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CIRCULAR 108-15
September 11, 2015

LAUNCH OF A NEW TRADERS TRAINING PROGRAM
CALL FOR APPLICATIONS

Bourse de Montréal Inc. (the “Bourse”) wishes to inform all market participants that it is launching the Quebec Proprietary Trading Firms Incentive Program (the “Program”), a Program aimed at supporting trading firms in their efforts to recruit, hire and train new traders to use futures contracts listed on the Bourse.

The Program will allow selected firms to receive an incentive of \$1,000 per month for one year for each of their selected traders, subject to the terms and conditions of the Program.

The terms and conditions of the Program, including application forms, are attached hereto and are available on the Bourse’s website. Eligible firms and their eligible traders may submit their applications to the Bourse by sending the duly completed application forms and other required documents to the attention of François Vendette not later than October 9, 2015.

The Program is offered for a maximum of 20 traders. The Bourse will assess all the applications it receives and, in particular, will consider a firm’s proprietary activities and its reputation, financial resources, business plan and training program.

The Program will run from November 1, 2015 to October 31, 2016. The Bourse will announce its decision as to selected firms and traders prior to November 1, 2015.

For more information please contact François Vendette, Senior Manager, Business Development, at (514) 871-3515 or at fvendette@m-x.ca.

Claude Cyr
Senior Vice President
Financial Markets

QUEBEC PROPRIETARY TRADING FIRMS INCENTIVE PROGRAM

Terms and Conditions and Application Forms

1. OVERVIEW

The Quebec Proprietary Trading Firms Incentive Program (the “Program”) is designed to encourage and support selected Firms located in the Province of Quebec to recruit, hire and train new traders to use futures contracts listed on the Bourse by allowing them to receive Incentives for one year for supporting Participating Traders in accordance with the Terms and Conditions set forth herein.

2. DEFINITIONS

Capitalized terms used herein shall have the following meanings:

“**Application Forms**” means collectively the Firm Application Form and Trader Registration Form attached hereto;

“**Bourse**” means Bourse de Montréal Inc.;

“**Designated Sub-Account**” means a sub-account for a Participating Trader’s allocations that can be recognized by the Bourse and a Multi-Purpose sub-account (i.e. client netted account) at the Canadian Derivatives Clearing Corporation, set up directly or through the Participating Firm’s broker and/or clearing member (responsible for the allocation process);

“**Liquidity Provider Rebate Program**” means the Bourse’s Liquidity Provider Rebate Program as in effect at any given time;

“**Firm**” means either a Proprietary Trading Firm or a Trading Arcade;

“**Incentive(s)**” has the meaning ascribed thereto in Section 5;

“**New Trader Incentive Program**” means the Bourse’s New Trader Incentive Program as in effect at any given time;

“**Participants**” means a Participating Firm and its associated Participating Traders at any given time and “Participant” means any of them;

“**Participating Firm(s)**” means a Proprietary Trading Firm or Trading Arcade that has been selected by the Bourse to participate in the Program and that continues to meet all Terms and Conditions thereof;

“**Participating Trader(s)**” means a Trader who has been selected by the Bourse to participate in the Program and who continues to meet all Terms and Conditions thereof;

“**Program**” shall have the meaning ascribed to it under Section 1;

“**Proprietary Trading Firm**” means a legal entity trading its own capital on its own account for direct trading gains and in no event holding, trading and/or managing third party funds;

“**Term**” shall have the meaning ascribed to it under Section 7;

“**Terms and Conditions**” means the present terms and conditions of the Program, together with the attached Application Forms;

“**Trader(s)**” means an individual who is the owner, employee or contractor of a Proprietary Trading Firm trading on the latter’s behalf or an individual who is using the trading infrastructure and market access of a Trading Arcade to trade his own capital on his own account or a mix of his own capital and the Trading Arcade’s capital on their mutual own account for direct trading gains;

“**Trading Arcade**” means a legal entity providing trading infrastructure and market access in exchange for a fee or share of trading profits to individuals trading their own capital on their own account or a mix of their own capital and the Trading Arcade’s own capital on their mutual own account, for direct trading gains, and in no event holding, trading and/or managing third party funds.

