

Notice to Participating Organizations and Members

May 12, 2011

2011-029

Dark Order Types Update

Additional symbols to be enabled for Dark Orders and Dark Orders Release 2 Update

This notice is to announce the next phase of symbols which will be enabled for Dark Orders, and to provide further details related to the feature enhancements to be delivered as part of Dark Orders Release 2 (previously outlined in PO Notice #2011-024 published on March 25, 2011).

Additional Symbols enabled for Dark

We are pleased to announce that effective Friday May 20, 2011 all constituents of the S&P/TSX Composite index will be enabled for Dark Orders. Currently Dark Orders are enabled on constituents of the S&P/TSX 60 and all listed ETFs. If you require a complete list of symbols enabled for Dark Orders or further information on how you can benefit from our Dark Order types please contact your Account Manager listed below.

Dark Orders – Release #2 Update

On Monday April 04, 2011, our Dark Orders Release 2 enhancements were made available for external testing in GTE. These enhancements are being introduced into production in the following phases:

Phase 1: Effective June 6, 2011 the following enhancements listed below will be released to production. These enhancements will strengthen dark order and iceberg anonymity, increase the transparency for the active side of a trade, enable dark order eligibility for symbols trading under fifty cents (\$0.50), and further expand the number of symbols eligible to trade dark.

- New public order numbers will be generated every time an iceberg ‘reloads’ and every time a Dark Order receives a new passive fill. This change will enhance the anonymity of Iceberg and Dark Orders.
- The addition of a Delayed Active identifier, which will disclose to the trader that has entered an order that such an order has been assigned as the active side of the trade due to a re-pricing or triggering event. This will give full transparency to the trader that the order has been assigned as the active side of a trade, whether it is a re-priced dark order, re-priced short sale or triggered on-stop. Please note that this new identifier will not be exclusive to Dark Orders, and will be available to applicable displayed orders as well. For the Delayed Active identifier details please see the table in Appendix 1.
- Mid-points on shares trading under fifty cents (\$0.50) can be executed at a quarter cent (\$0.0025) increment, where the last sale price set by the execution will be rounded up a

full tick to three decimal places (the valid trading increment). To accommodate the increased decimal precision, price fields will be expanded from three to five decimal places. This will allow for Dark Orders to be enabled on shares trading under fifty cents (\$0.50).

- The Dark Order fee model for shares trading less than \$1 will become effective, subject to regulatory approval, allowing stocks and ETFs less than \$1 to be enabled for dark trading. The fee model is expected to be announced before the end of May 2011.
- As a result of the above changes, all remaining TSX and TSX Venture stocks and ETFs will be enabled for Dark Orders.

Phase 2: The introduction of a minimum quantity condition and a size fill priority for Dark mid-point orders. The production release date for these features is expected for August 2011, subject to regulatory approval of the applicable TSX and TSX Venture rule changes.

- The introduction of an optional minimum quantity condition to specify a minimum fill size for mid-point orders. This feature will prevent a dark midpoint order from participating in a trade unless the tradable volume meets or exceeds the minimum quantity condition.
- Dark midpoint orders with a minimum quantity condition will receive fill priority over other dark orders at the same price level.

These features will assist institutions and users of Dark Order types in reducing market impact for larger sized orders and enhance Dark Order types as a valuable facility for the execution of blocks.

Updated STAMP and FIX specifications detailing the protocol changes associated with the above enhancements are available and can be requested through your TMX Account Manager. Attached is a table detailing the order entry and data feed specification changes associated with the above enhancements.

Please contact your TMX Account Manager with any questions or comments related to TSX/TSXV Dark Order types.

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About TMX Group (TSX-X)

TMX Group's key subsidiaries operate cash and derivative markets for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, Montreal Exchange, Canadian Derivatives Clearing Corporation, Natural Gas Exchange, Boston Options Exchange (BOX), Shorcan, Shorcan Energy, Equicom and other TMX Group companies provide listing markets, trading markets, clearing facilities, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across Canada (Montreal, Calgary and

Vancouver), in key U.S. markets (Houston, Boston and Chicago) as well as in London. For more information about TMX Group, visit our website at www.tmx.com.

A French version of this notice is available on our web site at www.tmx.com. Une version française de cet avis est disponible sur notre site Web à l'adresse www.tmx.com.

Appendix 1

Dark Order Types –Release #2 Summary of Order Entry and Market Data Feed Specification Changes

Feature	Description	FIX OE	STAMP OE	Broadcast Feed	TL1	TL2	TQL1 (Quantum Feeds)	TQL2 (Quantum Feeds)
Decimal expansion	Enterprise initiative to enable prices to be processed up to 5 decimal places. (Please note valid trading increments will remain enforced)	Numeric price 1*6Digit ["." 1*5Digit]	Numeric price 1*6Digit ["." 1*5Digit]	Numeric price 1*6Digit ["." 1*5Digit]	No impact	Numeric price 1*6Digit ["." 1*5Digit]	No impact	No impact
Enhancing Iceberg Anonymity	<p>Feature to minimize public disclosure of an iceberg</p> <p>Feature will be triggered when the display volume of an iceberg order is exhausted and there is remaining volume on the order*</p>	No impact	No impact	<p>Trade report: Display volume (150) Set to zero for iceberg side</p> <p>PriorityTimestamp (178) Not present</p> <p>Assign Time priority message: Will no longer be sent</p> <p>Order Cxl/Confirm message will be issued: ConfirmationType (16) = Booked</p> <p>Volume (64) = Refreshed display volume</p>	No impact	<p>Trade report: Display volume (150) Set to zero for iceberg side</p> <p>PriorityTimestamp (178) Not present</p> <p>Assign Time priority message: Will no longer be sent</p> <p>Order Cxl/Confirm message will be issued: ConfirmationType (16) = Booked</p>	No impact	<p>Trade Report: Buy Display Volume Set to zero for iceberg side</p> <p>Sell Display volume Set to zero for iceberg side</p> <p>Assign Time priority message: Will no longer be sent</p> <p>Order Cxl/Confirm message will be issued:</p>

				<p>Order Number (40) Unique number is assigned</p> <p>Private order number (214) Original order number for the iceberg order</p> <p>IcebergRefresh (606) =Y Indicates that the booked message is the result of an iceberg being refreshed</p>		<p>Volume (64) = Refreshed display volume</p> <p>Order Number (40) Unique number is assigned</p>		<p>ConfirmationType = Booked</p> <p>Volume = Refreshed display volume</p> <p>Order ID Unique number is assigned</p>
Enhancing Dark Order Anonymity	<p>An additional feature to minimize disclosure of dark order intentions</p> <p>After the first fill of a dark order a unique public order number will be assigned to any subsequent fills.</p>	No impact	No impact	<p>Trade Report: Order Number (40) Unique after the first fill</p> <p>Private order number (214) Original order number for the dark order</p>	No impact	<p>Trade Report: Order Number (40) Unique after the first fill</p>	No impact	<p>Trade Report: Buy Order ID: Unique is side was dark</p> <p>Sell Order ID: Unique is side was dark</p>

Delayed Active Identifier	An identifier to notify the participant that they were assigned the active side of the trade due to a re-pricing or triggering mechanism	No impact	No impact	Trade Report: Exchange-Admin (380) Position 7: 'A' Delayed Active	No impact	No impact	No impact	No impact
Min Qty	Optional tag only permitted on dark orders that will specify the minimum fill volume which must be satisfied for the order to trade	MinQty (110)	MinQty (598)	MinQty (598) Added to private content	No impact	No impact	No impact	No impact

* Feature will be applied to passive and re-priced short iceberg orders