



NOTICE TO MEMBERS

No. 2017 - 171

December 18, 2017

LIST OF FEES (EFFECTIVE AS OF JANUARY 1, 2018)

Please find attached the revised List of Fees for the Canadian Derivatives Clearing Corporation (CDCC). The revised fees will become effective on January 1, and will be made available on the CDCC website at www.cdcc.ca as of January 2, 2018.

The amendments to the current List of Fees are as follows:

I. Removal of the minimum clearing fee - per month per membership for fixed income transactions (section 5)

Given that the service has reached a point of maturity and activity where CDCC can dispense with a minimum activity fee, CDCC is removing the \$5,000 monthly minimum clearing fee per membership for fixed income transactions.

II. Maintenance changes

- In section 5, to clarify the clearing fees for fixed income transactions applicable to direct clearing members and to limited clearing members;
- In section 13, to clarify the wording surrounding tender fees.

If you have any questions or concerns, please contact CDCC's Corporate Operations department or direct your e-mail inquiries to cdcc-ops@cdcc.ca.

Glenn Goucher
President and Chief Clearing Officer



List of Fees

**Effective as of
January 1st, 2018**

CANADIAN DERIVATIVES CLEARING CORPORATION FEES

1. Clearing fees per contract, per side - Options and Futures

Fees

| | | | |
|-----|---|----|-----------|
| 1.1 | Client (All - except Share Futures when transaction size \geq 100 contracts) | \$ | 0.20 |
| 1.2 | Clearing Member (All - except Share Futures when transaction size \geq 100 contracts) | \$ | 0.10 |
| 1.3 | Market maker - options only | \$ | 0.10 |
| 1.4 | Volume rebate program participant * | \$ | 0.10 |
| 1.5 | Minimum clearing fee - per month | \$ | 500 |
| 1.6 | Share Futures (Client and Clearing Members - when transaction size \geq 100 contracts) The clearing fee per contract, per side will be calculated according to the following formula (rounded to two decimals): $0.00008 \times (\text{Maturity date} - \text{Trade date}) / 365 \times \text{Trade price} \times \text{Contract multiplier}$ Where: Maturity date = Maturity date of the Share Futures contract Trade date = Date on which the trade is executed Trade price = Price at which the Share Futures contract is traded Contract multiplier = Number of shares underlying each Share Futures contract | | see below |

* An aggregate of at least 5,000 contracts on any MX listed product must be traded during the calendar month in order to be eligible for reduced fees.

2. Fee cap on Clearing Member fees

Fee cap program is applicable on cross transactions and pre-arranged transactions in zero-second exceeding the thresholds specified below, per leg, per Clearing Member.

| Contract | Size per trade | Clearing fees |
|-----------------------------------|--------------------|-------------------------------|
| Equity / Options * | 5,000 + contracts | \$ 0.10 cap at \$ 500 / leg |
| ETF / Options * | | |
| S&P/TSX 60 Index options (SXO) ** | 1,000 + contracts | \$ 0.10 cap at \$ 100 / leg |
| Index / Options (Except SXO) ** | 10,000 + contracts | \$ 0.10 cap at \$ 1,000 / leg |
| Currency / Options ** | | |

* The Bourse will bundle multi-leg strategies and cap the fees at 5,000 contracts under the following conditions: At least one leg of the strategy is \geq 5,000 contracts; the whole strategy is executed within 15 minutes; the approved participant informs the Bourse of the strategy on which fees should be capped before the end of calendar month during which the strategy is executed by sending a request at optionsbundling@m-x.ca. The request must contain all information prescribed in this form (http://www.m-x.ca/f_publications_en/ap_options_bundling_request_form_en.pdf), whether by directly filling the form or by using any other readable format.

