

**TMX GROUP LIMITED**

**ANNUAL  
INFORMATION  
FORM**

**March 27, 2015**

## TABLE OF CONTENTS

	Annual Information Form	Financial Statements <sup>1</sup>	Management's Discussion and Analysis
<b>CORPORATE STRUCTURE .....</b>	<b>1</b>		
Name, Incorporation and Address .....	1		
Intercorporate Relationships .....	1		
<b>GENERAL DEVELOPMENT OF THE BUSINESS .....</b>	<b>1</b>		
Three Year History .....	2		7-27, 45-49
<b>NARRATIVE DESCRIPTION OF THE BUSINESS .....</b>	<b>4</b>		
Our Business Operations .....	4	Note 3	3-6, 11-51, 58-72
Regulatory Matters .....	4		8-11, 21, 28-29, 51-53
Social Policies.....	21		
Risk Factors .....	21		68-97
<b>DESCRIPTION OF SHARE CAPITAL OF TMX GROUP .....</b>	<b>21</b>	<b>Note 21</b>	
Common Shares.....	22		
Preference Shares.....	22		
Restrictions on Ownership of Our Voting Shares .....	22		
Share Ownership Restrictions in Our Articles .....	22		
Minimum Equity Ownership Interest in TMX Group.....	23		
Restrictions on Ownership of Subsidiaries .....	23		
Ratings.....	24		
<b>DIVIDENDS .....</b>	<b>25</b>	<b>Note 27</b>	<b>47-48 and 51-53</b>
<b>MARKET FOR SECURITIES .....</b>	<b>26</b>		
Prior Sales.....	26	Note 12	45
<b>DIRECTORS AND OFFICERS.....</b>	<b>26</b>		
Directors .....	26		
Committees of the TMX Group Board .....	28		
Executive Officers .....	34		
Shareholdings of Directors and Executive Officers .....	34		
Corporate Cease Trade Orders or Bankruptcies.....	35		
Penalties or Sanctions .....	35		
Conflicts of Interest .....	36		
Employees .....	36		
<b>INTEREST OF MANAGEMENT AND OTHERS</b>			
<b>IN MATERIAL TRANSACTIONS .....</b>	<b>36</b>		
<b>TRANSFER AGENT AND REGISTRAR .....</b>	<b>36</b>		
<b>MATERIAL CONTRACTS .....</b>	<b>36</b>		<b>46-48</b>
<b>EXPERTS .....</b>	<b>37</b>		
<b>ADDITIONAL INFORMATION .....</b>	<b>37</b>		
<b>FORWARD-LOOKING INFORMATION.....</b>	<b>38</b>		
<b>TRADE-MARKS.....</b>	<b>39</b>		
<b>APPENDIX A – INTERCORPORATE RELATIONSHIPS .....</b>	<b>A-I</b>		
<b>APPENDIX B – RATINGS AND TRENDS .....</b>	<b>B-I</b>		
<b>APPENDIX C – FINANCE &amp; AUDIT</b>			
<b>COMMITTEE CHARTER .....</b>	<b>C-I</b>		

---

<sup>1</sup> As indicated, parts of TMX Group Limited's Consolidated Financial Statements ("2014 Financial Statements") and Management's Discussion & Analysis for the year ended December 31, 2014 ("2014 MD&A") are incorporated by reference into this Annual Information Form. The 2014 Financial Statements and 2014 MD&A are available on SEDAR at [www.sedar.com](http://www.sedar.com) or on our website at [www.tmx.com](http://www.tmx.com).

*Unless otherwise noted, the information contained in this Annual Information Form is given as at February 28, 2015, and all dollar amounts are expressed in Canadian dollars, unless otherwise indicated.*

## **CORPORATE STRUCTURE**

### **Name, Incorporation and Address**

TMX Group Limited (referred to, with its consolidated subsidiaries, as the context requires, as “TMX Group”, “we”, or “us”), originally called Maple Group Acquisition Corporation, was incorporated under the *Business Corporations Act* (Ontario) on April 28, 2011 to acquire all of the issued and outstanding common shares of TMX Group Inc., then a public company, while preserving a publicly-traded exchange and clearing group focused on the Canadian capital markets. The original investors in TMX Group included four of Canada’s largest public pension funds, four Canadian bank-owned investment dealers or their affiliates, Canada’s largest financial cooperative group, a leading Canadian-based global financial services group and a Québec-based development capital investment fund.

On August 10, 2012, we amended our articles of incorporation to change our legal name to “TMX Group Limited / Groupe TMX Limitée”.

