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CIRCULAR
September 2, 2011

SELF-CERTIFICATION

ACTUALIZATION OF RULE FIVE OF THE BOURSE MISCELLANEOUS RULES

The Rules and Policies Committee of Bourse de Montréal Inc. (the Bourse) has approved the updating of Rule Five of the Rules of the Bourse (“Miscellaneous Rules”). All amendments resulting from this updating have been self-certified in accordance with the self-certification process as established in the *Derivatives Act* (R.S.Q., chapter I-14.01) and are effective immediately.

The actualization of Rule Five aims to update its provisions in order to reflect certain organizational changes that took place at the Bourse, as well as to abrogate provisions similar to those already found elsewhere in the Rules of the Bourse.

A) Amended Articles

Article 5201 — Arbitration of Disputes

Article 5205 – Persons other than approved participants

The reference to an “exchange contract” now corresponds to the one defined in article 1102 of Rule One - Regulations of the Bourse, as well the one used in article 5204.

Article 5202 — Appointment of Arbitrators

Article 5203 — Arbitration Hearing

Article 5206 — Costs

For these three articles of Rule Five, the references to the “Secretary of the Bourse”, “Secretary” and, at the end of article 5202, to the “Bourse” have been replaced by “Vice-President, Regulatory Division”. The latter shall now be responsible for the arbitration process provided for in Rule Five.

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Even though the Bourse has maintained the arbitration process currently found in Rule Five, which applies to any dispute involving at least one approved participant of the Bourse and pertaining to a derivative instrument traded on its market, it had become necessary to proceed to some amendments given that since the integration of the Bourse within TMX Group, certain organizational changes took place at the Bourse.

The Regulatory Division of the Bourse being already responsible for carrying out the regulatory functions pertaining to the Bourse's market and participants, notably as per Decision no 2008-PDG-0102 of the Autorité des marchés financiers dated April 10, 2008, as well as the Rules Regarding the Regulatory Division, it was decided to refer to the Vice-President, Regulatory Division in these provisions.

B) Abrogated Article

Article 5251 – Fees and Charges

As these provisions are already present in paragraphs 2 and 3 of article 3009 of Rule Three — Approved Participants, this article has simply been repealed.

The regulatory modifications discussed in this circular were subjected to a request for comments published by the Bourse on June 16, 2011 (circular 108-2011). The Bourse did not receive any comments following the publication of this circular.

For further information, please contact Mr. Francis Larin, Director and Legal Counsel, Regulatory Division, at 514 871-3516 or at flarin@m-x.ca.

Jacques Tanguay
Vice President, Regulatory Division

RULE FIVE

MISCELLANEOUS RULES

**Section 5001 - 5100
Business Day**

5001 Business Day
(25.02.94, 15.03.05)

Unless indicated otherwise, as to particular days, the term "business day" means any day on which the Bourse is open for business. However, on any business day that settlement may not occur through the clearing corporation, settlements ordinarily due on such a day shall be due on the following business day.

5002 Montréal Local Time
(15.03.05)

The Bourse shall conform to local Montréal time.

**Section 5101 - 5125
Canadian Investor Protection Fund**
(abr. 17.03.08)

5101 Canadian Investor Protection Fund
(15.03.05, abr. 17.03.08)

5102 Display as Canadian Investor Protection Fund Participant
(01.01.95, 15.03.05, abr. 17.03.08)

**Section 5126 - 5200
Brokers' Clearing Fund**
(abr. 15.03.05)

5126 Creation of Fund
(abr. 15.03.05)

5127 Financing
(abr. 15.03.05)

5128 Advances from Reserves
(abr. 15.03.05)

5129 Benefits
(abr. 15.03.05)

5130 Exclusions
(abr. 15.03.05)

5131 Failure to Pay Assessments
(abr. 15.03.05)

5132 Winding-up
(abr. 15.03.05)

Section 5201 - 5250
Disputes - Arbitration

5201 Arbitration of Disputes
(07.05.97, 15.03.05, 02.09.11)

Any dispute arising between approved participants regarding an exchange contract must be submitted to the majority decision of three arbitrators appointed as hereinafter provided.

