

# Membership & Trading Fee Schedule

February 1, 2019

## ► 1. Introduction

All fees in this document are in Canadian dollars and are based on total number of shares traded per month, unless otherwise specified. Capitalized words and phrases used but not defined in this document have the respective meanings given to them in the NEO Exchange Member Agreement and NEO Exchange Trading Policies.

All fees in this document are governed by the NEO Exchange Member Agreement.

This document provides information about all fees applicable to trading on NEO Exchange. The fees in this document apply to all Members and do not include connectivity fees (governed by the NEO Exchange Connectivity Services Agreement) or market data fees (governed by the NEO Exchange Data Agreement), which may or may not apply depending on the specific Member's setup.

## ► 2. Membership Fees

All Members are subject to membership fees outlined in the table below. At the time of application, there are two options available to choose from. After the application process is complete, the Member may not switch between membership fee options for a period of 2 years. Upon the expiry of the initial 2-year period, Members may switch between the options.<sup>1</sup>

	<b>APPLICATION FEE (ONE TIME CHARGE)</b>	<b>MONTHLY MEMBERSHIP FEE</b>	
Option 1	\$2,000	\$1,000	Each month Member pays the monthly membership fee, plus any trading fees accumulated for that month.
Option 2	\$4,000	\$2,000 (minimum)	Each month Member pays either: (a) the monthly minimum fee (comprising the total accumulated trading fees and the remainder in membership fees) <sup>2</sup> , or (b) no monthly membership fee, if the Member's total accumulated trading fees for that month meet or exceed the minimum monthly fee.

<sup>1</sup> Members may switch upon 90 days' written notice to NEO Exchange.

<sup>2</sup> For the avoidance of doubt, if the accumulated trading fees for the month do not meet or exceed the minimum monthly fee in Option B, the Member will only pay a membership fee such that, when combined with the trading fees, the total equals the minimum fee.

▶ **3. Trading Fees**

**TRADING ON NEO-L**

Subject to the election set out below, NEO-L follows a make-take fee model where passive orders receive a rebate and active orders pay a fee except during the opening call. In the event of an unintentional cross (i.e. a trade that occurs with the same Member on both sides of the trade) the passive order receives a higher rebate.

In the event of a re-opening auction following a trading halt during continuous trading, the fees for opening or closing trades, as listed below, will apply.

Odd lot trades are not subject to any fees, including the odd lot portion of mixed lot orders.

*Flat Fee Election*

The NEO Exchange offers Members the option to request that a flat fee of \$10 per side be applied, instead of the regular fee schedule, to any specific NEO-L trade that occurred earlier that day. The request has to be made prior to the end of continuous trading and the other party to the trade must confirm that it agrees to have the fee changed.

**OPENING OR CLOSING CALL – NEO EXCHANGE LISTED SECURITIES**

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Opening or Closing Trade      \$0.0005 per share per side

**CONTINUOUS TRADING SESSION – ALL SECURITIES (EXCLUDING NOTES AND DEBENTURES)**

	<b>SECURITIES \$1 OR OVER</b>	<b>SECURITIES BELOW \$1</b>	<b>INTERLISTED SECURITIES</b>	<b>ETFs</b>
Active Fee	\$0.0012	\$0.0004	\$0.0025	\$0.0014
Passive Rebate	\$0.0008	\$0.0002	\$0.0021	\$0.0010

Notes:

- There is no cost to the dealer for unintentional crosses.
- The list of interlisted securities posted by the applicable listing exchange will be used for the purposes of the above fees.

**CONTINUOUS TRADING SESSION – NOTES AND DEBENTURES**

**PER \$1000 PAR VALUE**

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Active Fee	\$0.095
Passive Rebate	\$0.090

**TRADING IN NEO-N**

The fee model in NEO-N is a take-make fee model, where the passive side of the order pays a fee and the active side receives a rebate.

***Flat Fee Election***

The NEO Exchange offers Members the option to request that a flat fee of \$10 per side be applied, instead of the regular fee schedule, to any specific NEO-N trade that occurred earlier that day. The request has to be made prior to the end of continuous trading and the other party to the trade must confirm that it agrees to have the fee changed.

**CONTINUOUS TRADING SESSION – ALL SECURITIES (EXCLUDING NOTES AND DEBENTURES)**

	<b>SECURITIES \$1 OR OVER</b>	<b>SECURITIES BELOW \$1</b>
Active Rebate	\$0.0020	\$0.0003
Passive Fee	\$0.0023	\$0.0005

Notes:

- For mid-point trades, the passive side of the trade is charged a fee of \$0.0003/share and the active side is free, except for mid-point trades that are unintentional crosses.
- There is no cost to the dealer for unintentional crosses.

**CONTINUOUS TRADING SESSION – NOTES AND DEBENTURES**

	<b>PER \$1000 PAR VALUE</b>
Active Fee	\$0.0500
Passive Rebate	\$0.0000

**TRADING IN NEO-D**

The fee model in NEO-D follows a variation of the take-make fee model, where passive orders pay a fee and active (IOC/FOK) orders receive a rebate, to the maximum amounts as set out in the Notes section below.

**CONTINUOUS TRADING SESSION – ALL SECURITIES (EXCLUDING NOTES AND DEBENTURES)**

	<b>SECURITIES \$5.00 OR OVER</b>	<b>SECURITIES \$1.00 - \$4.99</b>	<b>SECURITIES BELOW \$1.00</b>	<b>ETFS</b>
Active Rebate	\$0.0002	\$0.0001	\$0.0000	\$0.0000
Passive Fee	\$0.0006	\$0.0003	\$0.0001	\$0.0003

**CONTINUOUS TRADING SESSION – NOTES AND DEBENTURES**

<b>PER \$1000 PAR VALUE</b>	
Active Rebate	\$0.0000
Passive Fee	\$0.0200

Notes:

- Active rebates apply to IOC/FOK orders only. All other orders will be considered passive and will be charged the passive fees.
- For securities priced at \$1.00 and above a maximum rebate of \$4.00 for each trade will be paid (to the active side of the trade).
- For securities priced at \$1.00 and above a maximum fee of \$8.00 for each trade will be charged (to the passive side of the trade).
- For securities priced below \$1.00 a maximum fee of \$4.00 for each trade will be charged (to the passive side of the trade).
- There is no cost to the dealer for unintentional crosses.

**PRINTING TRADES IN THE CROSSING FACILITY**

The Crossing Facility is only intended for posting intentional crosses and does not interfere with orders in any of the Trading Books. Printing trades is free of charge, but NEO Exchange will pay a credit on the first 400 million shares crossed each month.

**CONTINUOUS TRADING SESSION – ALL SECURITIES (EXCLUDING NOTES AND DEBENTURES)**

Cross Credit	\$0.0001 per share crossed up to a maximum of \$100/cross and for the first 400 million shares per month. <sup>3</sup> the total cross credit for each member cannot exceed \$10,000/month.
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<sup>3</sup> Counted as total crossed volume in the Crossing Facility across all Members. For notes and debentures per \$1000 par value traded.