Notice to Participating Organizations and Members

August 29, 2014   2014-025

Toronto Stock Exchange (TSX), TSX Venture Exchange (TSXV)
Trading Enhancements

TMX Group is pleased to announce a number of enhancements to the trading functionality of TSX and TSX Venture Exchange.

These enhancements have been approved by the Ontario Securities Commission on August 28, 2014 (http://www.osc.gov.on.ca/en/21333.htm). Approval by British Columbia Securities Commission in respect of TSXV is pending.

These changes are scheduled to become effective on December 1st, 2014, and will be available in the Gateway Test Environment (GTE) for external testing on October 1, 2014. Updated FIX and STAMP specifications reflecting these enhancements are now available through the TMX Equity Markets Documentation Portal at https://www.tcbdata.com/tmx

14. HOW IS THE MOC IMBALANCE PUBLISHED?

TMX Markets disseminates MOC imbalance information at 3:40 p.m. and price movement extension information at 4:00 p.m. on TMX.com and via the following data feeds: TBF, TL1, TL2, CBF, CL1, CL2 and the TSX and TSX Venture Level 1 and Level 2 QuantumFeeds.

15. WHY ARE ONLY OFFSETTING ORDERS ALLOWED DURING THE IMBALANCE BROADCAST AND BLIND OFFSET SESSION?

This session is intended to solicit offsetting liquidity. Limit orders force market participants to enter their best price, thereby promoting price discovery.

16. WILL THE OFFSETTING MOC LIMIT ORDERS RESULT IN AN IMBALANCE TO BE UPDATED AND REBROADCAST?

No. Offsetting real-time as offsetting orders entered into the MOC book have a limit price that may or may not trade when the books are combined and therefore do not change the imbalance.

17. I TRIED TO ENTER AN OFFSETTING LIMIT ORDER AT 3:45 P.M. BUT THE ORDER WAS REJECTED. WHY DID THIS HAPPEN?

Check your order's volume and price. The MOC book will only accept offsetting MOC limit orders that are equal to or less than the posted imbalance with a price that is within of the preceding

- +/- 3% on TSX
- +/- 5% on TSXV
- +/- 1% on ETFs

18. HOW DO YOU CURB VOLATILITY AT THE CLOSE?

- Hidden closing book
- Blind closing auction
- Price volatility parameters

19. WHY USE A CLOSING AUCTION TO SET THE CLOSING PRICE?

A closing auction provides all market participants with an opportunity to participate in setting the closing price.

20. HOW DOES THE CLOSING PRICE GET CALCULATED?

The Calculated Closing Price (CCP) will be derived from similar logic used at the opening (i.e. the price at which the most shares trade; leaving the least imbalance and closest to the last sale.)

21. WHY IS THERE A VOLATILITY PARAMETER AT THE CLOSE?

A price volatility parameter prevents unexpected closing prices by alerting participants to provide additional liquidity.

22. WHAT IS THE PRICE MOVEMENT EXTENSION?

A price movement extension provides the market with a ten-minute opportunity to react to significant movement in the closing price.

23. WHAT CONDITIONS WILL RESULT IN

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