of the account beneficial owner;

   b) the full account number as it appears in the approved participant records;

   c) the account type (client, firm, market-maker, professional or omnibus);

   d) the beneficial account owner classification according to the typology established by the Bourse; and

   e) the identification of the nature of transactions made by the account (speculation or hedging). If it is impossible to clearly determine if the account is used for speculative or hedging purposes, it must then, by default, be identified as being a speculative account.

4) In addition to providing the above-mentioned information to the Bourse, each approved participant must provide, for each account being reported, a unique identifier complying with the following requirements;

   a) for any account opened in the name of a natural person or of a corporation or other type of commercial entity wholly-owned by this natural person:

      i) a unique identifier allowing to link together all the accounts having the same beneficial owner. The unique identifier used in such a case must be created by the approved participant in a format that it deems to be appropriate. This unique identifier, once created and used, must not be modified or replaced by a new identifier without having provided prior notice to the Bourse.

b) for any account owned by many natural persons such as a joint account, an investment club account, partnership or holding company:

i) if one of the natural persons owning this account has an ownership interest of more than 50% in the account, the unique identifier used must be the identifier of this person and must be set as specified in subparagraph 3) a) i) above ;

ii) if none of the persons owning the account has an ownership interest of more thant 50%, the unique identifier must be the account name.

c) for any account opened in the name of a corporation other than a corporation wholly-owned by a natural person:

i) if one of the natural persons owning shares of this corporation holds an ownership intereerest of more than 50% in the account, the unique identifier used must be the identifier of this person and must be set as specified in subparagraph 3) a) i) above;

ii) if more than 50% of the corporation shares are owned by another corporation, the unique identifier must be the Legal Entity Identifier of this other corporation as attributed by the organization responsible for the attribution of such an identifier;

iii) in all other cases, the unique identifier must be the Legal Entity Identifier of the corporation in whose name the account has been opened;

iv) if, for corporations mentioned in subparagraphs c) ii) and c) iii), no Legal Entity identifier is available, the identifier to be used shall be the incorporation number of the corporation as attributed by the government authority having issued the incorporation certificate of such corporation.

In the case where neither the Legal Entity Identifier nor the incorporation number of a corporation are available or can be obtained or communicated by the approved participant in reason of legal or regulatory restrictions, the approved participant shall use a unique identifier that permits to link together all the accounts having the same corporation as beneficial owner. The unique identifier used in such a case can be either the name of the corporation owning the account or be created by the approved participant in a format that it deems appropriate.

Any unique identifier, be it or not created by the approved participant, must not be changed or replaced by a new identifier without prior notice having been given to the Bourse.

For the purposes of this paragraph c), the term “Legal Entity identifier” means the unique idenfication number attributed to a legal entity by any organization accredited to this effect pursuant to the ISO 17442 standard of the International Standardization Organization, as approved by the Financial Stability Board and the G-20 and aiming at implementing a universal and mandatory identification system for legal entities trading any type of derivative instrument.

5) In order to determine if the reporting thresholds are attained, approved participants must aggregate positions held or controlled by the same account beneficial owner.

For the purposes of this article, the term “control” means a beneficial ownership interest greater than 50%.

6) The reporting thresholds established by the Bourse are as follows:

a) For each options class other than options on futures contracts:

i) 250 contracts, in the case of stock and trust units options;

ii) 500 contracts, in the case of options on Exchange Traded Fund unit options;

iii) 500 contracts, in the case of currency options;

iv) 15,000 contracts, in the case of index options;

b) For futures contracts and the related options on futures contracts:

i) 300 contracts, in the case of futures contracts and options on futures contracts on Three-Month Canadian Bankers' Acceptance Futures (BAX and OBX), by aggregating positions on options on futures contracts and positions in the underlying futures contract. In this case, one options contract (OBX) is equal to one futures contract (BAX);

ii) 250 contracts, in the case of 30-Year Government of Canada Bond Futures (LGB);

iii) 250 contracts, in the case of futures and options on futures contracts on Ten-Year Government of Canada Bond Futures (CGB and OGB), by aggregating positions on options on futures contracts and positions in the underlying futures contract. For the purposes of aggregating positions, one options contract (OGB) is equal to one futures contract (CGB);

iv) 250 contracts, in the case of Five-Year Government of Canada Bond Futures (CGF);

v) 250 contracts, in the case of Two-Year Government of Canada Bond Futures (CGZ);

vi) 1,000 contracts, in the case of S&P/TSX 60 Index Standard Futures (SXF) and S&P/TSX 60 Index Mini Futures (SXM), by aggregating positions on both futures contracts. For the purposes of aggregating positions, one standard contract (SXF) is equal to one mini contract (SXM);

vii) 1,000 contracts, in the case of S&P/TSX Composite Index Mini Futures (SCF);

viii) 300 contracts, in the case of 30-Day Overnight Repo Rate Futures (ONX) and Overnight Index Swap Futures (OIS);

ix) 500 contracts, in the case of Sector Index Futures (SXA, SXB, SXH, SXY);

x) 250 contracts, in the case of futures contracts on Canada carbon dioxide equivalent (CO2e) units with physical settlement (MCX);

xi) 1,000 contracts, in the case of futures contracts on the FTSE Emerging Markets Index;

The Bourse may, at its discretion, impose the application of any other reporting threshold that is more severe and lower than those provided in this Rule.

7) in addition to the reports required under the provisions of the present article, each approved participant must report immediately to the Vice-President of the Regulatory Division of the Bourse any situation in which the approved participant has reason to believe that itself or a client, acting alone or in concert with others, has exceeded or is attempting to exceed the position limits established by the Bourse;

8) An approved participant of the Bourse which does not trade or does not hold or manage any trading accounts for its clients or itself for the purposes of transactions in any of the derivative instruments listed on the Bourse may be exempted from complying with the requirements as provided for in paragraph 1) of the present article, under the following conditions:

   i) the approved participant must submit an exemption request in writing to the Regulatory Division, confirming that it has not traded any of the derivative instruments listed on the Bourse in the last calendar year and that it does not plan to trade any of them in a foreseeable future;

   ii) all exemptions granted will be valid as long as all conditions relative to such exemptions are complied with;

   iii) any exemption can be cancelled by the Regulatory Division at any time and, in any case, ends when an approved participant executes a transaction on any of the derivative instruments listed on the Bourse;

9) An approved participant may, with prior approval of the Bourse, delegate to a third party the transmission of position reports required under the provisions of paragraph 1) of the present Rule. In order for such an exemption to be granted, the following conditions must be met:

   i) the approved participant which wishes to delegate the task of producing and submitting position reports to a third party rather than doing so by itself must divulge to this third party all information necessary for the production of such reports, as is required by the Bourse;

   ii) any delegation established in accordance with the present paragraph must first be approved in writing by the Regulatory Division. An approved participant wishing to delegate the submission of positions reports required by the Bourse to a third party must therefore submit a request for approval in writing to the Regulatory Division;

   iii) all approvals of delegation granted by the Regulatory Division will be valid as long as all conditions relative to such approvals are complied with;

   iv) any approval of delegation can be cancelled by the Regulatory Division at any time and, in any case, ends when the third party delegate ceases to produce reports or is no longer able to submit position reports on behalf of the approved participant having delegated such task, pursuant to the requirements of the Bourse;

   v) an approved participant having chosen to delegate the submission position reports to a third party nevertheless remains responsible for the obligations provided in the present article and must ensure that all the information transmitted to the Bourse by the delagatee is complete and accurate.

RULE FIFTEEN
FUTURES CONTRACTS SPECIFICATIONS

Section 15001 - 15050
General Provisions

15001 Scope of Rule
(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 16.11.07, 30.05.08, 15.05.09, 18.06.10, 09.06.14)

This Rule is limited in application to futures trading of the following instruments:

a) the overnight repo rate;

b) 1-month Canadian bankers' acceptance;

c) 3-month Canadian bankers' acceptance;

d) 2-year Government of Canada Bond;

e) 5-year Government of Canada Bond;

f) 10-year Government of Canada Bond;

g) 30-year Government of Canada Bond;

h) the S&P/TSX 60 Index;

i) the S&P/TSX Composite Index;

j) designated S&P/TSX sectorial indices;

k) Canadian and International stocks;

l) Carbon dioxide equivalent (CO2e) units;

m) Canadian Crude Oil~~.~~;

n) FTSE Emerging Markets Index;

The procedures for dealing with clients, trading, clearing, settlement, delivery and any other matters not specifically covered herein shall be governed by the regulations of the Bourse and the General Regulations of the clearing corporation.

SECTION 15999.4 – 15999.17
Futures Contracts on the FTSE Emerging Markets Index
(09.06.14)

Sub-section 15999.4 – 15999.12
Specific Trading Provisions

15999.4 Contract Months
(09.06.14)

Unless otherwise determined by the Bourse, the contract months for futures contracts on the FTSE Emerging Markets Index shall be as indicated in article 6804 of Rule Six.

15999.5 Trading Unit
(09.06.14)

Unless otherwise determined by the Bourse, the unit of trading for futures contracts on the FTSE Emerging Markets Index shall be as indicated in article 6801 of Rule Six of the Bourse.

15999.6 Currency
(09.06.14)

Trading, clearing and settlement shall be in U.S. dollars.

15999.7 Price Quotation
(09.06.14)

Unless otherwise determined by the Bourse, bids and offers for futures contracts on the FTSE Emerging Markets Index shall be as indicated in article 6802 of Rule Six of the Bourse.

15999.8 Price Fluctuation Unit
(09.06.14)

Unless otherwise determined by the Bourse, the minimum price fluctuation shall be as indicated in article 6807 of Rule Six of the Bourse.

15999.9 Price Limits/Trading Halts
(09.06.14)

Price limits are indicated in article 6808 of the Rules.

15999.10 Position Limits
(09.06.14)

The maximum number of net long or net short positions in all contract months combined in futures contracts on the FTSE Emerging Markets Index which a person may own or control in accordance with article 14157 of the Rules shall be as follows:

50,000 contracts.

Approved participants may benefit from the exemption for a bona fide hedger in accordance with article 14157 of the Rules.

15999.11 Position Reporting Threshold
(09.06.14)

Approved participants shall report to the Bourse all positions which, when combining all contract expiries, exceed 1,000 futures contracts on the FTSE Emerging Markets Index, or such other number as may be determined by the Bourse, in such form and in such manner as shall be prescribed by the Bourse.

15999.12 Delivery
(09.06.14)

Delivery of the index futures contracts shall be by cash settlement through the Clearing Corporation. The settlement procedures are as stipulated in articles 15999.13 to 15999.16 of the Rules.

Sub-section 15999.13 – 15999.16
Settlement Procedures

15999.13 Final Settlement Day
(09.06.14)

The final settlement day shall be the last trading day, as indicated in article 6812 of Rule Six.

15999.14 Final Settlement Price
(09.06.14)

The final settlement price shall be determined on the last trading day by multiplying the official closing level of the FTSE Emerging Markets Index by the multiplier stipulated in article 6801 p). All open positions at the close of the last trading day will be marked to market using the official closing level of the FTSE Emerging Markets Index on the last trading day and terminated by cash settlement.

15999.15 Failure of Settlement
(09.06.14)

Any failure on the part of an approved participant to comply with the aforementioned cash settlement rules may result in the imposition of such disciplinary sanctions as may be deemed appropriate in the circumstances by the Bourse.

15999.16 Force Majeure
(09.06.14)

In the event that the Bourse is unable to settle a transaction due to a “Force Majeure” such as, but not limited to, a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the Bourse shall take all necessary actions required under the circumstances, and its decision shall bind all parties to the futures contracts on the FTSE Emerging Markets Index affected by such Force Majeure. Without limiting the generality of the foregoing, the Bourse may take one or many of the following measures:

a) modify the settlement time;

b) modify the settlement date;

c) designate alternate or new procedures in the event of conditions interfering with the normal settlement process;

d) fix a settlement price.

The Bourse shall not be liable for any failure or delay in the performance of the Bourse's obligations to any approved participant if such failure or delay arises out of a Force Majeure.

Sub-section 15999.17
Disclaimer

15999.17 Limitation of Liability Disclaimer
(09.06.14)

Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY

DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

RULE FIFTEEN
FUTURES CONTRACTS SPECIFICATIONS

Section 15001 - 15050
General Provisions

15001 Scope of Rule

(24.01.86, 22.04.88, 08.09.89, 16.04.92, 19.01.95, 07.09.99, 31.01.01, 14.06.02, 03.05.04, 16.11.07, 30.05.08, 15.05.09, 18.06.10, 09.06.14)

This Rule is limited in application to futures trading of the following instruments:

a) the overnight repo rate;

b) 1-month Canadian bankers' acceptance;

c) 3-month Canadian bankers' acceptance;

d) 2-year Government of Canada Bond;

e) 5-year Government of Canada Bond;

f) 10-year Government of Canada Bond;

g) 30-year Government of Canada Bond;

h) the S&P/TSX 60 Index;

i) the S&P/TSX Composite Index;

j) designated S&P/TSX sectorial indices;

k) Canadian and International stocks;

l) Carbon dioxide equivalent (CO2e) units;

m) Canadian Crude Oil;

n) FTSE Emerging Markets Index;

The procedures for dealing with clients, trading, clearing, settlement, delivery and any other matters not specifically covered herein shall be governed by the regulations of the Bourse and the General Regulations of the clearing corporation.

SECTION 15999.4 – 15999.17
Futures Contracts on the FTSE Emerging Markets Index
(09.06.14)

Sub-section 15999.4 – 15999.12
Specific Trading Provisions

15999.4 Contract Months
(09.06.14)

Unless otherwise determined by the Bourse, the contract months for futures contracts on the FTSE Emerging Markets Index shall be as indicated in article 6804 of Rule Six.

15999.5 Trading Unit
(09.06.14)

Unless otherwise determined by the Bourse, the unit of trading for futures contracts on the FTSE Emerging Markets Index shall be as indicated in article 6801 of Rule Six of the Bourse.

15999.6 Currency
(09.06.14)

Trading, clearing and settlement shall be in U.S. dollars.

15999.7 Price Quotation
(09.06.14)

Unless otherwise determined by the Bourse, bids and offers for futures contracts on the FTSE Emerging Markets Index shall be as indicated in article 6802 of Rule Six of the Bourse.

15999.8 Price Fluctuation Unit
(09.06.14)

Unless otherwise determined by the Bourse, the minimum price fluctuation shall be as indicated in article 6807 of Rule Six of the Bourse.

15999.9 Price Limits/Trading Halts
(09.06.14)

Price limits are indicated in article 6808 of the Rules.

15999.10 Position Limits
(09.06.14)

The maximum number of net long or net short positions in all contract months combined in futures contracts on the FTSE Emerging Markets Index which a person may own or control in accordance with article 14157 of the Rules shall be as follows:

50,000 contracts.

Approved participants may benefit from the exemption for a bona fide hedger in accordance with article 14157 of the Rules.

15999.11 Position Reporting Threshold
(09.06.14)

Approved participants shall report to the Bourse all positions which, when combining all contract expiries, exceed 1,000 futures contracts on the FTSE Emerging Markets Index, or such other number as may be determined by the Bourse, in such form and in such manner as shall be prescribed by the Bourse.

15999.12 Delivery
(09.06.14)

Delivery of the index futures contracts shall be by cash settlement through the Clearing Corporation. The settlement procedures are as stipulated in articles 15999.13 to 15999.16 of the Rules.

Sub-section 15999.13 – 15999.16
Settlement Procedures

15999.13 Final Settlement Day
(09.06.14)

The final settlement day shall be the last trading day, as indicated in article 6812 of Rule Six.

15999.14 Final Settlement Price
(09.06.14)

The final settlement price shall be determined on the last trading day by multiplying the official closing level of the FTSE Emerging Markets Index by the multiplier stipulated in article 6801 p). All open positions at the close of the last trading day will be marked to market using the official closing level of the FTSE Emerging Markets Index on the last trading day and terminated by cash settlement.

15999.15 Failure of Settlement
(09.06.14)

Any failure on the part of an approved participant to comply with the aforementioned cash settlement rules may result in the imposition of such disciplinary sanctions as may be deemed appropriate in the circumstances by the Bourse.

