



**TO: Approved Participants
Chief Financial Officers
External Auditors
Holders of the Rules and Policies Manual**

October 18, 2002

**LIMITATION OF THE LIABILITY OF THE BOURSE
AMENDMENTS TO ARTICLES 2510 AND 2510A**

The Executive Committee of Bourse de Montréal Inc. (the “Bourse”) has approved amendments to articles 2510 and 2510A of the Rules of the Bourse entitled “Liability of the Bourse”. These amendments are effective immediately.

Firstly, the Bourse amended articles 2510 and 2510A as part of the update of its Rules. The wording of these articles has been adapted to reflect the new reality of the Bourse further to its demutualisation. Secondly, article 2510A has been amended to better define the limitations to the liability of the Bourse in a fully electronic market environment. In that respect, the main changes made are the following:

- i) a new subparagraph ii) has been added to paragraph a) in order to define the meaning of the word “Bourse” for the purposes of the concerned article;
- ii) in paragraph c), a provision has been added in order to clearly establish that the Bourse shall not be released from its liability in case of gross or intentional fault from its part;
- iii) paragraph d) has been amended by identifying more precisely the persons who are the most likely to use the trading system of the Bourse and to be concerned by legal proceedings initiated by a third party;
- iv) a new paragraph e) has been added in order to provide for situations where the trading system of the Bourse is unavailable as well as those where there is suspension or a termination of trading;

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- v) a new paragraph f) has been added to provide for the indemnification of the Bourse for costs incurred in connection with civil, penal or administrative proceedings. This new paragraph allows to complete the already existing provisions of paragraph d) which provided for such an indemnification but only in the case of proceedings initiated by third parties; and
- vi) a new paragraph g) has been added in order to specify that the Bourse cannot be sued in connection with an action taken or a sanction imposed by the Bourse pursuant to its regulations.

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Encl.