Our head and registered offices are at The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2. We also have offices in Montréal, Calgary, Vancouver, Houston, Boston, Chicago, New York, London, U.K., Beijing and Sydney. Our website is [www.tmx.com](http://www.tmx.com). We are not incorporating information contained on our website in this annual information form (“AIF”).

### **Intercorporate Relationships**

Information about the intercorporate relationships among TMX Group and its principal subsidiaries is provided in Appendix A of this AIF.

## **GENERAL DEVELOPMENT OF THE BUSINESS<sup>2</sup>**

TMX Group’s businesses operate equities, fixed income, derivatives and energy markets. We provide services encompassing listings, trading, clearing, settlement and depository facilities, information services as well as technology services for the international financial community.

In May 2011, we made a non-binding written proposal to acquire TMX Group Inc. On June 13, 2011, we made a formal offer, as subsequently varied and extended (the “Maple Offer”), to purchase a minimum of 70% to a maximum of 80% of the outstanding common shares of TMX Group Inc. for \$50.00 in cash per TMX Group Inc. share. The Maple Offer was part of an integrated acquisition transaction to acquire 100% of TMX Group Inc.’s outstanding common shares (the “Maple Transaction”) involving the first step Maple Offer followed by a second step share exchange transaction pursuant to a court-approved and shareholder-approved plan of arrangement (the “Subsequent Arrangement”) under which the remaining TMX Group Inc. shares (other than those held by TMX Group) were exchanged for common shares of TMX Group on a one-for-one basis. On September 14, 2012, we completed the second step Subsequent Arrangement and TMX Group Inc. became a wholly-owned subsidiary of TMX Group. On that date, we became a reporting issuer in all Canadian provinces and territories.

---

<sup>2</sup> The “*General Development of the Business*” section contains certain forward-looking information. Please refer to “*Forward-Looking Information*” on page 38 of this AIF for a discussion of assumptions, risks and uncertainties related to such statements.

In addition, on August 1, 2012, we completed the acquisition of The Canadian Depository for Securities Limited and its subsidiaries (collectively, “CDS”) for aggregate cash consideration of \$167.5 million, and the acquisition of Alpha Trading Systems Inc. and its subsidiaries, and Alpha Trading Systems Limited Partnership (“Alpha LP”) (collectively, “Alpha”) for \$175 million. A description of CDS’ business is located in the sections “*Issuer Services - Overview and Description of Products and Services*”, “*Trading, clearing, depository and related - Cash trading, clearing and depository - TSX, TSXV, Alpha Exchange, TMX Select, Shorcan, and CDS - Overview and Description of Products and Services*”, “*Information Services - Overview and Description of Products and Services*” and “*Technology Services*” on pages 13-14, 17-18, 23-25 and 27 of our Management’s Discussion and Analysis for the year ended December 31, 2014 (the “2014 MD&A”).

On November 3, 2014, Lou Eccleston assumed the role of Chief Executive Officer of TMX Group. Previously, he was President, S&P Capital IQ and Chairman of the Board, S&P Dow Jones Indices, which are business lines of McGraw Hill Financial. Thomas Kloet, his predecessor as Chief Executive Officer, retired from TMX Group on October 31, 2014. Under Mr. Eccleston’s direction, TMX Group is engaged in a comprehensive review of our portfolio of assets to establish the pillars of our strategy going forward. The focus will be on our clients and on developing products and services that create competitive advantages for them, while differentiating TMX Group.

### **Three Year History**<sup>3</sup>

TMX Group was initially formed as a special acquisition corporation for the sole purpose of pursuing the Maple Transaction, along with the acquisitions of CDS and Alpha. Prior to the initial take up of 80% of TMX Group Inc.’s outstanding common shares under the Maple Offer and the completion of the CDS and Alpha acquisitions on August 1, 2012, TMX Group had not commenced commercial operations.

Over the past three years, TMX Group and its subsidiaries have grown through diversification. It also executed initiatives to enable further growth of its core business, expansion of its products and services and the offering of superior technology. Further information on TMX Group’s initiatives, vision, corporate strategy and market conditions is located in the “*Vision and Corporate Strategy*” and “*Market Conditions, Initiatives and Regulatory Changes*” sections of the 2014 MD&A on pages 7 to 11. The “*Our Business*” section on pages 11-27 of our 2014 MD&A also contains information on our strategies and initiatives, including those outlined in this section.