15999.16 Force Majeure
(09.06.14)

In the event that the Bourse is unable to settle a transaction due to a "Force Majeure" such as, but not limited to, a strike, a fire, an accident, a Government action, an act of God or any other emergency situation, the Bourse shall take all necessary actions required under the circumstances, and its decision shall bind all parties to the futures contracts on the FTSE Emerging Markets Index affected by such Force Majeure. Without limiting the generality of the foregoing, the Bourse may take one or many of the following measures:

a) modify the settlement time;

b) modify the settlement date;

c) designate alternate or new procedures in the event of conditions interfering with the normal settlement process;

d) fix a settlement price.

The Bourse shall not be liable for any failure or delay in the performance of the Bourse's obligations to any approved participant if such failure or delay arises out of a Force Majeure.

Sub-section 15999.17
Disclaimer

15999.17 Limitation of Liability Disclaimer
(09.06.14)

Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY

DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Specifications

FTSE EMERGING MARKETS INDEX FUTURES

Underlying	The FTSE Emerging Markets Index.
Multiplier	US$100 times the FTSE Emerging Markets Index Futures contract value.
Expiry cycle	March, June, September and December.
Price quotation	Quoted in index points, expressed to two decimals.
Minimum price fluctuation	▪ 0.05 index points for outright positions. ▪ 0.01 index points for calendar spreads and block trades.
Contract type	Cash-settled in US dollars.
Last trading day	Trading ceases at 4:15 p.m. (ET) on the third Friday of the contract month if the underlying index is published that day. If it is not published that day, trading will cease on the first preceding trading day for which the underlying index is scheduled to be published.
Expiration day	Expiration occurs on the last trading day.
Final settlement day	Final settlement occurs on the last trading day.
Final settlement price	The final settlement price shall be determined on the last trading day by multiplying the official closing level of the FTSE Emerging Markets Index by the multiplier as stipulated above.
Position reporting threshold	1,000 contracts, gross long and short, in all contract months combined.
Position limit	50,000 contracts.
Minimum margin requirements	Information on minimum margin requirements can be obtained from the Bourse as they are subject to periodic changes.
Trading hours	6:00 a.m. to 4:15 p.m.
Clearing corporation	Canadian Derivatives Clearing Corporation (CDCC).
Ticker symbol	EMF

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

PROCEDURES APPLICABLE TO THE EXECUTION OF CROSS TRANSACTIONS AND THE EXECUTION OF PREARRANGED TRANSACTIONS

In accordance with the provisions of article 6380 of the Rules of Bourse de Montréal Inc. (the Bourse) regarding the execution of cross transactions and prearranged transactions, the following are the eligible products, the prescribed exposure time delays between the input of two orders and the minimum volume~~quantity~~ thresholds.

Table 1: Prescribed time delays and minimum volume thresholds for eligible securities and derivative instruments

ELIGIBLE PRODUCTS	PRESCRIBED TIME DELAY	MINIMUM VOLUME~~QUANTITY~~ THRESHOLD
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX):		
1st four quarterly months – not including serial months	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Thirty-Day Overnight "Repo" Rate Futures Contracts (ONX):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Overnight Index Swap (OIS):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Government of Canada Bond Futures Contracts:		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on S&P/TSX Indices:		
All expiry months	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures Contracts on the FTSE Emerging Markets Index:		
All expiry months	0 second	≥ ~~50~~100 contracts
All expiry months and strategies	5 seconds	< ~~50~~100 contracts
Futures Contracts on Canada Carbon Dioxide Equivalent (CO_2e) Units:		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on Canadian Crude Oil:		
All expiry months and strategies	5 seconds	No threshold
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts:		
All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts

Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):

All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts

Equity and Currency Options:

All expiry months	0 second	≥ 100 contracts
All expiry months	5 seconds	< 100 contracts

Index Options:

All expiry months	0 second	≥ 50 contracts
All expiry months	5 seconds	< 50 contracts

Canadian Share Futures Contracts:

All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts

Futures and Options on Futures Inter-Group Strategies

All strategies	5 seconds	No threshold

Chronological priority of orders must be respected with regards to the posting of the originating order first, when executing a cross or prearranged transaction.

The market participant must ensure that all existing orders in the central order book, regardless of the type of orders, which are at limit prices better than or equal to the cross or prearranged transaction price are executed before completing such transaction.

EQUITY OPTIONS, INDEX OPTIONS AND CURRENCY OPTIONS CONTRACTS

Cross transactions and prearranged transactions can only be executed in accordance with one of the following procedures:

Procedure with a prescribed time delay for a volume~~quantity~~ smaller than the eligible volume~~quantity~~ threshold

A market participant wishing to execute a cross or a prearranged transaction must enter the order into the trading system for the total intended transaction volume~~quantity~~. The participant must then respect a delay equal to the prescribed time delay before executing an offsetting transaction on the residual volume~~quantity~~.

The **residual volume~~quantity~~** is the portion of the original volume~~quantity~~ remaining after orders entered in the book with limit prices better than or equal to the intended transaction price have been filled. If no orders have been executed, the residual volume~~quantity~~ is equal to the original intended transaction ~~quantity~~volume.

Procedure without a prescribed time delay for a ~~quantity~~volume equal to or greater than the eligible ~~quantity~~volume threshold

If a market participant has a cross or prearranged order between the bid and ask:

- the participant can use a specific system function to enter a zero-second cross; or

- the participant can enter one side of the order and immediately trade against it if he wishes that the trade be executed directly on the market (with the possibility of execution risk).

Note: The bundling of orders to meet the admissible minimum ~~quantity~~volume threshold is not permitted.

Transactions with a 50% guaranteed minimum

If a market participant wishes to execute a cross or a prearranged transaction on an option strategy, he must contact a market official and provide details of the intended transaction: total ~~quantity~~volume, price, side(s) of the transaction on which the approved participant is required to give priority.

Market makers will be permitted to participate on the transaction up to a total maximum of 50% of the ~~quantity~~volume of the intended transaction.

The market participant will be permitted to execute the transaction for the remaining volume~~quantity~~ (a minimum of 50% plus any ~~quantity~~volume not taken of the 50% that had been offered to the market makers.)

MISCELLANEOUS

Eligible products, their respective minimum ~~quantity~~volume thresholds and time delays will be modified from time to time in order to take into account the evolution of the trading environment and operational practices of the Bourse. A circular will be issued by the Bourse every time a modification or revision is made to either one of these criteria.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

PROCEDURES APPLICABLE TO THE EXECUTION OF CROSS TRANSACTIONS AND THE EXECUTION OF PREARRANGED TRANSACTIONS

In accordance with the provisions of article 6380 of the Rules of Bourse de Montréal Inc. (the Bourse) regarding the execution of cross transactions and prearranged transactions, the following are the eligible products, the prescribed exposure time delays between the input of two orders and the minimum volume thresholds.

Table 1: Prescribed time delays and minimum volume thresholds for eligible securities and derivative instruments

ELIGIBLE PRODUCTS	PRESCRIBED TIME DELAY	MINIMUM VOLUME THRESHOLD
Three-Month Canadian Bankers' Acceptance Futures Contracts (BAX):		
1st four quarterly months – not including serial months	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Thirty-Day Overnight "Repo" Rate Futures Contracts (ONX):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Overnight Index Swap (OIS):		
Front month	5 seconds	No threshold
Remaining expiry months and strategies	15 seconds	No threshold
Government of Canada Bond Futures Contracts:		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on S&P/TSX Indices:		
All expiry months	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures Contracts on the FTSE Emerging Markets Index:		
All expiry months	0 second	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts
Futures Contracts on Canada Carbon Dioxide Equivalent (CO_2e) Units:		
All expiry months and strategies	5 seconds	No threshold
Futures Contracts on Canadian Crude Oil:		
All expiry months and strategies	5 seconds	No threshold
Options on Three-Month Canadian Bankers' Acceptance Futures Contracts:		
All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts

Options on Ten-Year Government of Canada Bond Futures Contracts (OGB):		
All expiry months and strategies	0 second	≥ 250 contracts
All expiry months and strategies	5 seconds	< 250 contracts

Equity and Currency Options:		
All expiry months	0 second	≥ 100 contracts
All expiry months	5 seconds	< 100 contracts

Index Options:		
All expiry months	0 second	≥ 50 contracts
All expiry months	5 seconds	< 50 contracts

Canadian Share Futures Contracts:		
All expiry months and strategies	0 seconds	≥ 100 contracts
All expiry months and strategies	5 seconds	< 100 contracts

Futures and Options on Futures Inter-Group Strategies		
All strategies	5 seconds	No threshold

Chronological priority of orders must be respected with regards to the posting of the originating order first, when executing a cross or prearranged transaction.

The market participant must ensure that all existing orders in the central order book, regardless of the type of orders, which are at limit prices better than or equal to the cross or prearranged transaction price are executed before completing such transaction.

EQUITY OPTIONS, INDEX OPTIONS AND CURRENCY OPTIONS CONTRACTS

Cross transactions and prearranged transactions can only be executed in accordance with one of the following procedures:

Procedure with a prescribed time delay for a volume smaller than the eligible volume threshold

A market participant wishing to execute a cross or a prearranged transaction must enter the order into the trading system for the total intended transaction volume. The participant must then respect a delay equal to the prescribed time delay before executing an offsetting transaction on the residual volume.

The **residual volume** is the portion of the original volume remaining after orders entered in the book with limit prices better than or equal to the intended transaction price have been filled. If no orders have been executed, the residual volume is equal to the original intended transaction volume.

Procedure without a prescribed time delay for a volume equal to or greater than the eligible volume threshold

If a market participant has a cross or prearranged order between the bid and ask:

- the participant can use a specific system function to enter a zero-second cross; or

- the participant can enter one side of the order and immediately trade against it if he wishes that the trade be executed directly on the market (with the possibility of execution risk).

Note: The bundling of orders to meet the admissible minimum volume threshold is not permitted.

Transactions with a 50% guaranteed minimum

If a market participant wishes to execute a cross or a prearranged transaction on an option strategy, he must contact a market official and provide details of the intended transaction: total volume, price, side(s) of the transaction on which the approved participant is required to give priority.

Market makers will be permitted to participate on the transaction up to a total maximum of 50% of the volume of the intended transaction.

The market participant will be permitted to execute the transaction for the remaining volume (a minimum of 50% plus any volume not taken of the 50% that had been offered to the market makers.)

MISCELLANEOUS

Eligible products, their respective minimum volume thresholds and time delays will be modified from time to time in order to take into account the evolution of the trading environment and operational practices of the Bourse. A circular will be issued by the Bourse every time a modification or revision is made to either one of these criteria.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

PROCEDURES FOR THE EXECUTION OF BLOCK TRADES

a) Once a block trade has been arranged, in accordance with the predetermined minimum ~~quantity~~ volume threshold level as determined and published by the Bourse, details of the block trade must be reported to the Bourse by contacting a market official of the Bourse's Market Operations Department at 1-888-693-6366 or at 514 871-7871 within the period of time prescribed by the Bourse.

b) Approved participants for both the seller and buyer must complete and electronically submit ~~electronically~~ the Block Trade Reporting Form, available on the Bourse's web site at http://www.m-x.ca/rob_formulaire_en.php, to the Bourse's Market Operations Department ~~(Attachment 1) or such other notification as prescribed by the Bourse to a market official of the Bourse's Market Monitoring Department~~ for validation.

c) A market official will check the validity of the block trade details submitted by the approved participant(s).

d) Confirmation by a market official of a block trade transaction will not preclude the Bourse from initiating disciplinary procedures in the event that the transaction is subsequently found to have been made other than in compliance with the rules.

e) Once the block trade has been validated and processed, the following information with respect to the block trade will be disseminated by the Bourse:

i) date and time of transaction;
ii) security(ies) or derivative instrument(s) and contract month(s);
iii) price of each contract month(s) and strike price(s) (as applicable); and
iv) volume of each contract month.

f) Upon the Bourse's request ~~by the Bourse~~, the approved participant who arranges a block trade must provide satisfactory evidence that the block trade has been arranged in accordance with the Rules of the Bourse. Failure to provide satisfactory evidence of compliance with these Rules may result in the initiation of disciplinary action.

In accordance with article 6380 of the Rules of Bourse de Montréal Inc. (the "Bourse"), the following are the eligible securities and derivative instruments, the relevant prescribed time delays and the minimum ~~quantity~~ volume thresholds for the execution of block trades.

Table 1: Prescribed time delays and minimum volume thresholds for eligible securities and derivative instruments for the execution of block trades

ELIGIBLE SECURITIES AND DERIVATIVE INSTRUMENTS	PRESCRIBED TIME DELAY	MINIMUM ~~QUANTITY~~ VOLUME THRESHOLD
	(As soon as practicable and in any event within the following time delay)	
30-Day Overnight Repo Rate Futures Contracts (ONX)	15 minutes	1,000 contracts
Overnight Index Swap Futures Contracts (OIS)	15 minutes	200 contracts
Ten-Year Government of Canada Bond Futures Contracts (CGB)	15 minutes	1,500 contracts
Two-Year Government of Canada Bond Futures Contracts (CGZ)	15 minutes	500 contracts
30-Year Government of Canada Bond Futures Contracts (LGB)	15 minutes	500 contracts
Five-Year Government of Canada Bond Futures Contracts (CGF)	15 minutes	500 contracts
Options on Three-Month Canadian Bankers Acceptance Futures Contracts	15 minutes	2,000 contracts
Canadian Crude Oil Futures Contracts	15 minutes	100 contracts
Futures contracts on the FTSE Emerging Markets Index	15 minutes	100 contracts

Table 2: Block trades priced at a basis to the index close (BIC) on FTSE Emerging Markets Index Futures Contracts

ELIGIBLE SECURITIES AND DERIVATIVE INSTRUMENTS	EXECUTION OF BLOCK TRADES PRICED AT A BASIS TO THE INDEX CLOSE (BICS)
Futures contracts on the FTSE Emerging Markets Index	Approved participants for both the seller and buyer must complete and submit a Block Trade Reporting Form as stipulated above, specifying the agreed-upon basis in lieu of the price. The Bourse will disseminate the relevant information through its website at www.m-x.ca. Approved participants for both the seller and buyer must also complete and submit a second block trade reporting form to the Bourse's Market Operations Department after 9:30 p.m. GMT on the next trading day, once the closing price of the index has been published. In addition to the agreed-upon basis, this second form must specify both the closing level of the index and the price of the BIC to the nearest 0.01 index point increment. The Bourse will disseminate the relevant information both through its website at www.m-x.ca and also through its High Speed Vendor Feed.

Table 3: Prescribed time delays and minimum volume thresholds for eligible securities and derivative instruments for the execution of block trades priced at a basis to the index close (BIC) on FTSE Emerging Markets Index Futures Contracts

ELIGIBLE SECURITIES AND DERIVATIVE INSTRUMENTS	PRESCRIBED TIME DELAY	MINIMUM VOLUME THRESHOLD
	(As soon as practicable and in any event within the following time delay)	
Futures contracts on the FTSE Emerging Markets Index	15 minutes	100 contracts

~~ATTACHMENT 1~~

~~Block Trade Reporting Form~~

~~Approved participants must complete all sections of this form legibly and accurately.~~

~~This form is to be completed and faxed to Market Monitoring at 514 871-3592 or sent via the Bourse's website using the Web-based form http://www.m-x.ca/rob_formulaire_en.php.~~

~~A market official can be reached at 1-888-693-6366 or at 514 871-7871.~~

~~**TIME AND DATE OF TRADE:**~~	
~~**EXECUTING PARTICIPANT NAME AND TRADING ID (BUY):**~~	
~~**CLEARING FIRM NAME AND ID (BUY):**~~	
~~**EXECUTING PARTICIPANT NAME AND TRADING ID (SELL):**~~	
~~**CLEARING FIRM NAME AND ID (SELL):**~~	
~~**CONTACT PHONE NUMBER:**~~	
~~**CONTACT FAX NUMBER OR E-MAIL ADDRESS:**~~	

~~Derivative Instruments~~	~~Future Contract/ Call/ Put~~	~~Contract Month~~	~~Option Strike Price (if applicable)~~	~~Number of Contracts~~	~~Price~~	~~Strategy Type* (if applicable)~~

~~For Montréal Exchange Staff Only:~~

~~**Time and Date of receipt:**~~

~~**Montréal Exchange authorized signature:**~~

~~The details on this form are accepted by the Montréal Exchange strictly on the understanding that the Montréal Exchange accepts no responsibility nor liability for the accuracy or completeness of the details as provided by the approved participant.~~
~~* Each leg of a strategy trade should be listed separately.~~

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

PROCEDURES FOR THE EXECUTION OF BLOCK TRADES

a) Once a block trade has been arranged, in accordance with the predetermined minimum volume threshold level as determined and published by the Bourse, details of the block trade must be reported to the Bourse by contacting a market official of the Bourse's Market Operations Department at 1-888-693-6366 or at 514 871-7871 within the period of time prescribed by the Bourse.

b) Approved participants for both the seller and buyer must complete and electronically submit the Block Trade Reporting Form, available on the Bourse's web site at http://www.m-x.ca/rob_formulaire_en.php, to the Bourse's Market Operations Department for validation.

c) A market official will check the validity of the block trade details submitted by the approved participant(s).

d) Confirmation by a market official of a block trade transaction will not preclude the Bourse from initiating disciplinary procedures in the event that the transaction is subsequently found to have been made other than in compliance with the rules.

e) Once the block trade has been validated and processed, the following information with respect to the block trade will be disseminated by the Bourse:

- i) date and time of transaction;
- ii) security(ies) or derivative instrument(s) and contract month(s);
- iii) price of each contract month(s) and strike price(s) (as applicable); and
- iv) volume of each contract month.

f) Upon the Bourse's request, the approved participant who arranges a block trade must provide satisfactory evidence that the block trade has been arranged in accordance with the Rules of the Bourse. Failure to provide satisfactory evidence of compliance with these Rules may result in the initiation of disciplinary action.