Terms and Conditions and Application Forms

3. ELIGIBILITY

a. Firms

In order to be eligible for the Program, a Firm must satisfy the following eligibility criteria at the time of application and selection and must continue to meet them throughout the Term of the Program:

- 1) Be physically located in and trading from the Province of Quebec;
- 2) have a minimum of 5 Traders registered in the Liquidity Provider Rebate Program;
- 3) have a training program in place designed to train new Traders to use futures listed on the Bourse.

b. Traders

In order to be eligible for the Program, a Trader must satisfy the following eligibility criteria at the time of registration and selection and must continue to meet them throughout the Term of the Program:

- 1) be a Trader of an applying Firm selected by the Bourse as a Participating Firm;
- 2) be physically located in and trading from the Province of Quebec;
- 3) not have been enrolled in the Liquidity Provider Rebate Program or New Trader Incentive Program for more than 6 months as of the deadline set by the Bourse to apply for the Program.

c. Application

In order to apply for the Program, the eligible Firm and its eligible Traders must complete the attached Application Forms and submit them to the Bourse, together with all the required documents, at the latest by the deadline indicated by the Bourse on its web site.

d. Selection

This Program has been approved by the Bourse for a total of 20 Participating Traders. The Bourse will consider generally the applicants' proprietary trading activities, business reputation, financial resources, business plan and training program in approving the Participants and reserves the right to reject any applicant or to select less than 20 Participating Traders. Where a Firm has more than one Trader applying, the Bourse may decide to select all or some of them as Participating Traders. Decisions of the Bourse shall be final and binding on the Bourse and all applicants.

e. Continuous Eligibility

Participants must continue to meet the eligibility criteria listed herein throughout the Term of the Program and payments of the Incentives are subject to the Participants continuously meeting such eligibility criteria. The Bourse shall determine whether a Firm or Trader meets the eligibility criteria upon selection and whether a Participant continues to meet such eligibility criteria prior to payment of Incentives throughout the Term of the Program. Decisions of the Bourse shall be final and binding on the Bourse and the Participants. Participants shall notify the Bourse immediately of any change in their status or their meeting of the eligibility criteria.

4. OBLIGATIONS

a. Volume Thresholds

For the first 6 months of the Program, payment of Incentives shall not be subject to any volume thresholds. For the last 6 months of the Program, in order for the Incentives to be paid for a given month, a Participating Trader shall trade a minimum of 750 futures contracts listed on the Bourse during this given month through his Designated Sub-Account(s). To be included in a given month, the contract side must trade and clear on a day within such month. If one Participating Trader has more than one Designated Sub-Account, volumes traded in all Designated Sub-Accounts will be cumulated for purposes of calculating the monthly minimum threshold. Trades placed through any other account than the Participating Trader's Designated Sub-Account(s) will not be considered for purposes of the minimum threshold. All determinations made by the Bourse with regards to threshold calculations shall be final and binding on the Bourse and the Participants.

b. Rules of the Bourse

Participants shall abide at all times with the rules, policies and procedures of the Bourse as they may be in force at any given time.

Terms and Conditions and Application Forms

5. INCENTIVES

Subject to Participants complying with the Terms and Conditions hereof, for every Participating Trader associated thereto, a Participating Firm will receive an incentive of \$1,000 for every complete calendar month the Trader remains a Participating Trader associated with the Participating Firm (the "Incentive(s)"). The Incentive will be paid over a maximum of 12 months starting from the commencement date of the Program as determined by the Bourse. Incentives will be paid to Participating Firms in a manner agreed to between the Bourse and Participating Firm.

6. DESIGNATED SUB-ACCOUNTS

The responsibility to set up and maintain Designated Sub-Account(s) for each Participating Trader before the beginning of the Program is the responsibility of the Participating Firm. Firms are advised to confirm the possibility, process and delay for setting Designated Sub-Accounts with their broker and/or clearing member as soon as possible.

7. TERM, MODIFICATION AND EARLY TERMINATION

a. Program

The Program shall commence on the date determined by the Bourse, once the Participants have been selected, and shall terminate 12 months later (the "Term"). If, in the course of the first selection process, the Bourse has not been able to select at least 20 Participating Traders, the Bourse reserves the right to, but shall not be obliged to, make supplementary rounds of selection process until all 20 Participating Traders have been selected. As a consequence, the Program may run over different periods of 12 months. The Bourse reserves the right to modify or terminate the Program, including these Terms and Conditions, at any time and for any reason, upon written notice of at least 30 days to the Participating Firms.

b. Participants

The Bourse shall have the right to terminate, without notice, a Participant's enrollment in the Program if any of the Participating Firm or one of its associated Participating Traders fails or neglects to comply with any of the Terms and Conditions set forth herein, including the eligibility criteria set forth under Section 3, or if any information provided to the Bourse in support of the application or during the course of the Program reveals to be inaccurate.

8. AUDIT

Upon request, Participants will provide the Bourse with any information or document required by the Bourse to allow it to determine if and to what extent the Participants are complying with the present Term and Conditions, including continuing to meet the eligibility criteria, failing which the Participants will be deemed as not compliant. During regular business hours, the Bourse may have access to the Participants' offices and books and records reasonably required to make such determinations.

9. GOVERNING LAW

The Program and the Participant's enrollment in the Program shall be governed by these Terms and Conditions, which themselves shall be governed by the laws of the Province of Quebec and the federal laws of Canada applicable therein.