### ***Acquisitions and Dispositions***

#### **Maple Transaction and Acquisitions of CDS and Alpha**

The Maple Transaction, which was completed on September 14, 2012, and the acquisitions of CDS and Alpha, which were completed on August 1, 2012, are described above under the heading “*General Development of the Business*”. The integration of TMX Group Inc., CDS and Alpha was largely completed in the first quarter of 2014.

#### **Acquisition of Transfer Agent and Corporate Trust Assets**

On April 5, 2013, we acquired Equity Financial Holdings Inc.’s (“Equity”) transfer agent and corporate trust services business for \$64.0 million in cash. TMX Group now owns and operates the business, which has been renamed TMX Equity Transfer Services Inc. (“TMX Equity Transfer”), but Equity continues to

---

<sup>3</sup> The “*Three Year History*” section contains certain forward-looking information. Please refer to “*Forward-Looking Information*” on page 38 of this AIF for a discussion of assumptions, risks and uncertainties related to such statements.

provide services which must be provided by a trust company until TMX Equity Transfer obtains the requisite federal and provincial approvals to operate as a trust company. TMX Equity Transfer filed its draft application to operate as a trust company with the Office of the Superintendent of Financial Institutions of Canada on February 10, 2014 and is awaiting approval.

### **Sale of PC-Bond**

On April 5, 2013, we also completed the combination of our fixed income index business, PC-Bond, with FTSE Group's ("FTSE") existing international fixed income index business. FTSE is part of the London Stock Exchange Group. This combined enterprise is called FTSE TMX Global Debt Capital Markets Limited.

In April 2014, FTSE TMX Global Debt Capital Markets Limited announced that it had acquired the indices business of MTS, a provider of benchmark indices for European fixed income. This broadens the product portfolio with indices that track the performance of the largest and most widely traded government-issued European bonds. Following the acquisition, our ownership interest in FTSE TMX Global Debt Capital Markets Limited was reduced to 24.3 per cent from 25.0 per cent.

### ***Other Initiatives***

#### **TMX Group Debenture Offering**

On September 30, 2013, TMX Group successfully completed a private placement offering (the "Debenture Offering") of \$1.0 billion aggregate principal amount of senior unsecured debentures (collectively, the "Debentures") to accredited investors in Canada. The Debentures, all of which received a credit rating of A (high) with a Stable trend from DBRS Limited ("DBRS"), consist of \$400 million aggregate principal amount of 3.253% Series A Senior Unsecured Debentures due October 3, 2018; \$250 million aggregate principal amount of 4.461% Series B Senior Unsecured Debentures due October 3, 2023; and \$350 million aggregate principal amount of Series C floating rate (3-Month CDOR (as such term is defined in the trust indentures governing the Debentures) plus 70 basis points (bps)) Senior Unsecured Debentures due October 3, 2016.

The net proceeds from the Debenture Offering were used by TMX Group to repay a significant portion of outstanding indebtedness under its credit agreement. Further information on the Debenture Offering and the Debentures is contained under the "*Commercial Paper, Debentures, Credit and Liquidity Facilities – Debentures*" section on pages 46 to 47 of our 2014 MD&A.

#### **TMX Group Commercial Paper Program**

In May 2014, TMX Group established a commercial paper program (the "Commercial Paper Program") under which it may issue up to \$400.0 million in unsecured short-term promissory notes ("Commercial Paper"). In June 2014, we issued approximately \$293.0 million of Commercial Paper, and had approximately \$233.9 million outstanding under the program at December 31, 2014. Net cash proceeds were used to refinance a portion of TMX Group's long-term debt. The Commercial Paper was rated R-1 (low) with a Stable trend by DBRS.

In connection with the Commercial Paper Program, TMX Group entered into a new credit agreement which is available to backstop the Commercial Paper Program. The new credit agreement replaces the amended and restated credit agreement dated September 30, 2013. Further information on the Commercial Paper Program and the new credit agreement is contained under the "*Commercial Paper,*

*Debentures, Credit and Liquidity Facilities – Commercial Paper*” and *“Commercial Paper, Debentures, Credit and Liquidity Facilities – Loans Payable”* sections on pages 45 and 47 to 49 of our 2014 MD&A.

## **NARRATIVE DESCRIPTION OF THE BUSINESS<sup>4</sup>**

### **Our Business Operations**

A description of the operations, revenues and results of operations of our equities, energy and fixed income cash and derivatives markets and clearing houses, including a description of our products and services, business strategies, pricing, competition and fee regulation, as applicable, can be found in the *“Overview of the Business”*, *“Our Business”*, *“Impact of Recognition Orders (Including Fee Regulation) On Our Business”*, *“Results of Operations”*, *“Liquidity and Capital Resources”*, *“Critical Accounting Estimates”*, *“Select Annual and Quarterly Financial Information”* and *“Risks and Uncertainties – Strategic Risks – Competition Risk”* sections on pages 3 to 6, 11 to 51 and 58 to 72 of our 2014 MD&A and in Note 3 of the Consolidated Financial Statements of TMX Group for the year ended December 31, 2014 (the “2014 Financial Statements”). We incorporate these pages by reference.