In accordance with article 6380 of the Rules of Bourse de Montréal Inc. (the “Bourse”), the following are the eligible securities and derivative instruments, the relevant prescribed time delays and the minimum volume thresholds for the execution of block trades.

Table 1: Prescribed time delays and minimum volume thresholds for eligible securities and derivative instruments for the execution of block trades

ELIGIBLE SECURITIES AND DERIVATIVE INSTRUMENTS	PRESCRIBED TIME DELAY	MINIMUM VOLUME THRESHOLD
	(As soon as practicable and in any event within the following time delay)	
30-Day Overnight Repo Rate Futures Contracts (ONX)	15 minutes	1,000 contracts
Overnight Index Swap Futures Contracts (OIS)	15 minutes	200 contracts
Ten-Year Government of Canada Bond Futures Contracts (CGB)	15 minutes	1,500 contracts
Two-Year Government of Canada Bond Futures Contracts (CGZ)	15 minutes	500 contracts
30-Year Government of Canada Bond Futures Contracts (LGB)	15 minutes	500 contracts
Five-Year Government of Canada Bond Futures Contracts (CGF)	15 minutes	500 contracts
Options on Three-Month Canadian Bankers Acceptance Futures Contracts	15 minutes	2,000 contracts
Canadian Crude Oil Futures Contracts	15 minutes	100 contracts
Futures contracts on the FTSE Emerging Markets Index	15 minutes	100 contracts

Table 2: Block trades priced at a basis to the index close (BIC) on FTSE Emerging Markets Index Futures Contracts

ELIGIBLE SECURITIES AND DERIVATIVE INSTRUMENTS	EXECUTION OF BLOCK TRADES PRICED AT A BASIS TO THE INDEX CLOSE (BICS)
Futures contracts on the FTSE Emerging Markets Index	Approved participants for both the seller and buyer must complete and submit a Block Trade Reporting Form as stipulated above, specifying the agreed-upon basis in lieu of the price. The Bourse will disseminate the relevant information through its website at www.m-x.ca. Approved participants for both the seller and buyer must also complete and submit a second block trade reporting form to the Bourse's Market Operations Department after 9:30 p.m. GMT on the next trading day, once the closing price of the index has been published. In addition to the agreed-upon basis, this second form must specify both the closing level of the index and the price of the BIC to the nearest 0.01 index point increment. The Bourse will disseminate the relevant information both through its website at www.m-x.ca and also through its High Speed Vendor Feed.

Table 3: Prescribed time delays and minimum volume thresholds for eligible securities and derivative instruments for the execution of block trades priced at a basis to the index close (BIC) on FTSE Emerging Markets Index Futures Contracts

ELIGIBLE SECURITIES AND DERIVATIVE INSTRUMENTS	PRESCRIBED TIME DELAY	MINIMUM VOLUME THRESHOLD
	(As soon as practicable and in any event within the following time delay)	
Futures contracts on the FTSE Emerging Markets Index	15 minutes	100 contracts

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

DAILY SETTLEMENT PRICE PROCEDURES FOR FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS

1. RULE

Article 6390 of the Rules of Bourse de Montréal Inc. (the Bourse) stipulates that:

"The daily settlement price or the closing quotation are determined according to the procedures established by the Bourse for each derivative instrument."

2. SUMMARY

FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS DAILY SETTLEMENT PRICES

- These markets use the average price during the last minutes of trading, as specified for each instrument in the following procedures, so as to establish a single settlement price. These calculations are executed manually by market officials or, as the case may be, by an automated algorithm using pre-established guidelines for each product.

- The prices at which block trades, Exchange for Physical (EFP), Exchange for Risk (EFR) or Substitution transactions are arranged shall not be used to establish the open, high, low or daily settlement price.

3. OBJECTIVES

The objectives of establishing daily settlement prices are to:

- Ensure a fair and orderly market close and pricing for approved participants so that they can properly mark-to-market their positions for margin calculations and back office processing, including the clearing and settlement of their transactions ;

- Ensure that the Canadian Derivatives Clearing Corporation (CDCC) and all market participants are informed of the settlement prices.

4. DESCRIPTION

4.1 THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS (BAX)

The daily settlement price procedure for the Three-Month Canadian Bankers' Acceptance Futures contract (BAX) is executed by a fully automated pricing algorithm which utilizes the parameters described in sections 4.1.1, 4.1.2 and 4.1.3 to ensure accuracy in the process.

DEFINITIONS:

"Regular orders": Orders routed by approved participants to the Montréal Exchange trading system.

"Implied orders": Orders generated by the implied pricing algorithm (using regular orders) and registered in the order book by the trading engine.

4.1.1 IDENTIFICATION OF THE FRONT QUARTERLY CONTRACT MONTH

The automated daily settlement pricing algorithm identifies the front quarterly contract month from the first two quarterly contract months. The front quarterly contract month is the one, among the first two quarterly contract months, that has the largest open interest and the required market information. In the absence of both these criteria together, then the front quarterly contract month shall be determined by market officials based on available market information.

4.1.2 ALGORITHM UTILIZED FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE FRONT QUARTERLY CONTRACT MONTH

Once the front quarterly contract month has been identified, the automated daily settlement price algorithm will determine the settlement price of the front quarterly contract month according to the following priorities: first, it will use the last three minute weighted average price of cumulated trades prior to 3:00pm, or prior to 1:00pm on early closing days, amounting to at least 50 contracts on that contract month; if no such average price is available, it will then use the last 30 minute weighted average price of cumulated trades prior to 3:00pm, or prior to 1:00pm on early closing days, amounting to at least 50 contracts on that contract month. Trades resulting from both regular and implied orders will be used in the process. If no such average price is yet available, then the least variation between the bid or offer price that is not as a result of implied orders and the previous day settlement price will be used.

Once the daily settlement price for the front quarterly contract month has been established, it will be verified against the booked orders and if there is a better outright bid or offer that is not as a result of implied orders, the latter will take precedence over the daily settlement price calculated as described in the paragraph above.

4.1.3 PROCEDURE FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE REMAINING BAX CONTRACT MONTHS

Upon completion of the aforementioned steps, the automated daily pricing algorithm will then establish the settlement prices for all other BAX contract months sequentially. The daily settlement prices of all other BAX contract months will be based first on the last three minute outright market (resulting from regular and implied orders) prior to 3:00pm, or prior to 1:00pm on early closing days, and strategy combination traded weighted average or, if no weighted average price can be determined in this manner, the least variation between the bid or offer for booked orders.

4.1.4 ANCILLARY PROCEDURE

In the absence of any required items to apply the aforementioned procedure, market officials will establish the settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.2 FUTURES CONTRACTS ON S&P/TSX INDICES~~AND~~ ON THE ~~FTSE~~ EMERGING MARKETS INDEX

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last minute of the trading session for all contract months. In the case of mini futures contracts on S&P/TSX indices, the settlement price shall be the same as the standard futures contracts on S&P/TSX indices when such standard futures contracts exist.

4.2.1 MAIN PROCEDURE

- **Booked orders**

  If there is an unfilled order with a higher bid or lower offer in an outright month, this bid or offer will override the settlement price obtained from the weighted average. The order must have been posted for 20 seconds or longer prior to the close and its size must be for a total of 10 contracts or more.

- **Last trades**

  If there are no trades in the last minute of trading, then the last trade will be taken into account while still respecting posted bids and offers in the market.

4.2.2 FIRST ANCILLARY PROCEDURE

When two contract months and the spread are trading (quarterly calendar roll), the ancillary procedure of this section will apply.

- The front month must be settled first (the establishment of the front month is based on the month with the greatest open interest).
- The spread between the two contract months must be settled next by taking into account the last minute average trading price and by examining the trades executed during the previous 10 minutes.
- The settlement price for the back month or far month is obtained by the difference between the front month settlement price and the value of the spread.

4.2.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.2.1 and the ancillary procedure in 4.2.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous day settlement. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

4.2.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.2.1 and the ancillary procedures in 4.2.2 and in 4.2.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs near the end of the regular trading session and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.3 GOVERNMENT OF CANADA BOND FUTURES CONTRACTS

4.3.1 MAIN PROCEDURE

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last minute of trading prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract months.

- **Booked orders**

  If there is an unfilled order with a higher bid or lower offer in an outright month, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 20 seconds or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and its size must be for 10 contracts or more.

- **Last trades**

  If there are no trades in the last minute of trading, then the last trade will be taken into account while still respecting posted bids and offers in the market.

4.3.2 FIRST ANCILLARY PROCEDURE

When two contract months and the spread are trading (quarterly calendar roll), the following ancillary procedure will apply.

- The front month must be settled first (the establishment of the front month is based on the month with the greatest open interest).

- The spread between the two contract months must be settled next by taking into account the last minute average trading price prior to 3:00pm, or prior to 1:00pm on early closing days, and by examining the trades executed during the previous 10 minutes.

- The settlement price for the back month or far month is obtained by the difference between the front month settlement price and the value of the spread.

4.3.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.3.1 and the ancillary procedure in 4.3.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous business day. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

4.3.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.3.1 and the ancillary procedures in 4.3.2 and 4.3.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.4 OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS

4.4.1 MAIN PROCEDURE

4.4.1.1 Weighted average

The settlement price shall be the weighted average of the prices traded in the closing range (last minute of trading prior to 3:00pm, or prior to 1:00pm on early closing days). If there is, at the close, a higher bid or lower offer than the settlement price so obtained, that bid or offer shall be the settlement price.

4.4.1.2 Last trades

If no trade occurs during the closing range, the market officials will consider transactions executed during the last 30 minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days. Also, to be considered, the bids and offers shall be for a minimum of 25 contracts and shall have been posted at least one minute before 3:00pm , or before 1:00pm on early closing days, to be considered.

If no trade occurs in the closing range (or in the last 30 minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days), the settlement price shall be the theoretical price calculated by the Bourse (as described in section 4.4.2). If there is, at the close, a higher bid or lower offer than the settlement price so obtained, that bid or offer shall be the settlement price.

4.4.2 ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.4.1, the following ancillary procedure will apply.

The settlement price shall be determined by inserting the following parameters into a standard option pricing model (Black & Scholes):

Price of the underlying:

- The Bourse will capture the settlement price of the underlying BAX futures contract. This will be the price of the underlying.

Interest rate:

- The interest rate used will be the rate implied by the settlement price of the BAX futures contract nearest to expiration.

Volatility:

- The Bourse will use the implied volatility (per contract month, for puts and calls) obtained from the acting Market Maker. The same volatility will be applied for both calls and puts.

The strike price of the options' series and the time to expiration are the other parameters that will be inserted into the model.

In determining the closing price, the Bourse shall take into account the information provided by the posted strategy, for example; if the SEP 9200 straddle is 98 bid, the total of the closing prices of these two series should not be inferior to 98.

4.5 30-DAY OVERNIGHT REPO RATE FUTURES CONTRACTS (ONX)

4.5.1 MAIN PROCEDURE

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last three minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract months.

4.5.1.1 Weighted average of closing range trades

The weighted average will be derived from trades that occurred in the outright months during the closing range. The total volume traded in each outright month must be for 25 or more contracts.

4.5.1.2 Booked orders

If there is an unfilled order with a higher bid price or lower offer price in a month, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 15 seconds or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and its size must be for a total of 25 or more contracts in each of the months.

4.5.1.3 Remaining balances of booked orders partially executed at the close

In the case of a booked order as stipulated in paragraph 4.5.1.2 above, which would be only partially executed, the trades during the closing period as well as the remaining balance of booked orders will be considered to establish the settlement price.

Example 1: If there is a booked order for 25 ONX contracts at 97.92 and 15 of those contracts are executed, the 10 remaining contracts, if they are still present on the market at the same price, will be considered to establish the required minimum of 25 contracts.

Example 2: If there is a trade of 15 ONX contracts during the closing period at 97.92 and there is a booked order bid for 10 ONX contracts at 97.91 (respecting the required time limit), the bid will be considered in addition to the trades in the closing period to establish a settlement price.

4.5.1.4 Strips and spreads

All trades and unfilled booked orders for strips and spreads related to any expiry months will be ignored.

4.5.2 FIRST ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.5.1, the following ancillary procedure will apply.

4.5.2.1 Weighted average of trades on strategies

The settlement price shall be the weighted average of the trades on the strategies traded during the last five minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, provided the volume for the strategy taken into account was of 25 or more contracts.

4.5.2.2 Booked orders

If there is an unfilled order with a higher bid or lower offer, this bid or offer will override the settlement obtained from the weighted average described in 4.5.2.1. It has to have been posted for three minutes or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and the size must be for 25 or more contracts.

4.5.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.5.1 and the ancillary procedure in 4.5.2, the following ancillary procedure will apply.

4.5.3.1 Differential with the previous contract month's settlement price

The settlement price will be defined by a price that reflects an appropriate differential with the settlement price of the previous contract month always starting with the contract month closest to expiry.

4.5.3.2 Conflicts between spreads

If two spreads are in conflict, the calendar spread closest to expiry will have priority.

4.5.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.5.1 and the ancillary procedures in 4.5.2 and 4.5.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on the available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.6 FUTURES CONTRACTS ON CARBON DIOXIDE EQUIVALENT (CO_2e) UNITS

4.6.1 MAIN PROCEDURE

The settlement price shall be the weighted average of all traded prices during the closing range. The closing range is defined as the last fifteen minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract expiries.

- **Booked orders**

  If there is an unfilled order with a higher bid or lower offer in a particular contract expiry, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 20 seconds or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and its size must be for 10 contracts or more.

- **Last trades**

  If there are no trades in the last fifteen minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, then the last trade will be taken into account while still respecting posted bids and offers in the market.

4.6.2 FIRST ANCILLARY PROCEDURE

When two contracts expiries and the spread are trading (calendar roll), the following ancillary procedure will apply.

- The contract having the earliest expiry must be settled first.
- The spread between the two contracts must be settled next by taking into account the last fifteen minute average trading price prior to 3:00pm, or prior to 1:00pm on early closing days, and by examining the trades executed during the previous 30 minutes.
- The settlement price for the far-dated contracts corresponds to the difference between the settlement price of the contract having the earliest expiry and the value of the spread.

4.6.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.6.1 and the ancillary procedure in 4.6.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous trading day. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

4.6.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.6.1 and the ancillary procedures in 4.6.2 and 4.6.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on available market information. They may also disregard any event (a trade, a bid or an offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

Market officials will register in the "daily settlement price record" the criteria considered for determining the settlement price.

4.7 FUTURES CONTRACTS ON CANADIAN CRUDE OIL

The daily settlement price procedure for Futures contracts on Canadian Crude Oil is executed by a fully automated pricing algorithm which utilizes the parameters described in sections 4.7.1, 4.7.2 and 4.7.3 to ensure accuracy in the process.

