

ITG's Policy Regarding Circuit Breaker Halts

NYSE/NASDAQ CIRCUIT BREAKERS¹

Please note that neither Nasdaq nor the NYSE automatically cancel market orders it receives prior to a halt.

ITG'S POLICIES REGARDING CIRCUIT BREAKER TRADING HALTS

Treatment of DMA Orders

If either the NYSE or Nasdaq implements a circuit breaker halt, to the extent possible, ITG will cancel all orders or portions of orders that are outstanding with the exchange that implemented a halt on trading. In such case, ITG will endeavor to notify Customers of any such halts via normal communication processes. However, ITG's failure to notify any Customer of a halt will have no effect upon the process described herein. Please be aware that ITG will cancel such Customer orders even if at the time of the halt a symbol is still trading on any venue.

After a halt, Customers will then have to resubmit any DMA orders prior to the point in time in which trading will resume on that market. Cancel amounts or executed portions of orders sent to an exchange may not be fully known at the time of the halt notice.

¹ In response to market collapse of 1987, the NYSE implemented circuit breakers to reduce volatility and promote investor confidence. By implementing a pause in trading, investors are given time to assimilate incoming information and the ability to make informed choices during periods of high market volatility. In the age of algorithms, smart routers, and program trading, the implementation of pauses in trading to allow for a recovery seems more essential.

The Nasdaq follows a similar criterion as the NYSE in regards to circuit breaker halts. A Nasdaq halt would also include non-Nasdaq stocks. The trigger levels for a market-wide trading halt were set at 10%, 20% and 30% of the DJIA, calculated at the beginning of each calendar quarter, using the average closing value of the DJIA for the prior month, thereby establishing specific point values for the quarter. Each trigger value is rounded to the nearest 50 points.

A halt for a 10% decline would be one hour if it occurred before 2 p.m., and for 30 minutes if it occurred between 2 and 2:30, but would not halt trading at all after 2:30. The halt for a 20% decline would be two hours if it occurred before 1 p.m., and between 1 p.m. and 2 p.m. for one hour, and close the market for the rest of the day after 2 p.m. If the market declined by 30%, at any time, trading would be halted for the remainder of the day.

Upon resumption of trading after a halt on the NASDAQ, there will be no pre-opening process and upon resumption of trading after a halt on the NYSE, a normal pre-opening process will be conducted. Upon resumption of trading on NASDAQ and the NYSE, non-NASDAQ securities will also resume trading.



Treatment of Router and Algorithms Orders

Similar to the process above, if either the NYSE or Nasdaq implements a circuit breaker halt, to the extent possible, ITG will cancel all Customer orders or portions of orders that are outstanding in halted markets. ITG will also cancel, to the extent possible, unexecuted portions of orders still in our algorithms and routers. As mentioned above, ITG will endeavor to notify Customers of any such halts via normal communication processes. However, as stated above, ITG's failure to notify any Customer of a halt will have no effect upon the process described herein. Cancel amounts or executed portions of orders may not be fully known at the time of the halt notice.

After a halt, Customers will then have to resubmit any orders prior to the point in time in which trading will resume on particular markets.

Note on treatment on ITG NetSM Orders

ITG Net is an Investment Technology Group Inc. global trade routing network. As a routing system it merely connects ITG Net Customers with various brokerage firms. ITG has no role in either the receipt or execution of orders that simply go through ITG Net. Consequently, Customers of ITG Net are advised to inquire with the various brokers who receive their orders as to their respective policies in connections with circuit breaker trade halts.

Please visit our website <http://www.itg.com> for further information regarding our process concerning this matter.

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

http://www.nyse.com/press/circuit_breakers.html
<http://www.nasdaqtrader.com/Trader.aspx?id=CircuitBreaker>