

# Notice to Participating Organizations and Members

January 27, 2011

2011-005

## EQUITY TRADING FEE CHANGE NOTICE

TMX Group Inc. is pleased to announce adjustments to its Equity Trading Fee Schedule, effective March 1, 2011, subject to regulatory approval. The two fee changes, which were made in response to customer feedback, will provide cost savings for high volume users of the Market on Open (MOO) on Toronto Stock Exchange (TSX) and TSX Venture Exchange (TSXV), and will promote increased liquidity on the exchanges by paying out to Participating Organizations and Members net trading credits generated from Continuous Market Trading.

### Market on Open Fee Cap

A firm-level monthly fee cap of \$100,000 on all TSX Market on Open trades and \$55,000 on all TSXV Market on Open trades is being introduced. The introduction of the fee cap will benefit top contributors to the Market on Open facility, is designed to encourage liquidity placement in the opening, and will support the high quality and valuable price formation function of the TSX and TSXV opening auctions. With approximately 98% of the Market on Open activity in Canada, TSX and TSXV are the central points of price discovery for the opening and provide the reference opening prices throughout the industry.

### Paying Out Net Trading Credits

If a Participating Organization or Member generates a firm-wide net credit on its transaction fee invoice as a result of Post-open Continuous Market trading on TSX and TSXV, the net credit will be paid out to the firm.

Please refer to the attached Equity Trading Fee Schedule which reflects all changes effective March 1, 2011. Please contact your TMX account manager with any questions.

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### About TMX Group (TSX-X)

TMX Group's key subsidiaries operate cash and derivative markets for multiple asset classes including equities, fixed income and energy. Toronto Stock Exchange, TSX Venture Exchange, Montreal Exchange, Natural Gas Exchange, Shorcan, Equicom and other TMX Group companies provide trading markets, clearing facilities, data products and other services to the global financial community who access Canada's capital markets. TMX Group is headquartered in Toronto with offices in Montreal, Calgary and Vancouver. For more information about TMX Group, visit our website at [www.tmx.com](http://www.tmx.com).

## EQUITY TRADING FEE SCHEDULE

**Effective March 1, 2011**

### One Time Set-Up Fees for New Participating Organizations and Members

<b>Toronto Stock Exchange</b>	<b>Fee</b>
<b>Application Fee:</b>	\$5,000
<b>Registration Fee (trading applicant):</b>	\$60,000
\$45,000 of the registration fee will be applied as a credit towards the first year's trading fees	
<b>Registration Fee (non-trading applicant):</b>	\$15,000
\$45,000 will be applied as a trading registration upgrade fee with the trading activation of a PO number	
\$45,000 of the registration fee will be applied as a credit towards the first year's trading fees	
<b>TSX Venture Exchange</b>	<b>Fee</b>
<b>Application Fee:</b>	\$1,000
<b>Registration Fee (trading applicant):</b>	\$30,000
\$22,500 of the registration fee will be applied as a credit towards the first year's trading fees	
<b>Registration Fee (non-trading applicant):</b>	\$7,500
\$22,500 will be applied as a trading registration upgrade fee with the trading activation of a PO number	
\$22,500 of the registration fee will be applied as a credit towards the first year's trading fees	

### Trading Fees (volume-based, except as otherwise stated)

<b>Toronto Stock Exchange</b>	<b>Fee</b>
<b>Basic Fee:</b>	\$1,500 per month per participating organization
<b>Opening Trades:</b>	\$0.0030 / share / side up to a maximum of \$30 per side <b>Opening fees are capped monthly at \$100,000 per firm</b>
<b>Must Be Filled (MBF):</b>	\$0.003 / share / side up to a maximum of \$90 per side
<b>Market on Close (MOC):</b>	\$0.003 / share / side up to a maximum of \$30 per side
<b>Extended Trading:</b>	\$0.001 / share / side
<b>Market Makers:</b>	Applies to symbols of responsibility
High Priced Equities	Charge \$0.0033 per active share Credit \$0.0033 per passive share
Low Priced Equities	Charge \$0.0003 per active share Credit \$0.0003 per passive share
	Fees waived for Opening trades MOC and Extended Trading billed at the normal rate for each product Net Market Maker credits will be applied to offset the firm's other trading charges and any residual credit will be rebated back to the firm Net Market Maker charges under the active/passive schedule will be capped at \$0.00 per symbol, up to a maximum of \$20,000 per symbol
	ETF Market Makers will be credited an additional \$0.001 per passive share (for equities over \$1) to help offset trading fees incurred from active ETF hedging activities
<b>Minimum Guaranteed Fill (MGF) Cancellations:</b>	\$100 per cancellation Attributed to the participant responsible for causing an MGF trade to be cancelled
<b>MGF and Odd Lot Fill:</b>	\$0.0039 per share for High Priced Equities \$0.0010 per share for Low Priced Equities

Applies to trades executed against the Market Maker guaranteed fill service

**Special Settlement Terms:** \$0.001 / share / side up to a maximum of \$100 per side

The following TSX security categories are excluded from the calculation of post-open continuous market fees, and are billed as follows:

**Rights/Warrants:** Active side - charged 1/40<sup>th</sup> of 1% of the value traded up to a maximum of \$50 / trade, minimum charge \$0.50 / trade  
Passive side - no charge  
Intentional crosses and opening trades - charged 1/80<sup>th</sup> of 1% of the value / side up to a maximum of \$50 / trade

**Notes/Debentures:** \$0.10 per \$1000 par value / side

**Exchangeables:** Each trade (including intentional crosses) charged a flat fee of \$2/ side

TSX Venture Exchange	Fee
<b>Basic Fee:</b>	\$750 per month per member
<b>Opening Trades:</b>	\$0.0012 / share / side up to a maximum of \$60 per side <b>Opening fees are capped monthly at \$55,000 per firm</b>

#### Toronto Stock Exchange and TSX Venture Exchange Post-Open Continuous Market Fees

##### Low Priced Equity Fee:

Post-Open Continuous Market Trades for all TSX/TSXV equities where the trade price per-share is under \$1:

Charge \$0.0003 per active share<sup>1</sup>  
Credit \$0.0001 per passive share<sup>1</sup>

<sup>1</sup>Applies to standard **continuously traded** active and passive shares only.