DEFINITIONS:

"Regular orders": Orders routed by approved participants to the Bourse's trading system.

"Implied orders": Orders generated by the implied pricing algorithm (using regular orders) and registered in the order book by the trading engine.

4.7.1 IDENTIFICATION OF THE FRONT CONTRACT MONTH

The automated daily settlement pricing algorithm identifies the front contract month from the first two contract months. The front contract month is the one, among the first two contract months, that has the largest open interest and the required market information. In the absence of both these combined criteria, the front contract month shall be determined by market officials based on available market information.

4.7.2 ALGORITHM UTILIZED FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE FRONT CONTRACT MONTH

4.7.2.1 Main Procedure

A. Once the front contract month has been identified, the automated daily settlement price algorithm will determine the settlement price of the front contract month according to the following priorities:

1) first, it will use a weighted average price of cumulated trades executed during the last five minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, and amounting to at least 10 contracts on that contract month;

2) if no such average price is available, it will then use the weighted average price of cumulated trades executed during the last 30 minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, and amounting to at least 10 contracts on that contract month.

B. Trades resulting from both regular and implied orders will be used in the process.

C. If no such average price is yet available, the bid price or offer price, that is not the result of implied orders and representing the smallest variation compared to the previous day settlement price will be used.

Once the daily settlement price for the front contract month has been established, it will be verified against the booked orders and if there is a better outright bid or offer that is not resulting from implied orders, the latter will take precedence over the daily settlement price calculated as described in paragraphs 4.7.2.1 A), B) and C) above.

4.7.3 PROCEDURE FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE REMAINING CONTRACT MONTHS

Upon completion of the aforementioned steps, the automated daily pricing algorithm will then establish the settlement prices for all other contract months sequentially. The daily settlement prices of all other contract months will be established as follows:

A. first it will use the weighted average price of transactions (resulting from regular and implied orders) and strategies executed during the last five minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, ; or,

B. if no weighted average price can be determined in this manner, then the same variation from the previous day's settlement price as calculated for the preceding contract expiry will be applied while respecting the posted market;

4.7.4 ANCILLARY PROCEDURE

A. In the absence of the required items to apply the aforementioned procedure, market officials will establish the daily settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

B. In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.8 OVERNIGHT INDEX SWAP FUTURES CONTRACTS (OIS)

4.8.1 MAIN PROCEDURE

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last three minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract months.

4.8.1.1 Weighted average of closing range trades

The weighted average will be derived from trades that occurred in the outright months during the closing range. The total volume traded in each outright month must be for 25 or more contracts.

4.8.1.2 Booked orders

If there is an unfilled order with a higher bid price or lower offer price in a month, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 15 seconds or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and its size must be for a total of 25 or more contracts in each of the months.

4.8.1.3 Remaining balances of booked orders partially executed at the close

In the case of a booked order as stipulated in paragraph 4.8.1.2 above, which would be only partially executed, the trades during the closing period as well as the remaining balance of booked orders will be considered to establish the settlement price.

Example 1: If there is a booked order for 25 OIS contracts at 97.92 and 15 of those contracts are executed, the 10 remaining contracts, if they are still present on the market at the same price, will be considered to establish the required minimum of 25 contracts.

Example 2: If there is a trade of 15 OIS contracts during the closing period at 97.92 and there is a booked order bid for 10 OIS contracts at 97.91 (respecting the required time limit), the bid will be considered in addition to the trades in the closing period to establish a settlement price.

4.8.1.4 Strips and spreads

All trades and unfilled booked orders for strips and spreads related to any expiry months will be ignored.

4.8.2 FIRST ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.8.1, the following ancillary procedure will apply.

4.8.2.1 Weighted average of trades on strategies

The settlement price shall be the weighted average of the trades on the strategies traded during the last five minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, provided the volume for the strategy taken into account was of 25 or more contracts.

4.8.2.2 Booked orders

If there is an unfilled order with a higher bid or lower offer, this bid or offer will override the settlement obtained from the weighted average described in 4.8.2.1. It has to have been posted for three minutes or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and the size must be for 25 or more contracts.

4.8.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.8.1 and the ancillary procedure in 4.8.2, the following ancillary procedure will apply.

4.8.3.1 Differential with the previous contract month's settlement price

The settlement price will be defined by a price that reflects an appropriate differential with the settlement price of the previous contract month always starting with the contract month closest to expiry.

4.8.3.2 Conflicts between spreads

If two spreads are in conflict, the calendar spread closest to expiry will have priority.

4.8.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.8.1 and the ancillary procedures in 4.8.2 and 4.8.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on the available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.9 CANADIAN SHARE FUTURES CONTRACTS

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last minute of the trading session for all contract months.

4.9.1 MAIN PROCEDURE

- **Booked orders**

If there is an unfilled order with a higher bid or lower offer in an outright month, this bid or offer will override the settlement price obtained from the weighted average. The order must have been posted for 20 seconds or longer prior to the close and its size must be for a total of 10 contracts or more.

- **Last trades**

If there are no trades in the last minute of trading, then the last trade will be taken into account while still respecting posted bids and offers in the market.

4.9.2 FIRST ANCILLARY PROCEDURE

When two contract months and the spread are trading (quarterly calendar roll), the ancillary procedure of this section will apply.

- The front month must be settled first (the establishment of the front month is based on the month with the greatest open interest).
- The spread between the two contract months must be settled next by taking into account the average trading price of the last minute and by examining the trades executed during the previous 10 minutes.
- The settlement price for the back month or far month is obtained by the difference between the front month settlement price and the value of the spread.

4.9.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.9.1 and the ancillary procedure in 4.9.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous day settlement. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

4.9.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.9.1 and the ancillary procedures in 4.9.2 and in 4.9.3, market officials will establish the daily settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs near the end of the regular trading session and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

DAILY SETTLEMENT PRICE PROCEDURES FOR FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS

1. RULE

Article 6390 of the Rules of Bourse de Montréal Inc. (the Bourse) stipulates that:

"The daily settlement price or the closing quotation are determined according to the procedures established by the Bourse for each derivative instrument."

2. SUMMARY

FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS DAILY SETTLEMENT PRICES

- These markets use the average price during the last minutes of trading, as specified for each instrument in the following procedures, so as to establish a single settlement price. These calculations are executed manually by market officials or, as the case may be, by an automated algorithm using pre-established guidelines for each product.
- The prices at which block trades, Exchange for Physical (EFP), Exchange for Risk (EFR) or Substitution transactions are arranged shall not be used to establish the open, high, low or daily settlement price.

3. OBJECTIVES

The objectives of establishing daily settlement prices are to:

- Ensure a fair and orderly market close and pricing for approved participants so that they can properly mark-to-market their positions for margin calculations and back office processing, including the clearing and settlement of their transactions ;
- Ensure that the Canadian Derivatives Clearing Corporation (CDCC) and all market participants are informed of the settlement prices.

4. DESCRIPTION

4.1 THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS (BAX)

The daily settlement price procedure for the Three-Month Canadian Bankers' Acceptance Futures contract (BAX) is executed by a fully automated pricing algorithm which utilizes the parameters described in sections 4.1.1, 4.1.2 and 4.1.3 to ensure accuracy in the process.

DEFINITIONS:

"Regular orders": Orders routed by approved participants to the Montréal Exchange trading system.

"Implied orders": Orders generated by the implied pricing algorithm (using regular orders) and registered in the order book by the trading engine.

4.1.1 IDENTIFICATION OF THE FRONT QUARTERLY CONTRACT MONTH

The automated daily settlement pricing algorithm identifies the front quarterly contract month from the first two quarterly contract months. The front quarterly contract month is the one, among the first two quarterly contract months, that has the largest open interest and the required market information. In the absence of both these criteria together, then the front quarterly contract month shall be determined by market officials based on available market information.

4.1.2 ALGORITHM UTILIZED FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE FRONT QUARTERLY CONTRACT MONTH

Once the front quarterly contract month has been identified, the automated daily settlement price algorithm will determine the settlement price of the front quarterly contract month according to the following priorities: first, it will use the last three minute weighted average price of cumulated trades prior to 3:00pm, or prior to 1:00pm on early closing days, amounting to at least 50 contracts on that contract month; if no such average price is available, it will then use the last 30 minute weighted average price of cumulated trades prior to 3:00pm, or prior to 1:00pm on early closing days, amounting to at least 50 contracts on that contract month. Trades resulting from both regular and implied orders will be used in the process. If no such average price is yet available, then the least variation between the bid or offer price that is not as a result of implied orders and the previous day settlement price will be used.

Once the daily settlement price for the front quarterly contract month has been established, it will be verified against the booked orders and if there is a better outright bid or offer that is not as a result of implied orders, the latter will take precedence over the daily settlement price calculated as described in the paragraph above.

4.1.3 PROCEDURE FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE REMAINING BAX CONTRACT MONTHS

Upon completion of the aforementioned steps, the automated daily pricing algorithm will then establish the settlement prices for all other BAX contract months sequentially. The daily settlement prices of all other BAX contract months will be based first on the last three minute outright market (resulting from regular and implied orders) prior to 3:00pm, or prior to 1:00pm on early closing days, and strategy combination traded weighted average or, if no weighted average price can be determined in this manner, the least variation between the bid or offer for booked orders.

4.1.4 ANCILLARY PROCEDURE

In the absence of any required items to apply the aforementioned procedure, market officials will establish the settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.2 FUTURES CONTRACTS ON S&P/TSX INDICESAND ON THE FTSE EMERGING MARKETS INDEX

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last minute of the trading session for all contract months. In the case of mini futures contracts on S&P/TSX indices, the settlement price shall be the same as the standard futures contracts on S&P/TSX indices when such standard futures contracts exist.

4.2.1 MAIN PROCEDURE

- **Booked orders**

  If there is an unfilled order with a higher bid or lower offer in an outright month, this bid or offer will override the settlement price obtained from the weighted average. The order must have been posted for 20 seconds or longer prior to the close and its size must be for a total of 10 contracts or more.

- **Last trades**

  If there are no trades in the last minute of trading, then the last trade will be taken into account while still respecting posted bids and offers in the market.

4.2.2 FIRST ANCILLARY PROCEDURE

When two contract months and the spread are trading (quarterly calendar roll), the ancillary procedure of this section will apply.

- The front month must be settled first (the establishment of the front month is based on the month with the greatest open interest).
- The spread between the two contract months must be settled next by taking into account the last minute average trading price and by examining the trades executed during the previous 10 minutes.
- The settlement price for the back month or far month is obtained by the difference between the front month settlement price and the value of the spread.

4.2.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.2.1 and the ancillary procedure in 4.2.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous day settlement. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

4.2.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.2.1 and the ancillary procedures in 4.2.2 and in 4.2.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs near the end of the regular trading session and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.3 GOVERNMENT OF CANADA BOND FUTURES CONTRACTS

4.3.1 MAIN PROCEDURE

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last minute of trading prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract months.

- **Booked orders**

  If there is an unfilled order with a higher bid or lower offer in an outright month, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 20 seconds or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and its size must be for 10 contracts or more.

- **Last trades**

  If there are no trades in the last minute of trading, then the last trade will be taken into account while still respecting posted bids and offers in the market.

4.3.2 FIRST ANCILLARY PROCEDURE

When two contract months and the spread are trading (quarterly calendar roll), the following ancillary procedure will apply.

- The front month must be settled first (the establishment of the front month is based on the month with the greatest open interest).
- The spread between the two contract months must be settled next by taking into account the last minute average trading price prior to 3:00pm, or prior to 1:00pm on early closing days, and by examining the trades executed during the previous 10 minutes.
- The settlement price for the back month or far month is obtained by the difference between the front month settlement price and the value of the spread.

4.3.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.3.1 and the ancillary procedure in 4.3.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous business day. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

4.3.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.3.1 and the ancillary procedures in 4.3.2 and 4.3.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.4 OPTIONS ON THREE-MONTH CANADIAN BANKERS' ACCEPTANCE FUTURES CONTRACTS

4.4.1 MAIN PROCEDURE

4.4.1.1 Weighted average

The settlement price shall be the weighted average of the prices traded in the closing range (last minute of trading prior to 3:00pm, or prior to 1:00pm on early closing days). If there is, at the close, a higher bid or lower offer than the settlement price so obtained, that bid or offer shall be the settlement price.

4.4.1.2 Last trades

If no trade occurs during the closing range, the market officials will consider transactions executed during the last 30 minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days. Also, to be considered, the bids and offers shall be for a minimum of 25 contracts and shall have been posted at least one minute before 3:00pm , or before 1:00pm on early closing days, to be considered.

If no trade occurs in the closing range (or in the last 30 minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days), the settlement price shall be the theoretical price calculated by the Bourse (as described in section 4.4.2). If there is, at the close, a higher bid or lower offer than the settlement price so obtained, that bid or offer shall be the settlement price.

4.4.2 ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.4.1, the following ancillary procedure will apply.

The settlement price shall be determined by inserting the following parameters into a standard option pricing model (Black & Scholes):

Price of the underlying:

- o The Bourse will capture the settlement price of the underlying BAX futures contract. This will be the price of the underlying.

Interest rate:

- o The interest rate used will be the rate implied by the settlement price of the BAX futures contract nearest to expiration.

Volatility:

- o The Bourse will use the implied volatility (per contract month, for puts and calls) obtained from the acting Market Maker. The same volatility will be applied for both calls and puts.

The strike price of the options' series and the time to expiration are the other parameters that will be inserted into the model.

In determining the closing price, the Bourse shall take into account the information provided by the posted strategy, for example; if the SEP 9200 straddle is 98 bid, the total of the closing prices of these two series should not be inferior to 98.

4.5 30-DAY OVERNIGHT REPO RATE FUTURES CONTRACTS (ONX)

4.5.1 MAIN PROCEDURE

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last three minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract months.

4.5.1.1 Weighted average of closing range trades

The weighted average will be derived from trades that occurred in the outright months during the closing range. The total volume traded in each outright month must be for 25 or more contracts.

4.5.1.2 Booked orders

If there is an unfilled order with a higher bid price or lower offer price in a month, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 15 seconds or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and its size must be for a total of 25 or more contracts in each of the months.

4.5.1.3 Remaining balances of booked orders partially executed at the close

In the case of a booked order as stipulated in paragraph 4.5.1.2 above, which would be only partially executed, the trades during the closing period as well as the remaining balance of booked orders will be considered to establish the settlement price.

Example 1: If there is a booked order for 25 ONX contracts at 97.92 and 15 of those contracts are executed, the 10 remaining contracts, if they are still present on the market at the same price, will be considered to establish the required minimum of 25 contracts.

Example 2: If there is a trade of 15 ONX contracts during the closing period at 97.92 and there is a booked order bid for 10 ONX contracts at 97.91 (respecting the required time limit), the bid will be considered in addition to the trades in the closing period to establish a settlement price.

4.5.1.4 Strips and spreads

All trades and unfilled booked orders for strips and spreads related to any expiry months will be ignored.

4.5.2 FIRST ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.5.1, the following ancillary procedure will apply.

4.5.2.1 Weighted average of trades on strategies

The settlement price shall be the weighted average of the trades on the strategies traded during the last five minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, provided the volume for the strategy taken into account was of 25 or more contracts.

4.5.2.2 Booked orders

If there is an unfilled order with a higher bid or lower offer, this bid or offer will override the settlement obtained from the weighted average described in 4.5.2.1. It has to have been posted for three minutes or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and the size must be for 25 or more contracts.

4.5.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.5.1 and the ancillary procedure in 4.5.2, the following ancillary procedure will apply.

4.5.3.1 Differential with the previous contract month's settlement price

The settlement price will be defined by a price that reflects an appropriate differential with the settlement price of the previous contract month always starting with the contract month closest to expiry.

4.5.3.2 Conflicts between spreads

If two spreads are in conflict, the calendar spread closest to expiry will have priority.

4.5.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.5.1 and the ancillary procedures in 4.5.2 and 4.5.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on the available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.6 FUTURES CONTRACTS ON CARBON DIOXIDE EQUIVALENT (CO_2e) UNITS

4.6.1 MAIN PROCEDURE

The settlement price shall be the weighted average of all traded prices during the closing range. The closing range is defined as the last fifteen minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract expiries.