### **Regulatory Matters**

Different organizations regulate or monitor participants in the Canadian capital markets including issuers, brokerage firms, exchanges, alternative trading systems (“ATSS”), clearing houses and inter-dealer brokers (“IDBs”). Securities and other regulators regulate the activities of our marketplaces and clearing houses. Self-regulatory authorities, such as Investment Industry Regulatory Organization of Canada (“IIROC”), regulate the activities of brokerage firms and their capital requirements, as well as their business and trading conduct. Toronto Stock Exchange and TSX Venture Exchange also establish standards for their listed issuers to maintain quality marketplaces and investor confidence.

### ***Recognition and Regulation of Exchanges, ATSS, and Clearing Houses***

TSX Inc. (which operates Toronto Stock Exchange), TSX Venture Exchange Inc. (which operates TSX Venture Exchange), TMX Group and TMX Group Inc. are all regulated as exchanges in Canada. TMX Group and TMX Group Inc. are also regulated as clearing houses in Québec. TSX Inc. is also regulated as an information processor by the Autorité des marchés financiers (the “AMF”) and operates as an information processor in accordance with a determination made by the Canadian Securities Administrators (“CSA”) Chairs. TSX Inc. has a representative office in China for Toronto Stock Exchange and TSX Venture Exchange, which is subject to regulation by the China Securities Regulatory Commission. Alpha LP and Alpha Exchange Inc. (“Alpha Exchange”) are regulated as exchanges in Canada; however, they do not carry on any listing activity. TMX Select Inc. (“TMX Select”) is registered as an ATS in Canada.

Montréal Exchange Inc. (“MX” or “Montréal Exchange”) is regulated as an exchange and a self-regulatory organization (an “SRO”) in Canada. In 2002, the U.S. Commodity Futures Trading Commission (“CFTC”) granted no-action relief to MX, permitting U.S. broker-dealers to have remote access to most of MX’s futures products. According to the no-action relief, MX is required to report to the CFTC on a regular basis and disclose any material changes affecting its application. The CFTC has implemented rules (the “FBOT Rules”) which impose a registration requirement for a foreign board of trade (“FBOT”) which replace the current no-action framework under which MX operates. MX has

---

<sup>4</sup> The “Narrative Description of the Business” section contains certain forward-looking information. Please refer to “Forward-Looking Information” on page 38 of this AIF for a discussion of assumptions, risks and uncertainties related to such statements.

applied for registration as an FBOT in the United States and is working with the CFTC on its application. MX is also subject to certain foreign regulatory requirements imposed by the regulators which have granted MX specific authorizations. In France, the Autorité des marchés financiers recognized MX as a recognized foreign market. MX can also undertake certain activities in Israel subject to the conditions listed in a no-action letter issued by the Israel Securities Authority.

Natural Gas Exchange Inc. (“NGX”) is regulated as an exchange and a clearing agency in Canada. Under an Alberta Securities Commission (“ASC”) recognition order, NGX must observe the principles for financial market infrastructures (“PFMIs”) issued jointly by the Committee on Payments and Market Infrastructures (“CPMI”) and the Technical Committee of the International Organization of Securities Commissions (“IOSCO”). In addition, NGX is a registered FBOT with the CFTC. NGX also is registered by the CFTC as a Derivatives Clearing Organization (“DCO”) and clears contracts as a DCO. The U.S. Federal Energy Regulatory Commission (“FERC”), which regulates US interstate transmission of electricity, natural gas and oil, has authorized NGX with Category 1 market based rate authority (“Category 1”).

Canadian Derivatives Clearing Corporation (“CDCC”) is regulated as a clearing house or clearing agency in Canada. CDCC must abide by the terms of recognition orders issued by the AMF, the British Columbia Securities Commission (“BCSC”) and the Ontario Securities Commission (the “OSC”) and a regulatory oversight agreement with the Bank of Canada (“BOC”). CDCC is also subject to regulatory requirements of the U.S. Securities and Exchange Commission (the “SEC”) and various U.S. state securities regulators. Under the AMF recognition order, CDCC must observe the PFMIs.