** Fee cap is applicable on an individual transaction basis, not on aggregate basis.

3. Fee cap on Client fees

Fee cap program is applicable on cross transactions and pre-arranged transactions in zero-second exceeding the thresholds specified below, per leg, per Client.

| Contract | Size per trade | Clearing fees |
|-----------------------------------|--------------------|-------------------------------|
| Equity / Options * | 5,000 + contracts | \$ 0.20 cap at \$ 1,000 / leg |
| ETF / Options * | | |
| S&P/TSX 60 Index options (SXO) ** | 1,000 + contracts | \$ 0.20 cap at \$ 200 / leg |
| Index / Options (Except SXO) ** | 10,000 + contracts | \$ 0.20 cap at \$ 2,000 / leg |
| Currency / Options ** | | |

* The Bourse will bundle multi-leg strategies and cap the fees at 5,000 contracts under the following conditions: At least one leg of the strategy is \geq 5,000 contracts; the whole strategy is executed within 15 minutes; the approved participant informs the Bourse of the strategy on which fees should be capped before the end of calendar month during which the strategy is executed by sending a request at optionsbundling@m-x.ca. The request must contain all information prescribed in this form (http://www.m-x.ca/f_publications_en/ap_options_bundling_request_form_en.pdf), whether by directly filling the form or by using any other readable format.

** Fee cap is applicable on an individual transaction basis, not on aggregate basis.

CANADIAN DERIVATIVES CLEARING CORPORATION FEES

4. Rebate program applicable on Clearing Members' clients transactions below 100 contracts.

| Contract | | | | Tiers (in million of contracts annually) | Rebate |
|------------------|-----------------|--------------------|---------------|--|--------|
| Equity / Options | Index / Options | Currency / Options | ETF / Options | From 0 to 1.5 | 0% |
| | | | | From 1.5 + to 3.0 | 30% |
| | | | | Above 3.0 | 40% |

| Resulting clearing fees | |
|-------------------------|------|
| \$ | 0.20 |
| \$ | 0.14 |
| \$ | 0.12 |

5. Clearing fees, per day - Fixed Income Transactions (Tenor of Original Trade Submitted)

| | |
|-----|---|
| 5.1 | 1-3 days - Repurchase Transactions |
| 5.2 | 4-7 days - Repurchase Transactions |
| 5.3 | 8 days or greater - Repurchase Transactions |
| 5.4 | Minimum clearing fee - per month per membership |

| Direct clearing member | Client-Limited clearing member |
|------------------------|--------------------------------|
| 0.007% (or 0.7 bps) | 0.00175% (or 0.175 bps) |
| 0.004% (or 0.4 bps) | 0.001% (or 0.1 bps) |
| 0.003% (or 0.3 bps) | 0.00075% (or 0.075 bps) |
| \$ | 5,000 |

6. Fixed Income Transactions Processing Fees

CDCC will be charging the following processing fees for every record received from CDS and for every fixed income position created from a future's tender process into a physical bond delivery/receive. Physical deliveries/receives stemming from a tendered future will be considered as cash transaction(s) for the purpose of the processing fees.

| Repurchase Transactions | Cash Transactions |
|-------------------------|-------------------|
| \$2.50 | \$1.25 |

7. Revenue sharing arrangement

| | |
|-----|---|
| 7.1 | Band 1: Less than \$5M in Fixed Income revenues* |
| 7.2 | Band 2: Between \$5M and \$6,999,999 in Fixed Income revenues* |
| 7.3 | Band 3: Between \$7M and \$12,499,999 in Fixed Income revenues* |
| 7.4 | Band 4: Greater than \$12.5M in Fixed Income revenues* |

| Share of revenue returned to Clearing Members |
|---|
| 0% |
| 20% |
| 30% |
| 50% |

* For the purposes of the revenue sharing arrangement, Fixed Income revenues includes: Fixed income clearing fees, fixed income transaction processing fees, less CDS settlement costs, less costs associated with its Daylight Credit Arrangements (DCA)

8. Clearing fees per contract, per side - Off Exchange ("Converge")

| | |
|-----|-----------------|
| 8.1 | Client |
| 8.2 | Clearing Member |

| | |
|----|------|
| \$ | 0.70 |
| \$ | 0.30 |

9. Fee cap on Off Exchange ("Converge")

| | Size per trade |
|-----|------------------------------------|
| 9.1 | Client 10,000 + contracts |
| 9.2 | Clearing Member 10,000 + contracts |

| Clearing fees |
|-------------------------------|
| \$ 0.70 cap at \$ 7,000 / leg |
| \$ 0.30 cap at \$ 3,000 / leg |