- **Booked orders**

  If there is an unfilled order with a higher bid or lower offer in a particular contract expiry, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 20 seconds or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and its size must be for 10 contracts or more.

- **Last trades**

  If there are no trades in the last fifteen minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, then the last trade will be taken into account while still respecting posted bids and offers in the market.

4.6.2 FIRST ANCILLARY PROCEDURE

When two contracts expiries and the spread are trading (calendar roll), the following ancillary procedure will apply.

- The contract having the earliest expiry must be settled first.
- The spread between the two contracts must be settled next by taking into account the last fifteen minute average trading price prior to 3:00pm, or prior to 1:00pm on early closing days, and by examining the trades executed during the previous 30 minutes.
- The settlement price for the far-dated contracts corresponds to the difference between the settlement price of the contract having the earliest expiry and the value of the spread.

4.6.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.6.1 and the ancillary procedure in 4.6.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous trading day. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

4.6.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.6.1 and the ancillary procedures in 4.6.2 and 4.6.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on available market information. They may also disregard any event (a trade, a bid or an offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

Market officials will register in the “daily settlement price record” the criteria considered for determining the settlement price.

4.7 FUTURES CONTRACTS ON CANADIAN CRUDE OIL

The daily settlement price procedure for Futures contracts on Canadian Crude Oil is executed by a fully automated pricing algorithm which utilizes the parameters described in sections 4.7.1, 4.7.2 and 4.7.3 to ensure accuracy in the process.

DEFINITIONS:

“Regular orders”: Orders routed by approved participants to the Bourse’s trading system.

“Implied orders”: Orders generated by the implied pricing algorithm (using regular orders) and registered in the order book by the trading engine.

4.7.1 IDENTIFICATION OF THE FRONT CONTRACT MONTH

The automated daily settlement pricing algorithm identifies the front contract month from the first two contract months. The front contract month is the one, among the first two contract months, that has the largest open interest and the required market information. In the absence of both these combined criteria, the front contract month shall be determined by market officials based on available market information.

4.7.2 ALGORITHM UTILIZED FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE FRONT CONTRACT MONTH

4.7.2.1 Main Procedure

A. Once the front contract month has been identified, the automated daily settlement price algorithm will determine the settlement price of the front contract month according to the following priorities:

1) first, it will use a weighted average price of cumulated trades executed during the last five minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, and amounting to at least 10 contracts on that contract month;

2) if no such average price is available, it will then use the weighted average price of cumulated trades executed during the last 30 minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, and amounting to at least 10 contracts on that contract month.

B. Trades resulting from both regular and implied orders will be used in the process.

C. If no such average price is yet available, the bid price or offer price, that is not the result of implied orders and representing the smallest variation compared to the previous day settlement price will be used.

Once the daily settlement price for the front contract month has been established, it will be verified against the booked orders and if there is a better outright bid or offer that is not resulting from implied orders, the latter will take precedence over the daily settlement price calculated as described in paragraphs 4.7.2.1 A), B) and C) above.

4.7.3 PROCEDURE FOR THE DETERMINATION OF THE DAILY SETTLEMENT PRICE OF THE REMAINING CONTRACT MONTHS

Upon completion of the aforementioned steps, the automated daily pricing algorithm will then establish the settlement prices for all other contract months sequentially. The daily settlement prices of all other contract months will be established as follows:

A. first it will use the weighted average price of transactions (resulting from regular and implied orders) and strategies executed during the last five minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, ; or,

B. if no weighted average price can be determined in this manner, then the same variation from the previous day's settlement price as calculated for the preceding contract expiry will be applied while respecting the posted market;

4.7.4 ANCILLARY PROCEDURE

A. In the absence of the required items to apply the aforementioned procedure, market officials will establish the daily settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

B. In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.8 OVERNIGHT INDEX SWAP FUTURES CONTRACTS (OIS)

4.8.1 MAIN PROCEDURE

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last three minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, for all contract months.

4.8.1.1 Weighted average of closing range trades

The weighted average will be derived from trades that occurred in the outright months during the closing range. The total volume traded in each outright month must be for 25 or more contracts.

4.8.1.2 Booked orders

If there is an unfilled order with a higher bid price or lower offer price in a month, this bid or offer will override the settlement price obtained from the weighted average. This order must have been posted for 15 seconds or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and its size must be for a total of 25 or more contracts in each of the months.

4.8.1.3 Remaining balances of booked orders partially executed at the close

In the case of a booked order as stipulated in paragraph 4.8.1.2 above, which would be only partially executed, the trades during the closing period as well as the remaining balance of booked orders will be considered to establish the settlement price.

Example 1: If there is a booked order for 25 OIS contracts at 97.92 and 15 of those contracts are executed, the 10 remaining contracts, if they are still present on the market at the same price, will be considered to establish the required minimum of 25 contracts.

Example 2: If there is a trade of 15 OIS contracts during the closing period at 97.92 and there is a booked order bid for 10 OIS contracts at 97.91 (respecting the required time limit), the bid will be considered in addition to the trades in the closing period to establish a settlement price.

4.8.1.4 Strips and spreads

All trades and unfilled booked orders for strips and spreads related to any expiry months will be ignored.

4.8.2 FIRST ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.8.1, the following ancillary procedure will apply.

4.8.2.1 Weighted average of trades on strategies

The settlement price shall be the weighted average of the trades on the strategies traded during the last five minutes of trading prior to 3:00pm, or prior to 1:00pm on early closing days, provided the volume for the strategy taken into account was of 25 or more contracts.

4.8.2.2 Booked orders

If there is an unfilled order with a higher bid or lower offer, this bid or offer will override the settlement obtained from the weighted average described in 4.8.2.1. It has to have been posted for three minutes or longer prior to 3:00pm, or prior to 1:00pm on early closing days, and the size must be for 25 or more contracts.

4.8.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.8.1 and the ancillary procedure in 4.8.2, the following ancillary procedure will apply.

4.8.3.1 Differential with the previous contract month's settlement price

The settlement price will be defined by a price that reflects an appropriate differential with the settlement price of the previous contract month always starting with the contract month closest to expiry.

4.8.3.2 Conflicts between spreads

If two spreads are in conflict, the calendar spread closest to expiry will have priority.

4.8.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.8.1 and the ancillary procedures in 4.8.2 and 4.8.3, the following ancillary procedure will apply.

In this situation, market officials will establish the settlement price based on the available market information. They may also disregard any event (trade, bid or offer) which occurs close to 3:00pm, or close to 1:00pm on early closing days, and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

4.9 CANADIAN SHARE FUTURES CONTRACTS

The settlement price shall be the weighted average of all trades during the closing range. The closing range is defined as the last minute of the trading session for all contract months.

4.9.1 MAIN PROCEDURE

- **Booked orders**

If there is an unfilled order with a higher bid or lower offer in an outright month, this bid or offer will override the settlement price obtained from the weighted average. The order must have been posted for 20 seconds or longer prior to the close and its size must be for a total of 10 contracts or more.

- **Last trades**

If there are no trades in the last minute of trading, then the last trade will be taken into account while still respecting posted bids and offers in the market.

4.9.2 FIRST ANCILLARY PROCEDURE

When two contract months and the spread are trading (quarterly calendar roll), the ancillary procedure of this section will apply.

- The front month must be settled first (the establishment of the front month is based on the month with the greatest open interest).
- The spread between the two contract months must be settled next by taking into account the average trading price of the last minute and by examining the trades executed during the previous 10 minutes.
- The settlement price for the back month or far month is obtained by the difference between the front month settlement price and the value of the spread.

4.9.3 SECOND ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.9.1 and the ancillary procedure in 4.9.2, the following ancillary procedure will apply.

Market officials will post a settlement price that will reflect the same differential that was applied on the previous day settlement. The settlement price will be adjusted accordingly to respect that contract's previous settlement price.

4.9.4 THIRD ANCILLARY PROCEDURE

In the absence of the items required to apply the main procedure in 4.9.1 and the ancillary procedures in 4.9.2 and in 4.9.3, market officials will establish the daily settlement price based on available market information. They may also disregard any event (trade, bid or offer) which occurs near the end of the regular trading session and which is not compatible with a given settlement price.

In this situation, market officials will keep a record of the criteria used to establish the settlement price.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

PROCEDURES FOR THE CANCELLATION OR ADJUSTMENT OF TRADES

1. APPLICABLE RULES

The procedures herein are consistent with and refer to the following Rule Six articles of the Bourse:

6303 - Validation, Alteration or Cancellation of a Trade
6381 - Cancellation of Trades
6383 - Acceptable Market Price
6384 - Decision by the Market Supervisor of the Bourse
6385 - Delays of Decision and Notifications

2. SUMMARY OF THE RELATED RULES

In order to maintain a fair and equitable market, trades may be cancelled by the Bourse if such transactions are detrimental to the normal operation or quality of the market or in any other circumstance deemed appropriate considering market conditions at the time of the trade or if the parties involved in the trade agree to the cancellation.

3. OBJECTIVE

The objective of the procedures described herein is:

- To ensure that all transactions are executed at a price coherent with prevailing market conditions (integrity) and to ensure that input errors can be corrected.

4. LIMITATIONS FOR TRADING SESSIONS DURING WHICH THE UNDERLYING IS NOT OPEN FOR TRADING

The present procedures have a limited application in the case of trading sessions during which the underlying exchange-traded products are not open for trading.

4.1 ORDER ENTRY ERROR TRADES

During such trading sessions, the Market Operations Department of the Bourse ("Market Operations") will not establish a No Cancel Range. As a result, during such trading sessions, no trade shall be adjusted by the Market Operations and all trades will stand at the traded price level unless one of the parties to the trade reports an order entry error ("error trade") and both parties consent to cancel the resulting trade. Therefore, an error trade identified as such by a party to the trade and which both parties consent to cancel shall be cancelled by the Market Operations. The Market Operations shall proceed with the agreed upon cancellation of the error trade within the 15 minutes that follow the execution of the trade as prescribed by article 6381 of the Rules of the Bourse.

4.2 TRADING RANGE

The Bourse will establish a trading range based on the previous day's settlement price for trading sessions where the underlying exchange-traded instruments are not open for trading. For that given session, trading will only be allowed within the trading range. Orders outside of the trading range will not be accepted by the system. Should either the high or the low of the trading range be reached, trading will only be allowed at that limit level until the market re-aligns itself back within the trading range.

4.3 EARLY SESSION NO CANCEL RANGE

Notwithstanding Section 4.1, during early sessions, the last traded price registered in the underlying security during that session on a Recognized Exchange or an Alternative Trading System as this term is defined in Regulation 21-101 Respecting Marketplace Operation ("Canadian ATS") shall be used to determine the No Cancel Range. If the Market Supervisor determines that the price of the trade executed during the early session was inside the No Cancel Range, the Market Supervisor will take the appropriate measures in accordance with Section 5.4. If the Market Supervisor determines that the price of the trade executed during the early session was outside the No Cancel Range, the Market Supervisor will take the appropriate measures in accordance with Section 5.5.

5. DESCRIPTION FOR TRADING SESSIONS DURING WHICH THE UNDERLYING IS OPEN FOR TRADING OR WHOSE VALUE IS READILY AVAILABLE

5.1 DETECTION AND DELAYS

a) Trades Resulting from an Order Entry Error

Approved participants have the responsibility to report trades resulting from an error trade to the Market Operations without delay. As soon as an error trade resulting from an order entry error is identified by the approved participant, the approved participant must request an adjustment or cancellation of the error trade from a Market Supervisor of the Bourse by calling the Market Operations Department of the Bourse at 514 871-7871 or 1-888-693-6366. If the Market Supervisor determines that the price of the error trade was inside the No Cancel Range, the Market Supervisor will take the appropriate measures in accordance with Section 5.4. If the Market Supervisor determines that the price of the error trade was outside the No Cancel Range, the Market Supervisor will take the appropriate measures in accordance with Section 5.5.

b) Transactions Detrimental to the Normal Operation or Quality of the Market

If the Market Operations identifies transactions that are deemed detrimental to the normal operation or quality of the market, market supervisors can adjust or cancel the transaction. For the purpose of the present procedures, trades executed at a price outside the No Cancel Range shall be deemed transactions detrimental to the normal operation or quality of the market. If the Market Supervisor determines that a transaction detrimental to the normal operation or quality of the market has occurred, the Market Supervisor will take the appropriate measures in accordance with Section 5.5.

5.2 IMPLIED STRATEGY ORDERS

“Regular orders”: Orders routed by approved participants to the Montréal Exchange trading system.

“Implied orders”: Orders generated by the implied pricing algorithm (using regular orders) and registered in the order book by the trading engine.

“Implied strategy orders”: Orders generated by the implied pricing algorithm composed of regular orders, one order for each individual leg.

“Regular strategy orders”: Orders routed by approved participants to the Montréal Exchange trading system on instruments composed of two or more legs.

A strategy trade resulting from an implied strategy order is in reality composed of two or more separate regular orders, one order for each individual leg. For the purposes of this procedure, if an error trade occurs on an implied strategy order, the strategy trade will be deemed to have been executed using separate regular orders for each individual leg.

As a result, the prescribed increment utilized to establish the No Cancel Range to adjust an error strategy trade resulting from an implied strategy order will be at least the increment on one of the individual legs and at the most, the sum of each individual legs’ increments.

5.3 VALIDATION – NO CANCEL RANGE

The No Cancel Range is defined as the price interval within which a trade shall not be cancelled outright or adjusted by the Market Operations.

To establish the No Cancel Range, Market Supervisors:

- Determine, in accordance with article 6383 of the Rules, what was the acceptable market price for the derivative instrument before the trade occurred. In making that determination, the Market Supervisor will consider all relevant information, including the last trade price, a better bid or offer, a more recent price for a related derivative instrument (for example a different expiry month) and the prices of similar derivative instruments trading on other markets;

- Apply (add and deduct) the following increments to the acceptable market price:

DERIVATIVE INSTRUMENT	INCREMENT
Three-Month Canadian Banker’s Acceptance Futures – BAX (all quarterly and serial months)	5 basis points
Three-Month Canadian Banker’s Acceptance Futures – BAX Strategies: - Regular strategy orders - Implied strategy orders	 5 basis points Sum of the strategy’s individual legs’ increments.
Options on Three-Month Canadian Banker’s Acceptance Futures	5 basis points

DERIVATIVE INSTRUMENT	INCREMENT
Two-Year Government of Canada Bond Futures (CGZ) - Regular strategy orders - Implied Strategy orders	20 basis points 20 basis points Sum of strategy's individual legs' increments
Five-Year Government of Canada Bond Futures (CGF) - Regular strategy orders - Implied Strategy orders	20 basis points 20 basis points Sum of strategy's individual legs' increments
Ten-Year Government of Canada Bond Futures (CGB) - Regular strategy orders	40 basis points 20 basis points
30-Year Government of Canada Bond Futures (LGB) - Regular strategy orders - Implied Strategy orders	40 basis points 40 basis points Sum of strategy's individual legs' increments
Options on Government of Canada Bond Futures	40 basis points
Futures Contracts on S&P/TSX Indices and on the FTSE Emerging Markets Index - Regular strategy orders	1% of the acceptable market price of these futures contracts 5% of the increments for the outright month
30-Day Overnight Repo Rate Futures Regular strategy orders	5 basis points 5 basis points
Overnight Index Swap Futures	5 basis points
Overnight Index Swap Futures – OIS Strategies: - Regular strategy orders - Implied strategy orders	5 basis points Sum of the strategy's individual legs' increments.
Futures and Options on Futures Inter-Group Strategies: - Regular strategy orders - Implied Strategy orders	Sum of strategy's individual legs' increments
Equity, Currency, ETF and Index Options Price ranges: $0.00 to $5.00 $5.01 to $10.00 $10.01 to $20.00 $20.00 up	$0.10 $0.25 $0.50 $0.75
Equity, Currency, ETF and Index Options Strategies: - Regular strategy orders - Implied strategy orders	Sum of the strategy's individual legs' increments
Sponsored Options Price ranges: $0.001 to $0.99 $1.00 up	$0.25 $0.50

DERIVATIVE INSTRUMENT	INCREMENT
Canadian Share Futures Contracts Regular and extended sessions: Early session:	1. 0.50$, if the acceptable market price of these futures contracts is less than 25$; 2. 1.00$, if the acceptable market price of these futures contracts is equal to or higher than 25$ but less than 100$; 3. 1% of the acceptable market price of these futures contracts if the acceptable market price of these futures contracts is equal to or higher than 100$. 5% of the acceptable market price of these futures contracts
Futures Contracts on Canadian Crude Oil	5% of the acceptable market price of these futures contracts.

