

EQUITIES TRADING NOTICE

TSX Equities to Make Further Fee Reductions

We are pleased to announce further fee changes pursuant to our commitment to contribute towards the reduction of maker-taker fees across the Canadian equities markets until optimal levels have been reached. These changes will be implemented on June 1, 2016, subject to regulatory approval.

The first phase of our planned reductions was implemented on June 1, 2015.¹ With the assistance of the Market Impact Measurement Working Group, we reviewed various market quality metrics to assess the impact of the first phase. Our review did not provide any clear indications of negative impact to market quality,² and has contributed to our decision to continue with further reductions.

Further reductions of maker-taker fees

At this time, we are planning to reduce the per share active fees and passive rebates for continuous trading on TSX for high-priced³ interlisted securities⁴ to \$0.0027 active / (\$0.0023) passive, representing a 10% and 11.5% reduction, respectively.

We contemplated making further reductions to the continuous trading fees on TSX and TSXV for ETFs and high-priced non-interlisted equities in fulfilment of our commitment to reduce maker-taker fees. However, the recent proposal by the Canadian Securities Administrators (CSA) to implement fee caps at reduced levels, which are directionally aligned with our own fee reduction program, defer the need for us to initiate further substantive reductions at this time.⁵

In the interim, we note that our fee and rebate levels for ETFs and high-priced non-interlisted equities are already amongst the lowest as compared to other Canadian make-take trading venues. Once our planned reduction to interlisted fees is implemented, we estimate that this

¹ See Equities Trading Notices [2015-009](#) and [2015-014](#) for details on the first phase fee reductions.

² See Equities Trading Notice [2016-001](#) and the related [impact report](#).

³ High-priced refers to securities priced \$1 and over.

⁴ The list of interlisted securities for the purposes of the TSX Fee Schedule is available at http://www.tsx.com/files/TSX_Interlisted_for_Billing.csv.

⁵ The CSA has recently [published for comment](#) a proposal to impose a lower active fee cap of \$0.0017 for non-interlisted equities.

will result in an effective active fee of just under \$0.0025 per share on TSX for high-priced TSX-listed equities and ETFs.⁶

Other fee changes

Other changes are being made to reduce fees for participants, to simplify and clarify the existing fee schedule and to conform with the recently approved CSA fee caps where necessary.

Auto-executed odd lots (TSX, TSXV, TSX Alpha)

Fees for auto-executed odd lots on TSX, TSXV and TSX Alpha will be reduced by 50% to \$0.0005/share for high-priced securities and \$0.00025/share for low-priced securities.⁷

Rights, warrants and exchangeables (TSX)

The current fee models applicable to the trading of TSX-listed rights, warrants and exchangeables will be eliminated, and standard equities trading fees will apply. This will simplify the fee schedule and result in the harmonization of fee treatment for these security classes across all Canadian markets. We expect this to deliver a net savings to participants of approximately 10% for trading in these security classes.

Minimum Guaranteed Fill (MGF) facility (TSX)

MGF fees for low-priced securities will be reduced to \$0.0004/share. This represents a 60% reduction in MGF fees for low-priced securities and will better align these fees with the industry-leading low active fee levels charged by TSX for continuous trading in low-priced securities.

NEX securities (TSXV)

Fees for trades in NEX securities will be reduced to \$0.0004/share and the minimum fee per trade will be discontinued. The fee cap for trades in NEX securities will be maintained at the same rate to protect participants from upside fee risk on these traditionally low value securities. We estimate that this will result in a 20% decrease in fees for participants on their NEX trades.

A comparative summary of all fee changes is included in the below appendix. Fee schedules effective June 1, 2016 are available on our website for each of [TSX](#), [TSXV](#) and [TSX Alpha](#).

For more information regarding this announcement, please contact the Account Management Team.

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⁶ For continuous trading, and based on the estimated proportion of market-wide continuous trading volumes in ETFs, and high-priced interlisted and non-interlisted equities.

⁷ TSXV per share auto-executed odd lot fees for securities under \$1 will remain unchanged at \$0.000025 for securities priced under \$0.10 and \$0.000075/share for securities priced between \$0.10 and \$1.

APPENDIX - FEE CHANGE SUMMARY

TSX FEE CHANGES

	<u>Current</u>		<u>Effective June 1, 2016</u>	
	<u>Active</u>	<u>Passive</u>	<u>Active</u>	<u>Passive</u>
Continuous trading - High-priced securities (\$1 and over) <i>Displayed volume interaction - Interlisted equities</i>	\$0.0030	(\$0.0026)	\$0.0027	(\$0.0023)
	<u>Current</u>		<u>Effective June 1, 2016</u>	
Rights/Warrants	<i>Removing liquidity</i> - charged 1/40th of 1% of the value traded up to a maximum of \$50 / trade / side, minimum charge \$0.50 / trade / side <i>Providing liquidity</i> - no charge		Rights/warrants subject to standard rates applicable to equities.	
Exchangeables	\$2 flat fee / trade /side (including intentional crosses)		Exchangeables subject to standard rates applicable to equities.	
	<u>Current</u>		<u>Effective June 1, 2016</u>	
<u>Special facilities</u>	<u>Active</u>		<u>Active</u>	
Active fee for minimum guaranteed fill (MGF) facility:				
Price <\$1	\$0.0010		\$0.0004	
Price >=\$1	\$0.0030		\$0.0030	
Active fee for auto-execution of odd lots (equities & ETFs)				
Price <\$1	\$0.0005		\$0.00025	
Price >=\$1	\$0.0010		\$0.0005	
	<u>Current</u>		<u>Effective June 1, 2016</u>	
<u>TSX Market Maker fees</u>	<u>Active</u>		<u>Active</u>	
Continuous trading fees in assigned securities				
Interlisted equities (\$1 and over)	\$0.0030	(\$0.0030)	\$0.0027	(\$0.0030)
Passive rebates applicable to auto-execution of odd lots				
Equities - Price <\$1		(\$0.0003)		\$0.0000
Equities and ETFs - Price >=\$1		(\$0.0006)		\$0.0000
	<u>Current</u>		<u>Effective June 1, 2016</u>	
Rights/Warrants (for assigned symbols)	Fees waived		Subject to Market Maker rates applicable for assigned equities	
Exchangeables (for assigned symbols)	Fees waived		Subject to Market Maker rates applicable for assigned equities	

TSX VENTURE FEE CHANGES

	Current	Effective June 1, 2016
NEX trades	\$0.0005 / share / side Minimum: \$3 / trade / side Maximum: \$50 / trade / side	\$0.0004 / share / side Maximum: \$50 / trade / side
Special facilities		
Active fee for auto-execution of odd lots Equities & debentures (\$1 and over)	Current Active	Effective June 1, 2016 Active
	\$0.0010	\$0.0005
TSX Venture Odd Lot Dealer fees		
Passive rebates applicable to auto-execution of odd lots Equities & debentures (Under \$1) Equities & debentures (\$1 and over)	Current Passive	Effective June 1, 2016 Passive
	(\$0.00005) (\$0.0006)	\$0.0000 \$0.0000

TSX ALPHA FEE CHANGES

	Current Active	Effective June 1, 2016 Active
Special facilities		
Active fee for auto-execution of odd lots (equities & ETFs)		
Price <\$1	\$0.0005	\$0.00025
Price >=\$1	\$0.0010	\$0.0005

