

## MGF Violation Investigation and Cancellation Guidelines

1. TMX Equity Trading Operations will investigate an MGF violation reported by a Market Maker who suspects a potential MGF violation has taken place.
2. Market Makers must report suspected violations in a timely manner. Generally, any specific trades that are determined to be part of an MGF violation and that occurred within 1 hour of being reported may be eligible for cancellation, Exceptions will be assessed on an individual basis and are subject to approval by a Senior Market Operations official.
3. If an MGF violation has been found to have occurred as per Policy 4-802(1)(a)(iii) — MGF Ineligible Orders, the TSX may cancel the specific trade(s) in violation. For clarity, multiple MGF fills resulting from incidental retail orders from a single client spread out over the course of a day would not be considered MGF Ineligible Orders under Policy 4-802(1)(a)(iii). Notwithstanding the above, the Exchange may cancel any trades deemed to be improper use of the MGF facility, or take such other action as the Exchange considers appropriate in the circumstances.
4. TMX Equity Trading Operations will provide IIROC with advance notification of any trades that it is seeking to cancel as a result of these guidelines.
5. The Participant who committed the MGF Violation will be charged a fee per investigation, where it has been determined that a MGF-Violation has occurred and the trade is cancelled.
6. All of the above guidelines also apply to Odd Lot violations outlined in Policy 4-802(4).

Please direct any questions to TMX Equity Trading Operations at 416-947-4357.