

PRACTICE NOTE 10: TRADING MEMBERSHIP REGULATIONS

TRANSACTION LEVY RATE

**(as prescribed by the Exchange pursuant to the Trading Membership Regulations,
Regulation 11: Effective from 03 January, 2012)**

This Trading Membership Notice replaces the provisions of Practice Note No. 2 in respect of the Transaction Levy. The rate of the Transaction Levy shall henceforth be as follows:

1. Domestic Securities

For the purposes of this paragraph the term "Prescribed Security" means any securities (including both debt and equity securities) issued by a domestic issuer (eg. a local company, the Government, the Corporation of Hamilton and the Bermuda Monetary Authority) and which is listed or approved to be listed on the Exchange.

The rate of the Transaction Levy shall be 0.125% (rounded to the nearest cent) of the amount of the consideration for each purchase or sale of Prescribed Securities, subject to a minimum of one dollar (\$1) on each side. For the avoidance of doubt, the Transaction Levy is payable by both the buying trading member and the selling trading member in respect of a transaction.

2. International Securities

For the purposes of this paragraph the term "Prescribed Security" means any securities which are (including both debt and equity securities) issued by an international issuer (e.g. an exempted company, an overseas company and any other non-Bermudian issuer) and which is listed or approved to be listed on the Exchange.

The rate of the Transaction Levy shall be 0.01% (rounded to the nearest cent) of the amount of the consideration for each purchase or sale of Prescribed Securities, subject to a minimum of five dollars (\$5) on each side and a maximum per trade of fifty dollars (\$50) on each side. For the avoidance of doubt, the Transaction Levy is payable by both the buying trading member and the selling trading member in respect of a transaction.



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3. International Crosses and Basket Trades

For the purposes of this paragraph a "crossing" means a transaction in which one trading member handles both sides of the trade (including, without limitation, transactions in which the trading member is itself either the buyer or the seller). A crossing may include international securities which are not listed or approved for listing on the Exchange.

Every trading member shall pay a Transaction Levy to the Exchange on every crossing on the Exchange of international securities, as follows:

The rate of the Transaction Levy shall be fifty cents (\$0.50) per crossing, subject to a minimum per crossing of five dollars (\$5) and a maximum per crossing of fifty dollars (\$50). For the avoidance of doubt, this Transaction Levy is a single charge per crossing and is not payable by both sides of the crossing. The crossing may comprise a basket of securities which are executed as one transaction for one buyer and one seller. For the purpose of a crossing, a basket may consist of any number of buy and sell orders which constitute one transaction. Where a crossing includes one or more international securities which are listed on the Exchange only this per crossing transaction levy shall apply and not the ad valorem levy payable under paragraph 2 above, which would otherwise have applied.

Practice Notice No. 10 issued by the Exchange on 23 December 2011.