



ITG's Policy for NYSE Extreme Market Volatility

Although ITG Inc. is not a member of the NYSE, the policies of the exchange may have adverse impact upon ITG or its customers. Consequently, it would be prudent that ITG monitor any such changes in NYSE market practices that could impact either ITG or its customers.

On October 3, 2008, the NYSE announced temporary amendments to NYSE Rule 48 to invoke Extreme Market Volatility condition at the close of trading. This condition will have effect certain NYSE Rules, including hours of operation. These rule changes are in effect through December 31, 2008.

Entering Offsetting interest after 4:00pm

To ensure a fair and orderly close during an extreme market volatility condition, the Exchange may temporarily suspend the 4:00 p.m. close so that interest may be solicited – including interest that may not have been present prior to 4:00 p.m. – to offset any imbalance that may exist as of 4:00 p.m. (or earlier, in the case of an earlier scheduled close). If offsetting interest is received in response to such solicitation, rather than have the specialist represent such offsetting interest in the close under NYSE Rule 902 procedures, such interest could be entered directly into Exchange systems on behalf of the member or member organization representing such interest. Because Exchange systems do not allow for the electronic entry of orders after 4:00 p.m., such interest must be represented manually by a Floor broker in the closing auction process and entered into Exchange systems by the specialist by no later than 4:30 p.m. The entry of any orders after 4:00 p.m. pursuant to the proposed rule must be under the supervision and approval of a Floor Governor.

Any offsetting interest entered after 4:00 p.m. during an extreme market volatility condition must also be entered into the Front End Systemic Capture database (“FESC”), as required by NYSE Rule 123. Because such interest may not have been known until after 4:00 p.m., a Floor broker may represent such offsetting interest after 4:00 p.m. without first entering the details of the order into FESC, as required by NYSE Rule 123, so long as such orders are entered into FESC on an “as of” basis immediately following execution of the order.

Canceling MOC orders after 3:50

NYSE Rules 123C(1) and (2) require that MOC and LOC orders that are legitimate errors cannot be cancelled or reduced after 3:50 p.m. As amended, Rule 48 permits such orders to be cancelled or reduced after 3:50 p.m. during an extreme market volatility condition at the close. Only an erroneous MOC or LOC that would cause significant price dislocation in the close could be considered for cancellation or reduction. In other words, an MOC or LOC order that is a legitimate error that would have no impact on the closing price could not take advantage of the proposed temporary suspension, even in an extreme market volatility condition. If it is determined that such an MOC/LOC legitimate error would dislocate the close, such order can be cancelled or reduced at any time up until that particular security has closed. To ensure that the ability to cancel an MOC or LOC order after 3:50 is not abused, such an order can be cancelled or reduced only with the supervision and approval of both an Executive Floor Governor and a qualified Exchange officer. In the event an Executive Floor Governor is not available, a Floor Governor’s approval must be obtained.

For your convenience, we are providing NYSE and NASDAQ circuit breakers links:

[http://apps.nyse.com/commdata/PubInfoMemos.nsf/AllPublishedInfoMemosNyseCom/85256FCB005E19E8852574D700673667/\\$FILE/Microsoft%20Word%20-%20Document%20in%2008-48.pdf](http://apps.nyse.com/commdata/PubInfoMemos.nsf/AllPublishedInfoMemosNyseCom/85256FCB005E19E8852574D700673667/$FILE/Microsoft%20Word%20-%20Document%20in%2008-48.pdf)

Please contact your Account Executive with any questions concerning this Policy.