FIRM APPLICATION FORM

QUEBEC PROPRIETARY TRADING FIRMS INCENTIVE PROGRAM

Participation to the Quebec Proprietary Trading Firms Incentive Program (the "Program") is subject to the approval of the Bourse. Unless otherwise defined, all capitalized terms used herein shall have the meaning ascribed thereto in the Terms and Conditions of the Program.

Name of Firm: _____

Address: _____

(where trading activities are conducted)

Phone: _____

AUTHORIZED REPRESENTATIVE:

Name: _____ **Title:** _____

Phone: _____ **Email:** _____

EXECUTING AND CLEARING THROUGH:

- **Approved Participant:** _____

- **Clearing Member:** _____

1. Indicate if the applying Firm is a Proprietary Trading Firm or Trading Arcade:

Proprietary Trading Firm Trading Arcade

2. Indicate how long the applying Firm has been in the business of trading derivatives: _____

Describe the Firm's and/or its representatives' experience in proprietary trading of derivatives:

(types of products, venues, experience gained in which context, etc.)

3. Indicate how many Traders the applying Firm has:

a. Registered in the Liquidity Provider Rebate Program: _____

b. In total: _____

4. **Training Program** – please attach a document providing the following:

a. Describe the applying Firm's current training program designed to train new Traders to use futures listed on the Bourse;

b. Describe how the Incentives will contribute to the applying Firm's training of new Traders.

5. **Business Plan** – please attach the next 3 years' business plan of the Firm which shall include at least the following:

a. The Firm's objectives (volume, profitability, number of traders, products, etc.);

b. Tactics to reach the objectives, including the development of the training and hiring program;

c. Capitalization, technology and risk management details of the Firm.

Provide any other supporting information or documentation that may help the Bourse in assessing the Firm's application for the Program, including regarding its proprietary trading activities, business reputation, financial resources, business plan and training program. One Trader Registration Form must also be submitted for each Trader the Firm is applying for under the Program.

ACKNOWLEDGEMENT:

On behalf of the applying Firm, I submit this application for the Program and attest that the information provided is complete, true and accurate as of this date and will remain so throughout the Term of the Program. I agree to notify the Bourse immediately if any of the information provided changes.

I have read the Terms and Conditions of the Program and I represent and warrant that the applying Firm and Traders comply with all the requirements of the Program.

If the applying Firm is selected as a Participating Firm, I agree that it will be bound by and will comply with the Terms and Conditions of the Program.

Signed in _____ on _____,

For applying Firm named above:

Name: _____

Title: _____

Signature: _____

TRADER REGISTRATION FORM

QUEBEC PROPRIETARY TRADING FIRM INCENTIVE PROGRAM

Participation to the Quebec Proprietary Trading Firms Incentive Program (the "Program") is subject to the approval of the Bourse. Unless otherwise defined, all capitalized terms used herein shall have the meaning ascribed thereto in the Terms and Conditions of the Program.

Name of Trader: _____

Name of applying Firm: _____

Address: _____

(where the Traders conduct trading activities)

Phone: _____ **Email:** _____

Trader Code: _____

Sub-Account Number(s) (Bourse): _____

Multi-Purpose Sub-Account Number(s) (CDCC): _____

Sub-Account Numbers will have to be confirmed prior to the commencement date of the Program.

1. Indicate if the applying Trader has ever been enrolled in the Liquidity Provider Rebate Program or the New Trader Incentive Program:

Yes, from: _____ to _____

No

2. Indicate how long the Trader has been trading derivatives: _____

Describe the Trader's experience in trading Derivatives, if any:

(types of products, venues, experience gained in which context, etc.)

ACKNOWLEDGEMENT:

I submit this application for the Program and attest that the information provided is complete, true and accurate as of this date and will remain so throughout the Term of the Program. I agree to notify the Firm and the Bourse immediately if any of the information provided changes.

I have read the Terms and Conditions of the Program and I represent and warrant that I comply with all the requirements of the Program.

If the applying Firm is selected as a Participating Firm and if I am selected as a Participating Trader, I agree that I will be bound by and will comply with the Terms and Conditions of the Program. I understand that the Incentives will be paid to the Firm and that I will not have any claim or entitlement thereto.

Signed in _____ on _____,

Trader : _____

APPENDIX B

TRADER REGISTRATION FORM

QUEBEC PROPRIETARY TRADING FIRM INCENTIVE PROGRAM

APPLYING FIRM:

On behalf of the applying Firm, I attest that to the Firm's best knowledge, the information provided herein is complete, true and accurate as of this date and will remain so throughout the Term of the Program. I agree to notify the Bourse immediately if any of the information provided changes.

Signed in _____ on _____,

For applying Firm named above:

Name: _____

Title: _____

Signature: _____

FOR USE BY THE BOURSE

Accepted as Participating Firm on: _____

Accepted as Participating Trader on: _____

Date: _____

BOURSE DE MONTRÉAL INC.

Name: _____

Title: _____

Signature: _____