5.4 TRADE PRICE INSIDE THE NO CANCEL RANGE

If the Market Supervisor determines that the price of the reported error trade was inside the No Cancel Range, then the trade will be maintained and no further action will be taken unless both parties to the error trade agree to the cancellation.

Error trades that both parties have agreed to cancel, can be cancelled within the trading session (early, regular or extended) during which they have occurred. The Market Operations shall proceed with the agreed upon cancellation of the error trade within the 15 minutes that follow the execution of the trade as prescribed by article 6381 of the Rules of the Bourse.

5.5 TRADE PRICE OUTSIDE THE NO CANCEL RANGE

When a trade with an execution price outside the No Cancel Range is reported to Market Operations as an error, or otherwise detected by Market Operations, the Market Supervisor will determine whether the trade price is within or outside the No Cancel Range for the particular derivative instrument.

If the Market Supervisor determines that the price of the trade is outside the No Cancel Range, then the Market Supervisor will endeavor to contact all parties involved in the transaction to advise them of the situation.

a) General Rule

The trade with an execution price that falls outside the No Cancel Range shall be adjusted by the Market Operations to the limit of the No Cancel Range.

The Market Operations will adjust error trades in the best interests of the market and the participants.The main objective when adjusting error trades is to minimize the impact for all market participants involved in the error trades and more particularly those who had a regular order in the order book.

b) Exceptions

However, in the following circumstances, the trade will be cancelled by Market Operations:

1. Both parties to the trade can be contacted within a reasonable delay and agree to the cancellation of the trade.

2. Neither party to the trade is either an approved participant or the registered holder of a SAM ID.

c) Implied Orders

Under the General Rule, the trades with an execution price that falls outside the No Cancel Range and that have not been cancelled will be adjusted to the limit of the No Cancel Range. In such a case, if the trade involved a linked implied order(s), the initiator of the original error trade will be responsible for the trade resulting from the linked implied order(s). The initiator of the error may therefore end up being party to the trades resulting from the linked implied order(s).

d) Decision

A decision to cancel or adjust will be rendered by a Market Supervisor within 30 minutes following the communication of the error and cancellation request by one of the parties, or detection by Market Operations, in accordance with article 6385 of the Rules of the Bourse.

5.6 OTHER SITUATIONS JUSTIFYING THE CANCELLATION OF TRADES

The Market Operations will review all circumstances surrounding a trade to determine whether the trade occurred in accordance with the rules of the Bourse. The factors that will be considered include, among other things, the market conditions immediately before and after the trade was executed; the volatility of the market; the prices of related instruments in other markets and the fact that one or many parties to the transaction consider that it was executed at a valid price.

In the case of a system failure, it is possible that the Bourse's automated trading system will freeze with orders queuing and waiting to be processed. Once the problem is resolved, the market will be placed into a pre-opening phase during which trading in each derivative instrument will be halted in order to modify the opening time parameters. This pre-opening phase will allow market participants to modify orders and will ensure that the system failure does not impact the integrity of the market. Nevertheless, when the system is not frozen, pending orders could be executed before the Bourse can halt the derivative instruments. In such circumstances, Market Supervisors may, in the best interest of the market and the participants, cancel trades resulting from such executions.

In case an underlying instrument experiences excessive volatile price swings, the exchange on which the underlying instrument is listed may freeze the instrument and may adjust any trades that fall outside the context of the market. When Market Operations becomes aware of such a freeze, the Bourse will freeze the corresponding derivative instrument. If pending orders in the corresponding derivative instrument are executed before the Market Operations can manually freeze the derivative instrument the Market Operations will cancel trades resulting from such executions.

5.7 DECISION

A decision to cancel or to refuse to cancel a transaction subject to Section 5.6 will be rendered by a Market Supervisor within 30 minutes following the cancellation request or detection by Market Operations, in accordance with article 6385 of the Rules of the Bourse.

If the decision is to cancel the trade, the Market Supervisor will remove the trade from the records. Furthermore, if “stop” orders were triggered and therefore executed as a result of the cancelled trade, then these “stop” trades will also be cancelled and the “stop” orders will have to be re-instated in the order book by the initiators of such orders. Trade cancellation messages will be disseminated.

When a trade is cancelled, if it originated from a regular order posted in the order book, the original price/time priority (FIFO) will not be maintained if the initiator of the original order wishes to re-instate his order after the cancellation. This cancelled order shall therefore be re-entered in the trading system by the initiator of the original order. This new order entry time will be the official entry time of the re-instated order.

If the Market Supervisor’s decision is to not cancel the trade, the parties to the trade can not themselves decide to cancel it by making a position transfer through the Canadian Derivatives Clearing Corporation.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

PROCEDURES FOR THE CANCELLATION OR ADJUSTMENT OF TRADES

1. APPLICABLE RULES

The procedures herein are consistent with and refer to the following Rule Six articles of the Bourse:

6303 - Validation, Alteration or Cancellation of a Trade
6381 - Cancellation of Trades
6383 - Acceptable Market Price
6384 - Decision by the Market Supervisor of the Bourse
6385 - Delays of Decision and Notifications

2. SUMMARY OF THE RELATED RULES

In order to maintain a fair and equitable market, trades may be cancelled by the Bourse if such transactions are detrimental to the normal operation or quality of the market or in any other circumstance deemed appropriate considering market conditions at the time of the trade or if the parties involved in the trade agree to the cancellation.

3. OBJECTIVE

The objective of the procedures described herein is:

- To ensure that all transactions are executed at a price coherent with prevailing market conditions (integrity) and to ensure that input errors can be corrected.

4. LIMITATIONS FOR TRADING SESSIONS DURING WHICH THE UNDERLYING IS NOT OPEN FOR TRADING

The present procedures have a limited application in the case of trading sessions during which the underlying exchange-traded products are not open for trading.

4.1 ORDER ENTRY ERROR TRADES

During such trading sessions, the Market Operations Department of the Bourse (“Market Operations”) will not establish a No Cancel Range. As a result, during such trading sessions, no trade shall be adjusted by the Market Operations and all trades will stand at the traded price level unless one of the parties to the trade reports an order entry error (“error trade”) and both parties consent to cancel the resulting trade. Therefore, an error trade identified as such by a party to the trade and which both parties consent to cancel shall be cancelled by the Market Operations. The Market Operations shall proceed with the agreed upon cancellation of the error trade within the 15 minutes that follow the execution of the trade as prescribed by article 6381 of the Rules of the Bourse.

4.2 TRADING RANGE

The Bourse will establish a trading range based on the previous day's settlement price for trading sessions where the underlying exchange-traded instruments are not open for trading. For that given session, trading will only be allowed within the trading range. Orders outside of the trading range will not be accepted by the system. Should either the high or the low of the trading range be reached, trading will only be allowed at that limit level until the market re-aligns itself back within the trading range.

4.3 EARLY SESSION NO CANCEL RANGE

Notwithstanding Section 4.1, during early sessions, the last traded price registered in the underlying security during that session on a Recognized Exchange or an Alternative Trading System as this term is defined in Regulation 21-101 Respecting Marketplace Operation ("Canadian ATS") shall be used to determine the No Cancel Range. If the Market Supervisor determines that the price of the trade executed during the early session was inside the No Cancel Range, the Market Supervisor will take the appropriate measures in accordance with Section 5.4. If the Market Supervisor determines that the price of the trade executed during the early session was outside the No Cancel Range, the Market Supervisor will take the appropriate measures in accordance with Section 5.5.

5. DESCRIPTION FOR TRADING SESSIONS DURING WHICH THE UNDERLYING IS OPEN FOR TRADING OR WHOSE VALUE IS READILY AVAILABLE

5.1 DETECTION AND DELAYS

a) Trades Resulting from an Order Entry Error

Approved participants have the responsibility to report trades resulting from an error trade to the Market Operations without delay. As soon as an error trade resulting from an order entry error is identified by the approved participant, the approved participant must request an adjustment or cancellation of the error trade from a Market Supervisor of the Bourse by calling the Market Operations Department of the Bourse at 514 871-7871 or 1-888-693-6366. If the Market Supervisor determines that the price of the error trade was inside the No Cancel Range, the Market Supervisor will take the appropriate measures in accordance with Section 5.4. If the Market Supervisor determines that the price of the error trade was outside the No Cancel Range, the Market Supervisor will take the appropriate measures in accordance with Section 5.5.

b) Transactions Detrimental to the Normal Operation or Quality of the Market

If the Market Operations identifies transactions that are deemed detrimental to the normal operation or quality of the market, market supervisors can adjust or cancel the transaction. For the purpose of the present procedures, trades executed at a price outside the No Cancel Range shall be deemed transactions detrimental to the normal operation or quality of the market. If the Market Supervisor determines that a transaction detrimental to the normal operation or quality of the market has occurred, the Market Supervisor will take the appropriate measures in accordance with Section 5.5.

5.2 IMPLIED STRATEGY ORDERS

“Regular orders”: Orders routed by approved participants to the Montréal Exchange trading system.

“Implied orders”: Orders generated by the implied pricing algorithm (using regular orders) and registered in the order book by the trading engine.

“Implied strategy orders”: Orders generated by the implied pricing algorithm composed of regular orders, one order for each individual leg.

“Regular strategy orders”: Orders routed by approved participants to the Montréal Exchange trading system on instruments composed of two or more legs.

A strategy trade resulting from an implied strategy order is in reality composed of two or more separate regular orders, one order for each individual leg. For the purposes of this procedure, if an error trade occurs on an implied strategy order, the strategy trade will be deemed to have been executed using separate regular orders for each individual leg.

As a result, the prescribed increment utilized to establish the No Cancel Range to adjust an error strategy trade resulting from an implied strategy order will be at least the increment on one of the individual legs and at the most, the sum of each individual legs’ increments.

5.3 VALIDATION – NO CANCEL RANGE

The No Cancel Range is defined as the price interval within which a trade shall not be cancelled outright or adjusted by the Market Operations.

To establish the No Cancel Range, Market Supervisors:

- Determine, in accordance with article 6383 of the Rules, what was the acceptable market price for the derivative instrument before the trade occurred. In making that determination, the Market Supervisor will consider all relevant information, including the last trade price, a better bid or offer, a more recent price for a related derivative instrument (for example a different expiry month) and the prices of similar derivative instruments trading on other markets;

- Apply (add and deduct) the following increments to the acceptable market price:

DERIVATIVE INSTRUMENT	INCREMENT
Three-Month Canadian Banker’s Acceptance Futures – BAX (all quarterly and serial months)	5 basis points
Three-Month Canadian Banker’s Acceptance Futures – BAX Strategies: - Regular strategy orders - Implied strategy orders	 5 basis points Sum of the strategy’s individual legs’ increments.
Options on Three-Month Canadian Banker’s Acceptance Futures	5 basis points

DERIVATIVE INSTRUMENT	INCREMENT
Two-Year Government of Canada Bond Futures (CGZ) - Regular strategy orders - Implied Strategy orders	 20 basis points 20 basis points Sum of strategy's individual legs' increments
Five-Year Government of Canada Bond Futures (CGF) - Regular strategy orders - Implied Strategy orders	 20 basis points 20 basis points Sum of strategy's individual legs' increments
Ten-Year Government of Canada Bond Futures (CGB) - Regular strategy orders	 40 basis points 20 basis points
30-Year Government of Canada Bond Futures (LGB) - Regular strategy orders - Implied Strategy orders	 40 basis points 40 basis points Sum of strategy's individual legs' increments
Options on Government of Canada Bond Futures	40 basis points
Futures Contracts on S&P/TSX Indices and on the FTSE Emerging Markets Index - Regular strategy orders	1% of the acceptable market price of these futures contracts 5% of the increments for the outright month
30-Day Overnight Repo Rate Futures Regular strategy orders	5 basis points 5 basis points
Overnight Index Swap Futures	5 basis points
Overnight Index Swap Futures – OIS Strategies: - Regular strategy orders - Implied strategy orders	 5 basis points Sum of the strategy's individual legs' increments.
Futures and Options on Futures Inter-Group Strategies: - Regular strategy orders - Implied Strategy orders	Sum of strategy's individual legs' increments
Equity, Currency, ETF and Index Options Price ranges: $0.00 to $5.00 $5.01 to $10.00 $10.01 to $20.00 $20.00 up	 $0.10 $0.25 $0.50 $0.75
Equity, Currency, ETF and Index Options Strategies: - Regular strategy orders - Implied strategy orders	 Sum of the strategy's individual legs' increments
Sponsored Options Price ranges: $0.001 to $0.99 $1.00 up	 $0.25 $0.50

DERIVATIVE INSTRUMENT	INCREMENT
Canadian Share Futures Contracts Regular and extended sessions: Early session:	1. 0.50$, if the acceptable market price of these futures contracts is less than 25$; 2. 1.00$, if the acceptable market price of these futures contracts is equal to or higher than 25$ but less than 100$; 3. 1% of the acceptable market price of these futures contracts if the acceptable market price of these futures contracts is equal to or higher than 100$. 5% of the acceptable market price of these futures contracts
Futures Contracts on Canadian Crude Oil	5% of the acceptable market price of these futures contracts.

5.4 TRADE PRICE INSIDE THE NO CANCEL RANGE

If the Market Supervisor determines that the price of the reported error trade was inside the No Cancel Range, then the trade will be maintained and no further action will be taken unless both parties to the error trade agree to the cancellation.

Error trades that both parties have agreed to cancel, can be cancelled within the trading session (early, regular or extended) during which they have occurred. The Market Operations shall proceed with the agreed upon cancellation of the error trade within the 15 minutes that follow the execution of the trade as prescribed by article 6381 of the Rules of the Bourse.

5.5 TRADE PRICE OUTSIDE THE NO CANCEL RANGE

When a trade with an execution price outside the No Cancel Range is reported to Market Operations as an error, or otherwise detected by Market Operations, the Market Supervisor will determine whether the trade price is within or outside the No Cancel Range for the particular derivative instrument.

If the Market Supervisor determines that the price of the trade is outside the No Cancel Range, then the Market Supervisor will endeavor to contact all parties involved in the transaction to advise them of the situation.

a) General Rule

The trade with an execution price that falls outside the No Cancel Range shall be adjusted by the Market Operations to the limit of the No Cancel Range.

The Market Operations will adjust error trades in the best interests of the market and the participants.The main objective when adjusting error trades is to minimize the impact for all market participants involved in the error trades and more particularly those who had a regular order in the order book.

b) Exceptions

However, in the following circumstances, the trade will be cancelled by Market Operations:

1. Both parties to the trade can be contacted within a reasonable delay and agree to the cancellation of the trade.

2. Neither party to the trade is either an approved participant or the registered holder of a SAM ID.

c) Implied Orders

Under the General Rule, the trades with an execution price that falls outside the No Cancel Range and that have not been cancelled will be adjusted to the limit of the No Cancel Range. In such a case, if the trade involved a linked implied order(s), the initiator of the original error trade will be responsible for the trade resulting from the linked implied order(s). The initiator of the error may therefore end up being party to the trades resulting from the linked implied order(s).

d) Decision

A decision to cancel or adjust will be rendered by a Market Supervisor within 30 minutes following the communication of the error and cancellation request by one of the parties, or detection by Market Operations, in accordance with article 6385 of the Rules of the Bourse.

5.6 OTHER SITUATIONS JUSTIFYING THE CANCELLATION OF TRADES

The Market Operations will review all circumstances surrounding a trade to determine whether the trade occurred in accordance with the rules of the Bourse. The factors that will be considered include, among other things, the market conditions immediately before and after the trade was executed; the volatility of the market; the prices of related instruments in other markets and the fact that one or many parties to the transaction consider that it was executed at a valid price.

In the case of a system failure, it is possible that the Bourse's automated trading system will freeze with orders queuing and waiting to be processed. Once the problem is resolved, the market will be placed into a pre-opening phase during which trading in each derivative instrument will be halted in order to modify the opening time parameters. This pre-opening phase will allow market participants to modify orders and will ensure that the system failure does not impact the integrity of the market. Nevertheless, when the system is not frozen, pending orders could be executed before the Bourse can halt the derivative instruments. In such circumstances, Market Supervisors may, in the best interest of the market and the participants, cancel trades resulting from such executions.