5202 Appointment of Arbitrators
(15.03.05, 02.09.11)

The procedure for the appointment of the arbitrators shall be as follows. The approved participant believing himself to be the injured party shall deliver to the Vice-President, Regulatory Division a written memorandum in triplicate, stating in a summary way the matter in dispute and the redress he claims, and appointing an arbitrator. The Vice-President, Regulatory Division shall forward one copy of such memorandum to the opposite party, who shall within seven business days after receipt thereof file with the Vice-President, Regulatory Division a written memorandum in triplicate containing his statement of the matter in dispute, and appointing an arbitrator. The Vice-President, Regulatory Division shall forward one copy thereof to the opposite party and copies of both memoranda to the arbitrators so appointed, and the latter shall proceed within forty-eight hours after receipt of the memoranda to appoint a third arbitrator. If a party fails to appoint an arbitrator, the Vice-President, Regulatory Division shall appoint one for him, and in the event of the two arbitrators already appointed failing to appoint the third arbitrator within the time set above, he shall be appointed by the Vice-President, Regulatory Division.

5203 Arbitration Hearing
(15.03.05, 02.09.11)

The three arbitrators so appointed must forthwith give written notice to the parties of the date, time and place of their first sitting, which shall be held within seven days after the appointment of the third arbitrator and at which the parties shall be required to be present and to produce any books or documents respecting the matter in dispute. The arbitrators shall hear the parties, receive such evidences as they may deem necessary, make their award and fix the costs of the arbitration within thirty days from the date of the first sitting or such other period as the parties may agree upon. They shall forward their award in writing to the Vice-President, Regulatory Division who shall give notice thereof to all the parties concerned.

5204 Court Proceedings
(15.03.05)

Submission to arbitration in accordance with this section shall be a condition precedent to any legal proceedings between approved participants with reference to an exchange contract.

No approved participant shall commence legal proceedings against another approved participant with reference to an exchange contract unless and until he has given due notice thereof to the Special Committee.

5205 Persons other than approved participants

(15.03.05, 02.09.11)

A person or an entity who is not an approved participant may submit to arbitration under this section any dispute with an approved participant and relating to an exchange contract.

5206 Costs

(15.03.05, 02.09.11)

The arbitrators may require that prior to an arbitration hearing the parties deposit with the Vice-President, Regulatory Division such sum as an advance on the costs for which the parties or either of them may be adjudged liable.

5207 Arbitration award and failure to Comply

(15.03.05)

Any approved participant who fails to comply with any arbitration award shall deemed to be guilty of an act detrimental to the interest and welfare of the Bourse.

5208 Multiparty Disputes

(15.03.05)

When more than two parties are involved in a dispute which is subject to arbitration, the rules set forth in articles 5201 to 5207 above shall apply mutatis mutandis. Each party to the dispute shall be entitled to appoint an arbitrator, and in the event that an even number of parties is involved, the arbitrators appointed by or for them shall appoint an additional arbitrator in the manner provided in article 5202. In the event that an uneven number of parties is involved, the arbitrators appointed by or for them shall appoint two additional arbitrators in the manner provided in article 5202.

Section 5251 - 5300

Fees and Charges

5251 Fees and Charges

(15.03.05, abr. 02.09.11)

Section 5301 - 5350

Electronic Records

5301 Electronic Records

(15.03.05)

An approved participant is permitted to maintain required records and documents in electronic form provided that :

- a) such records are retained for the required time and are protected against loss or falsification, and

- b) the approved participant provides means for making the records available for inspection in a complete and intelligible form within a reasonable period of time.

Section 5351-5400
Exchange Reorientation
(22.11.99, abr. 12.02.02)