

**RULES REGARDING THE
SPECIAL COMMITTEE - REGULATORY DIVISION**

1. Definitions

(24.11.00, 28.08.03, 25.09.09)

In these Rules:

“Approved participant” shall mean an approved participant of the Bourse, whose name is duly recorded as such on the register referred to in article 3010 of the Rules of the Bourse and who has been approved by the Bourse pursuant to its Rules for the purpose of trading products listed on the Bourse;

“Board” shall mean the Board of Directors of the Bourse;

“Bourse” shall mean Bourse de Montréal Inc.;

“Independent member” shall mean a physical person who is a member of the Special Committee and who conforms to the board of directors independence standards of the Bourse.

“Special Committee” shall mean the Special Committee – Regulatory Division appointed hereunder by the Board;

“Regulatory Division” shall mean the Regulatory Division of the Bourse established by the Board;

“Restricted trading permit holder” shall mean the holder of a permit to trade specific listed products issued to a non-approved participant pursuant to articles 3951 and following of Rule Three of the Bourse which were re-adopted, by resolutions of the Board dated October 1, 2000, as forming part of the Rules and Policies of the Bourse.

2. Binding effect

(24.11.00, 25.09.09)

These Rules regarding the Special Committee shall be binding on all approved participants, on the directors, officers and employees of approved participants and on restricted trading permit holders.

3. Composition of the Special Committee

(24.11.00, 20.10.04, 25.09.09, 22.03.13)

The Special Committee shall consist of:

- a) at least 50% of persons who are Quebec residents at the time of their appointment and for the duration of their term;
- b) at least 50% of persons who satisfy the independence conditions that are applicable to the Directors of the Bourse, and;
- c) at least 50% of persons having expertise in derivative instruments.

4. Appointment
(24.11.00, 25.09.09)

The members of the Special Committee shall be appointed by resolution of the Board for a term of two years. Such appointment may be renewed at the discretion of the Board. A member of the Special Committee whose term has expired shall remain in office as long as necessary to permit the completion of any matter on which such member was sitting prior to the expiry of the term.

5. Quorum
(24.11.00, 20.10.04, 25.09.09)

The quorum at meetings shall be constituted of a majority of members in office of the Special Committee attending in person, by telephone or by videoconference and the majority of members so attending must be Quebec residents at the time of their nomination and for the duration of their term and must satisfy the independence criteria that are applicable to the Directors of the Bourse.

6. Powers
(24.11.00, 25.09.09, 02.09.11, 21.05.15)

The Special Committee shall have the following powers:

- 6.1 make recommendations to the Board regarding the separate budget of the Regulatory Division;
- 6.2 supervise and control the activities of the Regulatory Division, subject to the final authority of the Board and the Autorité des marchés financiers;
- 6.3 adopt or amend Rules and Policies of the Bourse relating to:
 - 6.3.1 applications for admission as approved participant;
 - 6.3.2 the operations and standards of practice and business conduct applicable to approved participants and restricted trading permit holders;
 - 6.3.3 investigations and disciplinary matters;
 - 6.3.4 dispute resolution.
- 6.4 recommend to the Board the adoption or amendment of Rules and Policies of the Bourse relating to:
 - 6.4.1 margin requirements;
 - 6.4.2 capital requirements applicable to approved participants; and
 - 6.4.3 market surveillance;
- 6.5 approve the applications for approved participant or designated representative status, as well as the suspension and revocation of such approvals pursuant to articles 3001 to 3960 of the Rules of the Bourse;

- 6.6 approve the resignations of approved participants pursuant to articles 3701 to 3708 of the Rules of the Bourse;
- 6.7 approve corporate changes affecting approved participants, such as changes of control, acquisitions of major positions and reorganizations;
- 6.8 suspend or revoke restricted trading permits pursuant to articles 3951 to 3960 of the Rules of the Bourse;
- 6.9 order that a special examination or investigation be made pursuant to article 4003 of the Rules of the Bourse;
- 6.10 should the circumstances warrant, proceed summarily in the situations mentioned in articles 4004 and 4301 and following of the Rules of the Bourse;
- 6.11 order a suspension for failure to provide information pursuant to article 4005 of the Rules of the Bourse;
- 6.12 proceed to the hearing of appeals from decisions rendered by the Disciplinary Committee in regards to complaints, pursuant to articles 4101 and following of the Rules of the Bourse;
- 6.13 proceed to the hearing of appeals from decisions rendered by any other committee of the Bourse or the staff of the Bourse;
- 6.14 report to the Board regarding the the execution by the Regulatory Division of its regulatory duties; and
- 6.15 periodically review and approve the fees relating to the Division.

7. Procedure
(24.11.00)

The rules of procedure applicable to the Special Committee shall be the rules of procedure of the Board, subject to such changes as may be necessary to adapt them to the circumstances.

8. Decisions and Minutes
(24.11.00, 25.09.09, 02.09.11)

Decisions of the Special Committee shall require the vote of the majority of those attending in person, by telephone or by video conference.

In disciplinary matters or summary proceedings, if a member becomes unable to act before a decision is rendered, the decision may be reached by the remaining members, provided they are at least four.

Copies of the minutes of each meeting shall be sent to all members of the Special Committee, to the Chairman of the Board, to the President of the Bourse and to the Vice-President, Legal Affairs (Derivatives).

9. Consequential amendments
(24.11.00, 25.09.09)

Notwithstanding article 4251 of the Rules of the Bourse, the decisions of the Special Committee relating to disciplinary matters or summary proceedings can be reviewed in accordance with the law.

10. Transitional
(24.11.00, abr. 25.09.09)