In case an underlying instrument experiences excessive volatile price swings, the exchange on which the underlying instrument is listed may freeze the instrument and may adjust any trades that fall outside the context of the market. When Market Operations becomes aware of such a freeze, the Bourse will freeze the corresponding derivative instrument. If pending orders in the corresponding derivative instrument are executed before the Market Operations can manually freeze the derivative instrument the Market Operations will cancel trades resulting from such executions.

5.7 DECISION

A decision to cancel or to refuse to cancel a transaction subject to Section 5.6 will be rendered by a Market Supervisor within 30 minutes following the cancellation request or detection by Market Operations, in accordance with article 6385 of the Rules of the Bourse.

If the decision is to cancel the trade, the Market Supervisor will remove the trade from the records. Furthermore, if "stop" orders were triggered and therefore executed as a result of the cancelled trade, then these "stop" trades will also be cancelled and the "stop" orders will have to be re-instated in the order book by the initiators of such orders. Trade cancellation messages will be disseminated.

When a trade is cancelled, if it originated from a regular order posted in the order book, the original price/time priority (FIFO) will not be maintained if the initiator of the original order wishes to re-instate his order after the cancellation. This cancelled order shall therefore be re-entered in the trading system by the initiator of the original order. This new order entry time will be the official entry time of the re-instated order.

If the Market Supervisor's decision is to not cancel the trade, the parties to the trade can not themselves decide to cancel it by making a position transfer through the Canadian Derivatives Clearing Corporation.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

PROCEDURES FOR THE EXECUTION AND REPORTING OF EXCHANGE FOR PHYSICAL (EFP), EXCHANGE FOR RISK (EFR) AND SUBSTITUTION OF OTC DERIVATIVE INSTRUMENTS FOR FUTURES CONTRACTS TRANSACTIONS

The purpose of the following procedures is to explain as fully as possible: a) the requirements of article 6815 of the Rules of Bourse de Montréal Inc. (the Bourse) relating to the execution of transactions involving the exchange of futures contracts for a corresponding cash position (Exchange for Physical (EFP)) and of transactions involving the exchange of futures contracts for a corresponding over-the-counter derivative instrument (Exchange for Risk (EFR)); and b) of article 6815A of the Rules of the Bourse relating to the execution of transactions involving the substitution of an over-the-counter derivative instrument for futures contracts. Approved participants must ensure that all of their employees who are involved in the execution of this type of transactions are fully aware of these procedures. Any violation of the requirements set forth in articles 6815 and 6815A of the Rules of the Bourse and in these procedures could result in disciplinary action being taken by the Bourse.

Exchanges for Physicals (EFP)

An EFP is a transaction whereby two parties enter into an agreement in which one party purchases a cash market position and simultaneously sells a corresponding futures contract position and the other party sells the cash market position and simultaneously purchases the corresponding futures contract position.

The Bourse permits EFP transactions on the following instruments:

Interest rate futures contracts
Futures contracts on S&P/TSX indices & on the FTSE Emerging Markets Index
Futures contracts on carbon dioxide equivalent (CO_2e) units (MCX)
Futures contracts on Canadian crude oil
Canadian Share Futures Contracts

Exchange for Risk (EFR)

An EFR is a transaction whereby two parties enter into an agreement in which one party purchases an over-the-counter derivative instrument and simultaneously sells a corresponding futures contract and the other party sells the over-the-counter derivative instrument and simultaneously purchases the corresponding futures contract.

The Bourse permits EFR transactions on the following instruments:

Interest rate futures contracts
Futures contracts on S&P/TSX indices & on the FTSE Emerging Markets Index
Futures contracts on carbon dioxide equivalent (CO_2e) units (MCX)
Futures contracts on Canadian crude oil
Canadian Share Futures Contracts

Substitution of an OTC derivative instrument for futures contracts (Substitution)

A Substitution is a transaction whereby two parties enter into an agreement to substitute an over-the-counter derivatives position for a corresponding futures contract position. The party who is the buyer of the over-the-counter derivative instrument substitutes this position and buys the corresponding futures contract and the other party who is the seller of the over-the-counter derivative instrument substitutes this position and sells the corresponding futures contract.

The Bourse currently permits Substitution transactions on futures contracts on carbon dioxide equivalent (CO_2e) units.

Pricing the Cash component of an EFP or the Risk component of an EFR or of a Substitution

The cash component of an EFP or the risk component of an EFR or of a Substitution is priced at such level that is mutually agreed upon by the two parties to the transaction.

The futures contract leg of an EFP, an EFR or a Substitution must be priced at a fair and reasonable level in light of factors such as, but not limited to, the size of such an EFP, EFR or Substitution transaction, the currently traded prices and bid and ask prices in the same contract at the relevant time, the volatility and liquidity of the relevant market and the general market conditions prevailing at the time the EFP, EFR or Substitution transaction is executed.

The cash component of an EFP or the risk component of an EFR or of a Substitution transaction must be the futures contract underlying interest, a by-product of this underlying interest or a similar product that is reasonably correlated to the futures contract being exchanged.

Also, the number of futures contracts exchanged must be approximately equivalent to the quantity or value of the cash market position being exchanged in an EFP transaction or of the risk component being exchanged in the case of an EFR or substituted in the case of a Substitution. Approved participants that are parties to an EFP, EFR or Substitution transaction may be required to demonstrate such equivalency.

Acceptable EFP, EFR and Substitution Transactions

In order to have an EFP, EFR or Substitution transaction accepted by the Bourse, the transaction must satisfy the following conditions:

- There must be separate but integrally related futures contracts and cash (in the case of an EFP) or risk component (in the case of an EFR or Substitution) transactions.

- The exchange or substitution transaction must be done between two separate accounts that must satisfy at least one of the following criteria:
  - accounts have different beneficial ownership;
  - accounts have the same beneficial ownership but are under separate control; or
  - accounts are under a common control but involve separate legal entities which may or may not have the same beneficial ownership.

  If the parties to an EFP, EFR or Substitution transaction involve the same legal entity, same beneficial owner or separate legal entities under common control, the approved participant (or the parties themselves) must be able to demonstrate that the EFP, EFR or Substitution transaction is a legitimate arm's length transaction.

- The cash market instrument leg of the EFP or the risk component leg of an EFR transaction must provide for a transfer of ownership of the cash market instrument of an EFP or of the over-the-counter derivative instrument of the EFR to the buyer of this instrument and the delivery of this instrument must take place within a reasonable period of time (in accordance with cash market or over-the-counter practice).

- The relation between the prices of the futures contract and of the cash instrument leg of the EFP or the risk component leg of the EFR or Substitution transaction and the relevant prices in either market must be established.

- If he does not have actual possession of the cash instrument, in the case of an EFP transaction, or of the over-the-counter derivative instrument, in the case of an EFR transaction, before the execution of the transaction, the seller of this cash instrument or over-the-counter derivative instrument must be able to demonstrate his ability to satisfy his delivery obligation.

- The Bourse may request that approved participants involved in an EFP, EFR or a Substitution transaction demonstrate that the related cash position and futures position is reasonably correlated.

Acceptable Cash Components for the purpose of an EFP Transaction

In order to have an EFP transaction accepted by the Bourse, the cash component of the transaction must satisfy the following conditions:

- **For interest rate futures contracts:** fixed income instruments that have a reasonable price correlation, maturities as well as risk characteristics that parallel the instrument underlying the futures contract being exchanged. Such instruments include, but are not necessarily limited to, money market instruments including asset backed commercial paper, Government of Canada and Federal Crown Corporation fixed income instruments, provincials fixed income instruments, investment grade corporates including Maple Bonds and mortgage instruments including collateralized mortgage obligations (CMOs). Fixed income instruments denominated in the currency of a G7 member country that satisfy these conditions are also acceptable.

- **For futures contracts on S&P/TSX indices and on the FTSE Emerging Markets index:** stock baskets must be reasonably correlated to the underlying index with a correlation coefficient (R) of 0.90 or more. Furthermore, these stock baskets must represent a weight of at least 50% of the underlying index or must include at least 50% of the securities of the underlying index. The notional value of the basket must be fairly equal to the value of the futures contract component of the exchange transaction. Exchange-traded funds ~~(iShares™)~~ are also acceptable, provided they mirror the index futures contract against which the EFP transaction is made.

- **For futures contracts on carbon dioxide equivalent (CO_2e) units:** The eligible Canadian CO_2e units are regulated emitters' credits, and / or offset credits

- **For futures contracts on Canadian crude oil:**

    - For Canadian heavy crude oil: specific domestic crude oil streams with not less than 2.5% nor more than 3.5% sulfur by weight, not less than 19° API gravity nor more than 22° API gravity. Domestic crude oil streams include, but are not limited to: Western Canadian Select, Western Canadian Blend, Lloyd Blend, Bow River, Cold Lake Blend and Wabasca.

- **For Canadian share futures contracts:** The underlying stock of the futures contract being exchanged.

Permissible Over-the-Counter Derivative Instruments for the purpose of an EFR Transaction

A list of permissible over-the-counter derivative instruments for the purpose of effecting an EFR transaction is included in Appendix I.

Permissible Over-the-Counter Derivative Instruments for the purpose of a Substitution Transaction

- **For futures contracts on carbon dioxide equivalent (CO_2e) units:** Over-the-counter derivative instruments on carbon dioxide equivalent units that are reasonably correlated (with a correlation coefficient (R) of 0.80 or more) to the futures contract being substituted.

As a guideline, the time period used to calculate the correlation coefficient must be based on daily price data for a period of at least six (6) months or, if weekly price data are used, for a period of at least one (1) year.

Reporting an EFP, EFR or Substitution transaction to the Bourse

EFP, EFR and Substitution transactions must be reported to the Bourse's Market Operations Department for approval and subsequent input into the Montréal Automated System (SAM). Approved participants for both the seller and buyer must complete and submit to the Market Operations Department the Special Terms Transaction Reporting Form prescribed by the Bourse. This form is available on the Web sites of the Bourse at http://sttrf-frots.m-x.ca/ and at http://sttrf-frots.m-x.ca/ in the case of futures contracts on carbon dioxide equivalent (CO_2e) units. If the EFP, EFR or Substitution transaction is executed before the closing of the trading session of the futures contract involved in the transaction, the Special Terms Transaction Reporting Form must be submitted immediately upon the execution of the transaction. If the EFP, EFR or Substitution transaction is made after the closing of the trading session, the Special Terms Transaction Reporting Form must be submitted no later than 10:00 a.m. (Montréal time) on the next trading day.

If the Special Terms Transaction Reporting Form is not accurately filled out with all the relevant information required by the Market Operations Department of the Bourse, the transaction will not be approved neither recorded in SAM and the approved participant will have to resubmit a new Special Terms Transaction Reporting Form correctly completed.

Once correctly completed Special Terms Transaction Reporting Forms have been received, the Market Operations Department will validate the transaction. The Bourse has the discretion to refuse an EFP, EFR or Substitution transaction if it deems that it is not in compliance with the requirements, as the case may be, of articles 6815 or 6815A of the Rules of the Bourse or of these procedures. In case of refusal, the Market Operations Department will ensure that the approved participant(s) involved in the EFP, EFR or Substitution transaction are promptly informed of such refusal and of the reasons for it.

Once an EFP, an EFR or Substitution transaction has been validated and has been entered into SAM by the Market Operations Department, the following information with respect to this transaction will be disseminated by the Bourse on its Web sites at http://www.m-x.ca/dailycrosses_en.php or at http://www.mcex.ca/trading_transactionReport in the case of case of futures contracts on carbon dioxide equivalent (CO_2e) units:

- Date and time of transaction
- product description (code);
- Contract month(s);
- Volume of the transaction; and
- Transaction price

Trade validation and market dissemination by the Bourse of an EFP, EFR or Substitution transaction will not preclude the Bourse from initiating any investigation and, as the case may be, disciplinary procedures in the event that the transaction is subsequently found to have been made other than in accordance with the requirements of articles 6815 and 6815A of the Rules of the Bourse or of these procedures.

Audit Trail Requirements for EFP, EFR and Substitution Transactions

Approved participants who enter into an EFP, EFR or Substitution transaction must maintain all documents relevant to the futures contracts and corresponding cash market or over-the-counter derivative instruments transactions and must be able to promptly provide copies of such documents to the Regulatory Division of the Bourse upon request. Documents that may be requested include, but are not limited to, the following:

- Futures contracts order tickets;
- Futures contracts account statements;
- Documentation customarily generated in accordance with the cash market, over-the-counter or other relevant market practices such as cash account statements, trade confirmation statements, ISDA® Master Agreements or other documents of title;
- Third party documentation to support proof of payment or allowing to verify that the ownership title of the related cash market position or, as the case may be, of the related over-the-counter derivative instrument position was transferred from the seller to the buyer. This may include, but is not limited to canceled checks, bank statements; cash account statements and cash instruments clearing corporation documents (e.g.: CDS Depository and Clearing Services Inc.).

All futures contracts order tickets must clearly indicate the time of execution of the EFP, EFR or Substitution transactions.

APPENDIX 1
Exchange for Risk: List of permissible OTC derivative instruments

	Bond Futures Contracts	Short-Term Interest Rate Futures Contracts	Stock Index Futures/ Single Stock Futures	Commodities Futures
Vanilla Interest Rate Swaps	√	√		
Equity and Index Swaps			√	
Commodities Swaps or Forwards				√
Forward Rate Agreements - FRAs		√		
OTC Options and Options Strategies	√	√	√	

The following outlines the characteristics of OTC derivative instruments that would be acceptable for EFR transaction purposes.

Swaps:

Interest rate

- standard plain vanilla OTC swap;
- written under the terms of an ISDA® Master Agreement;
- providing for regular fixed rate payments against regular floating rate payments;
- All swap payments must be denominated in the currency of a G7 member country;
- The OTC interest rate swap must be reasonably correlated with an R = 0.90 or greater so that the futures contract is a suitable instrument for hedging the OTC derivative instrument transactions. As a guideline, the time period used to calculate the correlation must be based on daily price data for a period of at least six (6) months or, if weekly price data are used, for a period of at least one (1) year.

Equities and indices

- standard plain vanilla OTC swap;
- written under the terms of an ISDA® Master Agreement;
- providing for regular fixed rate payments or regular floating rate payments against the positive or negative performance of a basket of securities or a stock index;
- All swap payments must be denominated in the currency of a G7 member country;
- The OTC equity or index swap must be reasonably correlated with an R = 0.90 or greater so that the futures contract is a suitable instrument for hedging the OTC derivative instrument transaction. As a guideline, the time period used to calculate the correlation must be based on daily price data for a period of at least six (6) months or, if weekly price data are used, for a period of at least one (1) year.

Swaps or Forwards on Commodities:

- written under the terms of an ISDA® Master Agreement;
- The OTC commodities swap or forward must be reasonably correlated with an R = 0.80 or greater so that the futures contract is a suitable instrument for hedging the OTC derivative instrument transaction. As a guideline, the time period used to calculate the

correlation must be based on daily price data for a period of at least six (6) months or, if weekly price data are used, for a period of at least one (1) year.

Forward Rate Agreements (FRAs):

- conventional FRA;
- written under the terms of an ISDA® Master Agreement;
- predetermined interest rate;
- agreed start/end date;
- have a defined interest (repo) rate.