CDS and CDS Clearing and Depository Services Inc. (“CDS Clearing”) are also regulated as clearing houses or clearing agencies in Canada. Under the terms of its OSC and AMF recognition orders and its BOC oversight agreement, CDS and CDS Clearing must observe the PFMIs as soon as possible.

CDSX, the multilateral clearing and settlement system operated by CDS Clearing, and Canadian Derivatives Clearing Service, operated by CDCC, have each been designated by the BOC as being of systemic importance under the *Payment Clearing and Settlement Act* (Canada). Under such designation, the BOC has broad powers relating to the regulation and oversight of CDS Clearing and CDCC. For example, any significant changes to governance, structure, risk management systems, or CDS Clearing’s or CDCC’s relationship to marketplace participants is subject to the prior review and approval by the BOC.

Each of BOX Market LLC (“BOX”) and BOX Options Exchange LLC (“BOX Exchange”) is regulated in the U.S. by the SEC. BOX Exchange is recognized as a national securities exchange and acts as an SRO to BOX.

Shorcan Brokers Limited (“Shorcan”) is a fixed income IDB which provides facilities for matching orders for Canadian federal, provincial, corporate and mortgage bonds and treasury bills and derivatives for anonymous or name-give-up buyers and sellers in the secondary market. Shorcan is a registrant under the category of “exempt market dealer” and has been approved by IIROC to act as an IDB. Shorcan is also registered as an introducing broker with the National Futures Association who enforces CFTC reporting requirements for their members under the *U.S. Commodity Exchange Act* (“CEA”).

An exchange or clearing house operating in Canada must be recognized in certain jurisdictions under applicable legislation. In some circumstances, an exchange or clearing house may obtain an exemption from this requirement. The Ontario, Québec, Alberta and British Columbia securities regulatory authorities have issued recognition or exemption orders and oversee TMX Group, TMX Group Inc. and the operations of Toronto Stock Exchange, TSX Venture Exchange, Alpha LP and Alpha Exchange,

NGX, MX, CDCC, CDS and CDS Clearing. The OSC is the lead regulator for TSX Inc., Alpha LP and Alpha Exchange. TMX Group and TMX Group Inc. operate under recognition orders granted by the AMF and the OSC. The ASC and BCSC are the joint lead regulators for TSX Venture Exchange Inc., and the ASC is the lead/recognizing regulator for NGX. The AMF is the lead regulator for MX. CDCC, CDS and CDS Clearing operate under recognition orders from the OSC, the AMF and the BCSC.

ATSS must obtain a provincial registration and IIROC membership and make regulatory filings in order to maintain operations. TMX Select is an IIROC member and is a registrant and operates under the jurisdiction of the OSC.

The lead regulator of an exchange or recognizing regulator, in the case of a clearing house or clearing agency, focuses, among other things, on the listing or eligibility standards and trading or clearing activities (embodied in the rules of the exchange or the clearing house or clearing agency), including its market quality rules, and, in the case of Toronto Stock Exchange, TSX Venture Exchange and Alpha Exchange, universal market integrity rules approved by all the recognizing regulators. Generally, the lead regulator of an exchange must approve any new standards or rules or changes to existing rules. In some instances, new rules or changes to existing rules must be published for a 30-day public comment period as part of the rule approval process.

With respect to MX and CDCC, under the *Derivatives Act* (Québec), new rules pertaining to market activities or new products or rule changes must be submitted to the AMF in accordance with the self-certification process. Significant rule changes must also be published for a 30-day public comment period before self-certification in Québec. There is a similar public comment period required under the OSC recognition order for CDCC.

The lead regulator or recognizing regulator, in the case of a clearing agency or clearing house, also has the general power to make any decision in respect of an exchange, ATS or clearing house or clearing agency that it deems necessary in the public interest, and can review any direction, decision, order or ruling of an exchange or clearing agency at the request of the regulator's executive director, or equivalent position, or any person directly affected by the direction, decision, order or ruling.