##### High Priced Equity Fee:

Post-Open Continuous Market Trades for all TSX/TSXV equities where the trade price per-share is \$1 or over:

Fees to Take Liquidity <sup>2</sup>	Fee / Share
Monthly active volume: $X \leq 250\text{MM}$ shares <sup>3</sup>	\$0.0035
Monthly active volume: $X > 250\text{MM}$ shares	\$0.0034
Monthly active volume: $X > 250\text{MM}$ shares <sup>4</sup>	\$0.0033

<sup>2</sup> Applies to active shares only.

<sup>3</sup> Volume thresholds are based on volume activity billed as post-open continuous market trades.

<sup>4</sup> TMX Customer Reward Tier rate applies only when all Rewards Program Qualification Criteria are met

Liquidity Provider Credit <sup>5</sup>	Credit / Share
Monthly passive volume: $X \leq 250\text{MM}$ shares <sup>6</sup>	\$0.0031
Monthly passive volume: $X > 250\text{MM}$ shares	\$0.0031
Monthly passive volume: $X > 250\text{MM}$ shares <sup>7</sup>	\$0.0032

<sup>5</sup> Applies to passive shares only

<sup>6</sup> Volume thresholds are based on volume activity billed as post-open continuous market trades.

<sup>7</sup> TMX Customer Reward Tier rate applies only when all Rewards Program Qualification Criteria are met

#### TMX Customer's Rewards Program Qualification Criteria

- A minimum of 80% of all executed volume across all Canadian marketplaces must be on TMX.
- Qualification for this reward tier is based on meeting the trading threshold for a preceding 6 month period. The discount for the customer reward tier rates will be calculated and accumulated monthly and paid initially after the first six month period, and thereafter will be paid monthly subject to continuing qualification.

- Orders marked Jitney are not volume activity billed as post-open continuous market trades, and are billed at the base rate.

- Where liquidity is provided by the undisclosed portion of an iceberg during the post-open continuous market the credit is capped at a credit of \$0.0002 per share for equities where the trade price per-share is \$1 or over, or capped at \$0.000 for equities where the trade price per-share is under \$1, for such undisclosed volume.
- Undisclosed iceberg volume and Jitney volume are not included in the determination of the volume thresholds for post-open continuous market trades.
- A **firm-wide** net post-open continuous market credit will **first** be applied to offset the firm's other trading charges. **Any remaining net credit will be paid out to the firm.**

<b>Cross Printing Facility:</b>	<b>FREE</b> Unintentional crosses are billed according to post-open continuous market fees
<b>Specialty Crosses:</b>	<b>FREE</b> Basis, VWAP, Contingent, Special Trading Session, Internal crosses charged.

<b>NEX</b>	<b>Fee</b>
<b>Trades</b>	\$0.0005 / share / side \$3.00 per side minimum / \$50 per side maximum

#### **TSX Venture Exchange Listing Incentive Program**

For details on the TSX Venture Exchange Listing Incentive Program refer to '[Notice to Participating Organizations & Members](#)' #2008-011.

#### **Toronto Stock Exchange's Electronic Liquidity Provider (ELP) Program**

Post-Open Continuous Market Trades for all TSX equities specified by TSX for pre-approved qualifying ELPs where the trade price per-share is \$1 or over:

Charge \$0.0033 per active share<sup>8</sup>  
Credit \$0.0032 per passive share<sup>8</sup>

<sup>8</sup>Applies to standard **continuously traded** active and passive shares only. Volume based on activity generated by the ELP as standard post-open continuous market trades.

Each individual ELP within a Participating Organization or its direct market access customer must be pre-qualified based on its proven experience in conducting high-frequency electronic trading. Once pre-qualified, each direct market access customer of a Participating Organization that undertakes proprietary trading or proprietary traders within a Participating Organization may be assigned a unique ELP-eligible Trader ID. The above ELP rates will apply individually to each pre-qualified ELP that has traded ELP-eligible securities at least 65% passively with a minimum daily average of 500,000 passive shares within 25 or more ELP-eligible equities in a month. Participation in the ELP program is subject to an ELP subscriber agreement.

#### **Other Fees**

<b>Product</b>	<b>TSX</b>	<b>TSXV</b>	<b>TSX and TSXV</b>
Connectivity (LANX)			No Charge <sup>9</sup>
New STAMP / FIX certification			\$3,000
Session bundle set-up			\$500 per bundle
Broadcast Feeds (TBF / CBF):			
Participating Organization/Member <sup>9</sup>	\$9,000 per month	\$6,000 per month	\$12,500 per month
Vendor	\$10,000 per month	\$6,500 per month	\$14,500 per month
Additional broadcast feeds <sup>10</sup>			\$600 per port
Base amount for weekend tests			\$2,500 per test
GTE only			\$2,000 per month

<sup>9</sup> Vendor and participating organization/member are responsible for carrier communications costs  
<sup>10</sup> For standard 2 port set-up, limit 2 connections per port

All fees are in Canadian dollars and are subject to applicable taxes.