

Notice to Participating Organizations and Members

December 20, 2011

2011-076

Dark Order Types Update

Minimum Quantity and Fill Prioritization for Dark Midpoint Orders

This notice is to announce that effective **January 13, 2012** an optional Minimum Quantity instruction will be available for Dark Midpoint order types. (Previously outlined in PO notice #2011-029 published on May 12, 2011)

Minimum Quantity Instruction

The Minimum Quantity instruction is being introduced to better assist institutions and users in reducing market impact and to enhance TMX Dark Order types as a valuable facility for the execution of larger sized orders. This optional instruction will prevent a Dark Midpoint order from participating in a trade unless the tradable volume meets or exceeds the volume specified through the Minimum Quantity instruction. The feature will also provide a valuable tool to prevent the gaming of Dark orders, ensuring the anonymity of the order is maintained until the appropriate size fill as defined by the trader is achieved.

Volume requirement for the Minimum Quantity instruction

The Minimum Quantity instruction will only be accepted if the volume provided in the Minimum Quantity tag meets or exceeds 20 standard board lots. This volume requirement will be enforced on both Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV). If the Minimum Quantity volume on the order does not meet or exceed 20 standard board lots, the Dark Midpoint order will be rejected. If the Minimum Quantity instruction is absent or zero, the order will be treated as a regular Dark Midpoint order without a Minimum Quantity.

Fill Prioritization for Minimum Quantity Orders

Dark Midpoint orders with a Minimum Quantity instruction will receive fill priority over other Dark Midpoint orders without this condition or Dark Limit orders at the same price level. The volume specified in the Minimum Quantity tag will not be considered in determining fill priority, only that the Minimum Quantity tag is present on the order.

If the remaining volume of a Dark Midpoint order with a Minimum Quantity instruction falls below the Minimum Quantity volume specified on the order, the order will participate in a trade only if the total remaining volume of such order can be filled. The order will also retain allocation priority over Dark Midpoint orders without a Minimum Quantity instruction and Dark Limit orders at that price level.

Further information on the Minimum Quantity attributes and allocation priority can be found in the TSX/TSXV Dark Liquidity Guide, available through the following link:

http://www.tmx.com/en/trading/products_services/dark_orders.html

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, TMX Select, 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 and Beijing. For more information about TMX Group, visit our website at www.tmx.com.

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