### **Terms and Conditions of TMX Group's and its Subsidiaries' Recognition Orders**

Upon the initial take up of 80% of the outstanding common shares of TMX Group Inc. under the Maple Offer on July 31, 2012, the final recognition orders of each of the OSC, AMF, BCSC and ASC with respect to the Maple Transaction came into effect. In addition, the AMF recognition order for CDCC came into effect on that date. Upon the completion of the Alpha and CDS acquisitions on August 1, 2012, the recognition order of the OSC regarding the Alpha transaction and the recognition orders of each of the OSC, AMF and BCSC regarding the CDS transaction came into effect. On April 17, 2014, the recognition order of the OSC with respect to CDCC came into effect. The various recognition orders (collectively, the "Recognition Orders", and individually, a "Recognition Order") provide the terms under which the OSC, AMF, BCSC and ASC, respectively, permit TMX Group to operate a combined exchange and clearing group. These Recognition Orders impose, among other things, governance, conflict of interest management, financial viability, resource and other operational requirements and reporting obligations, some of which are outlined below. The Recognition Orders also require that TMX Group and certain of its regulated subsidiaries conduct their business and operations in a manner that is consistent with the public interest. In addition, TMX Group is required to do everything within its control to cause each of TMX Group Inc., TSX Inc., Alpha LP and Alpha Exchange to carry out its activities as an exchange in compliance with applicable securities laws. TMX Group, TMX Group Inc., and TSX Inc. have each provided undertakings to the ASC and BCSC (the "ASC and BCSC Undertakings") in which they represent that, among other things, they will ensure that TSX Venture

Exchange Inc. complies with the terms of its Recognition Orders. Certain information on the increased costs to comply with the regulatory requirements imposed under the Recognition Orders is located under the heading “*Impact of Recognition Orders (Including Fee Regulation) on our Business*” on pages 28 to 29 of our 2014 MD&A.

**Composition of the Boards of Directors of TMX Group Limited, TMX Group Inc., TSX Inc., TSX Venture Exchange Inc., Montréal Exchange Inc., Alpha Trading Systems Inc. and Alpha Exchange Inc.**

In addition to corporate and securities law requirements, securities regulators who regulate TMX Group require TMX Group to comply with a myriad of governance requirements. Under the AMF Recognition Order and pursuant to the ASC and BCSC Undertakings, the boards of directors of TMX Group, TMX Group Inc., TSX Inc., TSX Venture Exchange Inc. and Montréal Exchange Inc. must be identical. In order to ensure consistency of governance, TMX Group also maintains mirror boards for Alpha Trading Systems Inc. (“Alpha GP”) and Alpha Exchange.

Under the terms and conditions of the OSC, AMF, ASC and BCSC Recognition Orders, as applicable, the boards of directors of TMX Group, TMX Group Inc., TSX Inc., TSX Venture Exchange Inc., Montréal Exchange Inc., Alpha GP and Alpha Exchange are subject to the following compositional requirements:

- at least 50% of the directors (including the Chair) must be “independent” within the meaning of s. 1.4 and 1.5 of National Instrument 52-110-*Audit Committees* (“NI 52-110”), provided however, that a person is not independent if the person is: (i) a partner, director, officer or employee of a marketplace participant of a marketplace owned or operated by TMX Group or TMX Group’s affiliated entities (as such term is defined in National Instrument 21-101-*Marketplace Operation*) (“NI 21-101”) (a “TMX Group Marketplace”) or an associate of such individual, or (ii) a partner, director, officer or employee of an affiliate of a marketplace participant of a TMX Group Marketplace who is responsible for or is actively or significantly engaged in the day-to-day operations of that participant, (any such director, throughout this AIF is referred to as “Independent”);
- at least 50% of the directors (including the Chair) must be unrelated to each of the Alberta Investment Management Corporation, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., Desjardins Financial Corporation, Dundee Capital Markets Inc., Fonds de solidarité des travailleurs du Québec, The Manufacturers Life Insurance Company, National Bank Group Inc., National Bank Financial Inc., Ontario Teachers’ Pension Plan Board, Scotia Capital Inc., TD Securities Inc. and 1802146 Ontario Limited, an affiliate of TD Securities Inc. (each, an “Original Maple Shareholder”, and collectively, the “Original Maple Shareholders”) for so long as a nomination agreement (a “Nomination Agreement”) remains in force.<sup>5</sup> For this purpose, a person is considered to be Unrelated to Original Maple Shareholders if the person:
  - is not a partner, officer or employee of an Original Maple Shareholder or any of its affiliates (or an associate of that partner, officer or employee);

---

<sup>5</sup> TMX Group is party to a Nomination Agreement as of July 31, 2012 with each of Alberta Investment Management Corporation, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., National Bank Group Inc., Ontario Teachers’ Pension Plan Board, Scotia Capital Inc. and 1802146 Ontario Limited, an affiliate of TD Securities Inc. (collectively, the “Original Maple Shareholders with Nomination Rights”), under which they each have the right to nominate one individual to the TMX Group Board (as defined on page 22 of this AIF) (each, a “Nominee”) until the earlier of September 14, 2018 or such time as the Original Maple Shareholder with Nomination Rights ceases to beneficially own at least 5% of TMX Group’s common shares. Each Nominee is required to meet qualification standards and any other criteria established by the Governance Committee from time to time, and is subject to the approval of the Governance Committee.