Fee cap is applicable on an individual transaction basis, not on aggregate basis

10. Exercise fees per contract, - "Converge" & Options

| | |
|------|-----------------------------------|
| 10.1 | Client |
| 10.2 | Clearing Member |
| 10.3 | Market maker |
| 10.4 | Volume rebate program participant |

| | |
|----|------|
| \$ | 0.37 |
| \$ | 0.37 |
| \$ | 0.37 |
| \$ | 0.37 |

11. Fee cap on exercise fees - "Converge" & Options

| | Size per trade |
|------|---|
| 11.1 | Client 1,000 + contracts |
| 11.2 | Clearing Member 1,000 + contracts |
| 11.3 | Market maker 1,000 + contracts |
| 11.4 | Volume rebate program participant 1,000 + contracts |

| Exercise fees |
|-----------------------|
| \$ 0.37 cap at \$ 370 |
| \$ 0.37 cap at \$ 370 |
| \$ 0.37 cap at \$ 370 |
| \$ 0.37 cap at \$ 370 |

Fee cap is applicable on an individual transaction basis, not on aggregate basis

CANADIAN DERIVATIVES CLEARING CORPORATION FEES

12. Tender fees per contract - Futures

| | | | |
|------|-----------------------------------|----|------|
| 12.1 | Client | \$ | 0.37 |
| 12.2 | Clearing Member | \$ | 0.37 |
| 12.3 | Volume rebate program participant | \$ | 0.37 |

13. Fee cap on tender fees - Share Futures

| | | | |
|------|-----------------|--|-------------------------|
| | | Size per trade tender operation | Tender fees |
| 13.1 | Client | 250 + contracts | \$ 0.37 cap at \$ 92.50 |
| 13.2 | Clearing Member | 250 + contracts | \$ 0.37 cap at \$ 92.50 |

14. Position transfer fees per contract, per side

| | | | |
|------|-----------------------------------|----|------|
| 14.1 | Client | \$ | 0.05 |
| 14.2 | Clearing Member | \$ | 0.05 |
| 14.3 | Market maker | \$ | 0.05 |
| 14.4 | Volume rebate program participant | \$ | 0.05 |

15. Data service ***

| | | | |
|------|---|----|-------|
| 15.1 | Trade Reconciliation file - per month | \$ | 500 |
| 15.2 | Series Information file - Clearing Member - per month | \$ | 500 |
| 15.3 | Series Information file - Non-Clearing Member - per month | \$ | 900 |
| 15.4 | VPN access - per encryption connection | \$ | 29.95 |
| 15.5 | VPN access - direct access | \$ | 29.95 |
| 15.6 | Online Sub Account Inquiry terminal of a member | | |
| | 15.6.1 Per month - 9 users and less | \$ | 129 |
| | 15.6.2 Per month - 10 users and more | \$ | 99 |

*** Volume discounts are available to Clearing Members only depending on the number of files delivered each month. Monthly fees are as follows: first file - \$500/month, second file - \$450/month and third file - \$400/month, no fee for other files.

16. Authorization Stamps

| | |
|----|----|
| \$ | 60 |
|----|----|

17. Miscellaneous Fees related to Physical Settlement of Securities

CDCC will be recovering from Clearing Members, active in the physical settlement of Fixed Income Transactions and Fixed Income Futures contracts, the costs associated with its Commercial Bank Overnight Liquidity Arrangements (CBOLA). These costs will be payable quarterly, in arrears and will be due on the first business day of the calendar month. The amount payable by each Clearing Member will be based on the pro rata share of CDCC's quarterly CBOLA costs and will be pro rated across all Clearing Members that had net purchasing positions in Fixed Income securities through the CDCC CCP facilities.

The costs of this facility is subject to change as CDCC's credit providers may adjust the cost of this facility from time to time.

TERMS AND CONDITIONS

1. Any billing document (invoice, transaction report, etc.) must be verified without delay. The CDCC must be advised in writing of any error or omission within thirty (30) days following the document date.
2. All taxes, whether local, provincial, state or federal, business, property excise tax, or other governmental taxes will be added, if the case arises, to the above-mentioned fees according to the service offered.