



Direct Edge Billing Procedures

During and After Exchange Transition

As you may know, Direct Edge is in the process of converting its two ECN platforms—EDGA and EDGX—to fully licensed stock exchanges. This conversion will result in some changes to the billing process, both during the conversion and after its completion.

DTCC's Direct Debit Process

The Depository Trust Clearing Corporation (DTCC) offers a product called Direct Debit that allows exchanges to bill their members directly through their clearing account. As an exchange, Direct Edge will be using this process to bill both Section 31 Fees (SEC Fees) and Transaction Fees. Direct Edge will apply these charges to member clearing accounts by the 5th business day of each month. Members will still receive a statement each month showing the details of all charges that were processed.

Section 31 Fees - Mandatory Direct Debit

Consistent with the process of the other large U.S. Equity Exchanges, Section 31 Fees for all members will be billed through the Direct Debit process.

Transaction Fees – Optional Direct Debit

Direct Edge has offered members the ability to have their Transaction Fees debited through the Direct Debit process as well. We encourage all members to use this process and will set Direct Debit as the default payment method.

If you wish to opt out of using Direct Debit, please fill out the form attached to your membership packet that was sent to your primary contact with Direct Edge. If you do not return this form to Direct Edge, your clearing account will be automatically billed for Transaction Fees after the first month Direct Edge begins its Exchange migration. You may opt into or out of this process at any time after the Exchange transition by sending notification to memberservices@directedge.com. Notification must be received before the 15th of the month for it to apply to that month's billing period.

All Transaction Fee invoices that result in a credit due to the member will be cleared during our regular rebate processing. These payments can be either in the form of a check or a wire according to the member's preference.

Invoices generated during the transition period for activity on the ECN platforms cannot be processed through DTCC Direct Debit.

Billing During Exchange Transition Period

Direct Edge expects to begin migrating symbols from the ECNs to the new EDGX and EDGA Exchanges sometime in Q2. During this symbol migration period, you will receive separate statements from each of the four markets that will be running until the transition is completed. The four markets are as follows:

1. Direct Edge EDGX – ECN
2. Direct Edge EDGA – ECN
3. Direct Edge EDGX Exchange
4. Direct Edge EDGA Exchange

Regulatory Sales Fees (Section 31 Fees) will continue to be shown on separate invoices for each market.

After the migration is completed, you will only receive statements from the EDGX and EDGA Exchanges. Please see the FAQ posted in the Next Gen section of our website for more information about the billing process during this transition.