- is not nominated under a Nomination Agreement;
- is not a director of an Original Maple Shareholder or any of its affiliates or an associate of that director; and
- does not have, and has not had, any relationship with an Original Maple Shareholder that could, in the view of the Governance Committee of the board having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of his or her independent judgment

(any such person, throughout this AIF is referred to as Unrelated to an Original Maple Shareholder or Unrelated to Original Maple Shareholders);

- one director must be drawn from the Canadian independent investment dealer community (for greater certainty, excluding investment dealers which are affiliates of Canadian Schedule I banks). For greater certainty, for so long as a Nomination Agreement is in effect, such director must be Unrelated to Original Maple Shareholders;
- at least 25% of the directors will be residents of Québec;
- at least 25% of the directors must possess expertise in derivatives; and
- at least 25% of the directors must have currently relevant expertise in the Canadian public venture capital markets.

### **Restrictions on Plans and Practices imposed under the Recognition Orders**

The Recognition Orders of the OSC, ASC and BCSC provide for a variety of restrictions on our ability to engage in certain practices, including the following requirements:

- (a) Each TMX Group Marketplace will not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant (as defined in NI 21-101) or any other person or company, provide:
  - (i) any discount, rebate, allowance, price concession or other similar arrangement on any services or products offered by the TMX Group Marketplace that is conditional upon the purchase of any other service or product provided by the TMX Group Marketplace or any of its affiliated entities;
  - (ii) any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a particular market participant or any other particular person or company; or
  - (iii) any discount, rebate, allowance, price concession or other similar arrangement for any service or product offered by the TMX Group Marketplace that is conditional upon:
    - (A) the requirement to have a TMX Group Marketplace be set as the default or first marketplace a marketplace participant routes to; or

- (B) the router of a TMX Group Marketplace being used as the marketplace participant's primary router.
- (b) The Recognition Order of the OSC states that TMX Group must ensure that any of its affiliated entities do not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, engage in the practices outlined in (a) above.
- (c) Any TMX Group Marketplace must not, through any fee schedule, any fee model or any contract, agreement or other arrangement with any marketplace participant or any other person or company, provide any discount, rebate, allowance, price concession or other similar arrangement that is accessible only to, whether as designed or by implication, a class of marketplace participants or of any other persons or companies, unless prior approval has been granted by the OSC, ASC or BCSC, as applicable.
- (d) A TMX Group Marketplace must obtain prior OSC, ASC or BCSC approval, as the case may be, before implementing any new, or amendments to, fees and fee models, including any new, or amendments to, any incentives relating to arrangements that provide for equity ownership in TMX Group for marketplace participants or their affiliates based on trading volumes or values on TMX Group Marketplaces.
- (e) A TMX Group Marketplace must not require a person or company to obtain products or services from any TMX Group clearing agency ("a TMX Group Clearing Agency")<sup>6</sup> as a condition of the TMX Group Marketplace supplying or continuing to supply a product or service. TMX Group must ensure that any affiliated entity does not engage in these practices.
- (f) A TMX Group Marketplace will not require another person or company to purchase or otherwise obtain products or services from any other TMX Group Marketplace or a Significant Maple Shareholder<sup>7</sup> as a condition of the TMX Group Marketplace supplying or continuing to supply a product or service, unless prior approval has been granted by the OSC.
- (g) TMX Group must ensure that any affiliate does not require another person or company to obtain products or services from any TMX Group Marketplace or any TMX Group Clearing Agency as a condition of the affiliate supplying or continuing to supply a product or service.

### **Approval of Integration of Any Business or Corporate Functions**

Pursuant to the OSC Recognition Order, TMX Group must obtain the prior approval of the OSC before it can implement any significant integration, combination or reorganization of businesses, operations or corporate functions between TMX Group entities. Under the AMF Recognition Order, TMX Group must obtain the prior approval of the AMF before it can implement any material integration, combination,

---

<sup>6</sup> Defined to mean a clearing agency owned or operated by TMX Group or TMX Group's affiliated entities (as such term is defined in NI 21-101).

