



**Bourse  
de Montréal Inc.**

<input checked="" type="checkbox"/> Trading – Interest Rate Derivatives	<input checked="" type="checkbox"/> Back-office - Options
<input checked="" type="checkbox"/> Trading – Equity and Index Derivatives	<input checked="" type="checkbox"/> Technology
<input checked="" type="checkbox"/> Back-office – Futures	<input checked="" type="checkbox"/> Regulation
	<input type="checkbox"/> MCeX

**CIRCULAR**  
July 14, 2008

**MODIFICATION OF THE MINIMUM QUOTATION SPREAD FOR EQUITY, INDEX PARTICIPATION UNIT AND INDEX OPTIONS CONTRACTS**

**EXPANSION OF THE PENNY PILOT PROGRAM**

On July 27, 2007, Bourse de Montréal Inc. (the Bourse) introduced a Penny Pilot Program on the following classes:

Phase 1:

iShares™ CDN S&P/TSX60 Index Fund	XIU
Barrick Gold Corporation	ABX
Rona Inc.	RON
Bombardier Inc.	BBD
EnCana Corporation	ECA
Teck Cominco Limited Cl. B	TCK
BCE Inc.	BCE
Sun Life Financial Inc.	SLF
Nortel Networks Corporation	NT
Research in Motion Limited	RIM

As part of decision 2008-OAR-0023 rendered by the Autorité des marchés financiers (the AMF) on June 26, 2008 authorizing the extension of the Penny Pilot Program until April 30, 2009, the Bourse will add the following 10 classes to the Program starting July 21, 2008:

Phase 2:

iShares CDN S&P/TSX Capped Financials Index Fund	XFN
Canadian Imperial Bank Of Commerce	CM
Bank of Montreal	BMO
Bank of Nova Scotia (The)	BNS
Royal Bank of Canada	RY
Manulife Financial Corporation	MFC
Kinross Gold Corporation	K
Suncor Energie Inc.	SU
Agrium Inc.	AGU
Timminco Limited.	TIM

Circular no.: 112-2008

All series of the XIU and XFN option classes and all series priced below \$3.00 in the other equity options classes enumerated above will be quoted in pennies. Series priced \$3.00 and higher in all options classes enumerated above, other than XIU and XFN options series, will be quoted in increments of \$0.05.

The Bourse submitted to the AMF two impact analyses for phase 1 of the Penny Pilot Program comparing activity over three periods:

- from April 23<sup>rd</sup> to July 26, 2007 (“pre” period);
- from July 27 to October 26, 2007 (“post 1” period); and
- from October 29, 2007 to February 28, 2008 (“post 2” period).

Reports are available for consultation on the home page of the Bourse’s Web site in the “News” section.

The Bourse will provide to the AMF a third report for the period going from March 1<sup>st</sup>, 2008 to December 31, 2008.

For any questions, please contact Richard Bourbonnière, Vice-President, Market Operations ([rbourbonniere@m-x.ca](mailto:rbourbonniere@m-x.ca)) or Gladys Karam, Director, Options Market ([gkaram@m-x.ca](mailto:gkaram@m-x.ca)).

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