OTC Options and OTC Option Strategies:

- Any individual or combination of OTC equity or stock index option positions can form the risk transaction component of an EFR transaction against any of the Bourse's stock index or single stock futures contracts.
- Any individual or combination of OTC bond, interest rate swap or FRA options (e.g. caps, floors, collars) can form the risk component of an EFR transaction against any of the Bourse's interest rate futures contracts

Stock baskets used in an EFR transaction must have the following characteristics:

- be reasonably correlated to the index underlying the futures contract with an R = 0.90 or greater and the time period used to calculate the correlation must be based on daily price data for a period of at least six (6) months or, if weekly price data is used, for a period of at least one (1) year;
- represent at least 50% of the weight of the index underlying the futures contract or include at least 50% of the stocks comprised in the index underlying the futures contract;
- have a notional value equivalent to the value of the futures contract component of the EFR transaction;
- exchange-traded funds (ETFs) are acceptable provided that they mirror stock index products traded on the Bourse.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

PROCEDURES FOR THE EXECUTION AND REPORTING OF EXCHANGE FOR PHYSICAL (EFP), EXCHANGE FOR RISK (EFR) AND SUBSTITUTION OF OTC DERIVATIVE INSTRUMENTS FOR FUTURES CONTRACTS TRANSACTIONS

The purpose of the following procedures is to explain as fully as possible: a) the requirements of article 6815 of the Rules of Bourse de Montréal Inc. (the Bourse) relating to the execution of transactions involving the exchange of futures contracts for a corresponding cash position (Exchange for Physical (EFP)) and of transactions involving the exchange of futures contracts for a corresponding over-the-counter derivative instrument (Exchange for Risk (EFR)); and b) of article 6815A of the Rules of the Bourse relating to the execution of transactions involving the substitution of an over-the-counter derivative instrument for futures contracts. Approved participants must ensure that all of their employees who are involved in the execution of this type of transactions are fully aware of these procedures. Any violation of the requirements set forth in articles 6815 and 6815A of the Rules of the Bourse and in these procedures could result in disciplinary action being taken by the Bourse.

Exchanges for Physicals (EFP)

An EFP is a transaction whereby two parties enter into an agreement in which one party purchases a cash market position and simultaneously sells a corresponding futures contract position and the other party sells the cash market position and simultaneously purchases the corresponding futures contract position.

The Bourse permits EFP transactions on the following instruments:

Interest rate futures contracts
Futures contracts on S&P/TSX indices & on the FTSE Emerging Markets Index
Futures contracts on carbon dioxide equivalent (CO_2e) units (MCX)
Futures contracts on Canadian crude oil
Canadian Share Futures Contracts

Exchange for Risk (EFR)

An EFR is a transaction whereby two parties enter into an agreement in which one party purchases an over-the-counter derivative instrument and simultaneously sells a corresponding futures contract and the other party sells the over-the-counter derivative instrument and simultaneously purchases the corresponding futures contract.

The Bourse permits EFR transactions on the following instruments:

Interest rate futures contracts
Futures contracts on S&P/TSX indices & on the FTSE Emerging Markets Index
Futures contracts on carbon dioxide equivalent (CO_2e) units (MCX)
Futures contracts on Canadian crude oil
Canadian Share Futures Contracts

Substitution of an OTC derivative instrument for futures contracts (Substitution)

A Substitution is a transaction whereby two parties enter into an agreement to substitute an over-the-counter derivatives position for a corresponding futures contract position. The party who is the buyer of the over-the-counter derivative instrument substitutes this position and buys the corresponding futures contract and the other party who is the seller of the over-the-counter derivative instrument substitutes this position and sells the corresponding futures contract.

The Bourse currently permits Substitution transactions on futures contracts on carbon dioxide equivalent (CO_2e) units.

Pricing the Cash component of an EFP or the Risk component of an EFR or of a Substitution

The cash component of an EFP or the risk component of an EFR or of a Substitution is priced at such level that is mutually agreed upon by the two parties to the transaction.

The futures contract leg of an EFP, an EFR or a Substitution must be priced at a fair and reasonable level in light of factors such as, but not limited to, the size of such an EFP, EFR or Substitution transaction, the currently traded prices and bid and ask prices in the same contract at the relevant time, the volatility and liquidity of the relevant market and the general market conditions prevailing at the time the EFP, EFR or Substitution transaction is executed.

The cash component of an EFP or the risk component of an EFR or of a Substitution transaction must be the futures contract underlying interest, a by-product of this underlying interest or a similar product that is reasonably correlated to the futures contract being exchanged.

Also, the number of futures contracts exchanged must be approximately equivalent to the quantity or value of the cash market position being exchanged in an EFP transaction or of the risk component being exchanged in the case of an EFR or substituted in the case of a Substitution. Approved participants that are parties to an EFP, EFR or Substitution transaction may be required to demonstrate such equivalency.

Acceptable EFP, EFR and Substitution Transactions

In order to have an EFP, EFR or Substitution transaction accepted by the Bourse, the transaction must satisfy the following conditions:

- There must be separate but integrally related futures contracts and cash (in the case of an EFP) or risk component (in the case of an EFR or Substitution) transactions.

- The exchange or substitution transaction must be done between two separate accounts that must satisfy at least one of the following criteria:
  - accounts have different beneficial ownership;
  - accounts have the same beneficial ownership but are under separate control; or
  - accounts are under a common control but involve separate legal entities which may or may not have the same beneficial ownership.

  If the parties to an EFP, EFR or Substitution transaction involve the same legal entity, same beneficial owner or separate legal entities under common control, the approved participant (or the parties themselves) must be able to demonstrate that the EFP, EFR or Substitution transaction is a legitimate arm's length transaction.

- The cash market instrument leg of the EFP or the risk component leg of an EFR transaction must provide for a transfer of ownership of the cash market instrument of an EFP or of the over-the-counter derivative instrument of the EFR to the buyer of this instrument and the delivery of this instrument must take place within a reasonable period of time (in accordance with cash market or over-the-counter practice).

- The relation between the prices of the futures contract and of the cash instrument leg of the EFP or the risk component leg of the EFR or Substitution transaction and the relevant prices in either market must be established.

- If he does not have actual possession of the cash instrument, in the case of an EFP transaction, or of the over-the-counter derivative instrument, in the case of an EFR transaction, before the execution of the transaction, the seller of this cash instrument or over-the-counter derivative instrument must be able to demonstrate his ability to satisfy his delivery obligation.

- The Bourse may request that approved participants involved in an EFP, EFR or a Substitution transaction demonstrate that the related cash position and futures position is reasonably correlated.

Acceptable Cash Components for the purpose of an EFP Transaction

In order to have an EFP transaction accepted by the Bourse, the cash component of the transaction must satisfy the following conditions:

- **For interest rate futures contracts:** fixed income instruments that have a reasonable price correlation, maturities as well as risk characteristics that parallel the instrument underlying the futures contract being exchanged. Such instruments include, but are not necessarily limited to, money market instruments including asset backed commercial paper, Government of Canada and Federal Crown Corporation fixed income instruments, provincials fixed income instruments, investment grade corporates including Maple Bonds and mortgage instruments including collateralized mortgage obligations (CMOs). Fixed income instruments denominated in the currency of a G7 member country that satisfy these conditions are also acceptable.

- **For futures contracts on S&P/TSX indices and on the FTSE Emerging Markets index:** stock baskets must be reasonably correlated to the underlying index with a correlation coefficient (R) of 0.90 or more. Furthermore, these stock baskets must represent a weight of at least 50% of the underlying index or must include at least 50% of the securities of the underlying index. The notional value of the basket must be fairly equal to the value of the futures contract component of the exchange transaction. Exchange-traded funds are also acceptable, provided they mirror the index futures contract against which the EFP transaction is made.

- **For futures contracts on carbon dioxide equivalent (CO_2e) units:** The eligible Canadian CO_2e units are regulated emitters' credits, and / or offset credits

- **For futures contracts on Canadian crude oil:**

    - For Canadian heavy crude oil: specific domestic crude oil streams with not less than 2.5% nor more than 3.5% sulfur by weight, not less than 19° API gravity nor more than 22° API gravity. Domestic crude oil streams include, but are not limited to: Western Canadian Select, Western Canadian Blend, Lloyd Blend, Bow River, Cold Lake Blend and Wabasca.

- **For Canadian share futures contracts:** The underlying stock of the futures contract being exchanged.

Permissible Over-the-Counter Derivative Instruments for the purpose of an EFR Transaction

A list of permissible over-the-counter derivative instruments for the purpose of effecting an EFR transaction is included in Appendix I.

Permissible Over-the-Counter Derivative Instruments for the purpose of a Substitution Transaction

- **For futures contracts on carbon dioxide equivalent (CO_2e) units:** Over-the-counter derivative instruments on carbon dioxide equivalent units that are reasonably correlated (with a correlation coefficient (R) of 0.80 or more) to the futures contract being substituted.

As a guideline, the time period used to calculate the correlation coefficient must be based on daily price data for a period of at least six (6) months or, if weekly price data are used, for a period of at least one (1) year.

Reporting an EFP, EFR or Substitution transaction to the Bourse

EFP, EFR and Substitution transactions must be reported to the Bourse's Market Operations Department for approval and subsequent input into the Montréal Automated System (SAM). Approved participants for both the seller and buyer must complete and submit to the Market Operations Department the Special Terms Transaction Reporting Form prescribed by the Bourse. This form is available on the Web sites of the Bourse at http://sttrf-frots.m-x.ca/ and at http://sttrf-frots.m-x.ca/ in the case of futures contracts on carbon dioxide equivalent (CO_2e) units. If the EFP, EFR or Substitution transaction is executed before the closing of the trading session of the futures contract involved in the transaction, the Special Terms Transaction Reporting Form must be submitted immediately upon the execution of the transaction. If the EFP, EFR or Substitution transaction is made after the closing of the trading session, the Special Terms Transaction Reporting Form must be submitted no later than 10:00 a.m. (Montréal time) on the next trading day.

If the Special Terms Transaction Reporting Form is not accurately filled out with all the relevant information required by the Market Operations Department of the Bourse, the transaction will not be approved neither recorded in SAM and the approved participant will have to resubmit a new Special Terms Transaction Reporting Form correctly completed.

Once correctly completed Special Terms Transaction Reporting Forms have been received, the Market Operations Department will validate the transaction. The Bourse has the discretion to refuse an EFP, EFR or Substitution transaction if it deems that it is not in compliance with the requirements, as the case may be, of articles 6815 or 6815A of the Rules of the Bourse or of these procedures. In case of refusal, the Market Operations Department will ensure that the approved participant(s) involved in the EFP, EFR or Substitution transaction are promptly informed of such refusal and of the reasons for it.

Once an EFP, an EFR or Substitution transaction has been validated and has been entered into SAM by the Market Operations Department, the following information with respect to this transaction will be disseminated by the Bourse on its Web sites at http://www.m-x.ca/dailycrosses_en.php or at http://www.mcex.ca/trading_transactionReport in the case of case of futures contracts on carbon dioxide equivalent (CO_2e) units:

- Date and time of transaction
- product description (code);
- Contract month(s);
- Volume of the transaction; and
- Transaction price

Trade validation and market dissemination by the Bourse of an EFP, EFR or Substitution transaction will not preclude the Bourse from initiating any investigation and, as the case may be, disciplinary procedures in the event that the transaction is subsequently found to have been made other than in accordance with the requirements of articles 6815 and 6815A of the Rules of the Bourse or of these procedures.

Audit Trail Requirements for EFP, EFR and Substitution Transactions

Approved participants who enter into an EFP, EFR or Substitution transaction must maintain all documents relevant to the futures contracts and corresponding cash market or over-the-counter derivative instruments transactions and must be able to promptly provide copies of such documents to the Regulatory Division of the Bourse upon request. Documents that may be requested include, but are not limited to, the following:

- Futures contracts order tickets;
- Futures contracts account statements;
- Documentation customarily generated in accordance with the cash market, over-the-counter or other relevant market practices such as cash account statements, trade confirmation statements, ISDA® Master Agreements or other documents of title;
- Third party documentation to support proof of payment or allowing to verify that the ownership title of the related cash market position or, as the case may be, of the related over-the-counter derivative instrument position was transferred from the seller to the buyer. This may include, but is not limited to canceled checks, bank statements; cash account statements and cash instruments clearing corporation documents (e.g.: CDS Depository and Clearing Services Inc.).

All futures contracts order tickets must clearly indicate the time of execution of the EFP, EFR or Substitution transactions.

APPENDIX 1
Exchange for Risk: List of permissible OTC derivative instruments

	Bond Futures Contracts	Short-Term Interest Rate Futures Contracts	Stock Index Futures/ Single Stock Futures	Commodities Futures
Vanilla Interest Rate Swaps	√	√		
Equity and Index Swaps			√	
Commodities Swaps or Forwards				√
Forward Rate Agreements - FRAs		√		
OTC Options and Options Strategies	√	√	√	

The following outlines the characteristics of OTC derivative instruments that would be acceptable for EFR transaction purposes.

Swaps:

Interest rate

- standard plain vanilla OTC swap;
- written under the terms of an ISDA® Master Agreement;
- providing for regular fixed rate payments against regular floating rate payments;
- All swap payments must be denominated in the currency of a G7 member country;
- The OTC interest rate swap must be reasonably correlated with an R = 0.90 or greater so that the futures contract is a suitable instrument for hedging the OTC derivative instrument transactions. As a guideline, the time period used to calculate the correlation must be based on daily price data for a period of at least six (6) months or, if weekly price data are used, for a period of at least one (1) year.

Equities and indices

- standard plain vanilla OTC swap;
- written under the terms of an ISDA® Master Agreement;
- providing for regular fixed rate payments or regular floating rate payments against the positive or negative performance of a basket of securities or a stock index;
- All swap payments must be denominated in the currency of a G7 member country;
- The OTC equity or index swap must be reasonably correlated with an R = 0.90 or greater so that the futures contract is a suitable instrument for hedging the OTC derivative instrument transaction. As a guideline, the time period used to calculate the correlation must be based on daily price data for a period of at least six (6) months or, if weekly price data are used, for a period of at least one (1) year.

Swaps or Forwards on Commodities:

- written under the terms of an ISDA® Master Agreement;
- The OTC commodities swap or forward must be reasonably correlated with an R = 0.80 or greater so that the futures contract is a suitable instrument for hedging the OTC derivative instrument transaction. As a guideline, the time period used to calculate the

correlation must be based on daily price data for a period of at least six (6) months or, if weekly price data are used, for a period of at least one (1) year.

Forward Rate Agreements (FRAs):

- conventional FRA;
- written under the terms of an ISDA® Master Agreement;
- predetermined interest rate;
- agreed start/end date;
- have a defined interest (repo) rate.

OTC Options and OTC Option Strategies:

- Any individual or combination of OTC equity or stock index option positions can form the risk transaction component of an EFR transaction against any of the Bourse's stock index or single stock futures contracts.
- Any individual or combination of OTC bond, interest rate swap or FRA options (e.g. caps, floors, collars) can form the risk component of an EFR transaction against any of the Bourse's interest rate futures contracts

Stock baskets used in an EFR transaction must have the following characteristics:

- be reasonably correlated to the index underlying the futures contract with an R = 0.90 or greater and the time period used to calculate the correlation must be based on daily price data for a period of at least six (6) months or, if weekly price data is used, for a period of at least one (1) year;

- represent at least 50% of the weight of the index underlying the futures contract or include at least 50% of the stocks comprised in the index underlying the futures contract;

- have a notional value equivalent to the value of the futures contract component of the EFR transaction;

- exchange-traded funds (ETFs) are acceptable provided that they mirror stock index products traded on the Bourse.

Disclaimer: Bourse de Montréal Inc. has entered into a licence agreement with FTSE to be permitted to use the FTSE Emerging Markets Index that FTSE owns rights in, in connection with the listing, trading and marketing of derivative products linked to the FTSE Emerging Markets Index.

The FTSE Emerging Markets Index Futures are not in any way sponsored, endorsed, sold or promoted by FTSE or its licensors and neither FTSE nor any of its licensors: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index. "FTSE®" is a trademark of the London Stock Exchange Group companies.

FTSE MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.

Neither FTSE nor its licensors have provided or will provide any financial or investment advice or recommendation in relation to the FTSE emerging Markets Index to Bourse de Montréal Inc. or its clients. The Index is calculated by FTSE or its agent and all rights in the Index vest in FTSE. Neither FTSE nor its licensors shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

Disclaimer: Bourse de Montréal Inc. does not: (a) assume any liability or obligations in connection with the trading of any contract based on the FTSE Emerging Markets Index; or (b) accept any responsibility for any losses, expenses or damages arising in connection with the trading of any contract linked to the FTSE Emerging Markets Index except as provided in Rule 2511 the Bourse de Montréal Inc. Rules.

BOURSE DE MONTRÉAL INC. MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE RESULTS TO BE OBTAINED BY ANY PERSON OR ANY ENTITY FROM THE USE OF THE FTSE EMERGING MARKETS INDEX, ANY INTRADAY PROXY RELATED THERETO OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF ANY CONTRACTS, OR FOR ANY OTHER USE.