<sup>7</sup> A "Significant Maple Shareholder" is a person or company that (a) beneficially owns or exercises control or direction over more than 5% of the outstanding voting shares of TMX Group (subject to certain ordinary course of business exceptions as set out in greater detail in the Recognition Order of the OSC regarding the Maple Transaction), (b) is an "Original Maple Shareholder" that is a party to a Nomination Agreement, for so long as its Nomination Agreement is in effect, or (c) is an Original Maple Shareholder whose obligations under such Recognition Order of the OSC have not terminated pursuant to the terms thereof and that has a partner, officer, director or employee on the TMX Group Board (as defined on page 22 of this AIF) other than pursuant to a Nomination Agreement, for so long as such partner, officer, director or employee retains his or her seat on the TMX Group Board.

merger or restructuring of businesses, operations or corporate functions related to trading, clearing and settlement of the exchange and clearing house operations between TMX Group and its affiliates.

### **Approval of Internal Cost Allocation Model and Transfer Pricing**

The Recognition Orders require that TMX Group Inc., TSX Inc., MX, CDCC, CDS and CDS Clearing and Alpha LP and Alpha Exchange establish and maintain an internal cost allocation model and policies with respect to the allocation of costs or transfer of prices between TMX Group entities. Prior regulatory approval is required before making any amendments to these models and policies. On an annual basis, these entities must engage an independent auditor to conduct an audit and prepare a written report in accordance with established audit standards regarding compliance by TMX Group and its affiliates with the approved internal cost allocation model and transfer pricing policies.

### **Allocation of Resources**

For so long as TSX Inc., TSX Venture Exchange, Alpha Exchange, CDS, CDS Clearing, CDCC and MX carry on business as an exchange or clearing agency, as applicable:

- TMX Group must allocate in respect of TMX Group Inc., TSX Inc., TSX Venture Exchange, Alpha Exchange, CDS, CDS Clearing, MX and CDCC,
- TMX Group must cause TMX Group Inc. to allocate in respect of TSX Inc.,
- TMX Group must cause Alpha LP to allocate in respect of Alpha Exchange,
- TMX Group Inc. must allocate in respect of TSX Inc., TSX Venture Exchange, MX and CDCC,
- TSX Inc. must allocate in respect of TSX Venture Exchange,
- Alpha LP must allocate in respect of Alpha Exchange,
- CDS must allocate in respect of CDS Clearing, and
- MX must allocate in respect of CDCC

sufficient financial and other resources to the relevant entity to ensure that entity can carry out its functions in a manner that is consistent with the public interest, as applicable and in compliance with applicable law, and, as the case may be, with the Recognition Orders.

### **Approval of Outsourcings**

TSX Inc., TSX Venture Exchange Inc., CDS, CDS Clearing and Alpha Exchange must obtain regulatory approval before entering into or amending any outsourcing arrangements related to any of their key services or systems with a service provider, which includes their affiliated entities.

MX must obtain the prior approval of the AMF before entering into or implementing any outsourcing transaction in respect of its regulatory functions or regulatory activities as an exchange or SRO. In addition, MX must obtain the prior approval of the AMF before entering into or implementing a transaction with a view to providing regulatory functions or regulatory activities as an exchange or SRO to other exchanges, SROs, persons operating parallel trading systems or other persons.

CDCC must obtain the prior approval of the AMF before entering into or implementing any outsourcing of its clearing or settlement functions or operations. It must also obtain the prior approval of the AMF before entering into or implementing any transaction designed to provide clearing or regulatory functions to other clearing houses or persons.

### **Financial Viability Reporting**

Under the terms and conditions of the OSC Recognition Orders, TSX Inc., CDS, CDS Clearing and Alpha Exchange are required to meet specified financial viability tests to ensure that each exchange or clearing agency maintains sufficient financial resources to properly perform its functions. The AMF has also imposed financial viability ratios on MX, CDS and CDS Clearing. Those financial ratios are discussed under the heading “*Managing Capital*” on pages 51 to 53 of our 2014 MD&A. In addition, CDCC must comply with financial ratios agreed upon with the AMF and the OSC.

### **Terms and Conditions Imposed on Toronto Stock Exchange**

TSX Inc. has special terms and conditions relating to the listing of TMX Group or any TMX Group affiliated entities on Toronto Stock Exchange, which are described below on page 19 in the section entitled “*Listing of our Shares on Toronto Stock Exchange*”.

In addition, there are similar procedures dealing with the management of conflicts that could arise in connection with an application to list the securities of a Significant Maple Shareholder.

### **Terms and Conditions Imposed on TSX Venture Exchange**

In addition to the terms and conditions outlined above, the ASC and BCSC Recognition Orders of TSX Venture Exchange Inc. include the following terms and conditions:

- TSX Venture Exchange Inc. will not, without the prior approval of the ASC and BCSC, make any change to its business or operations that is outside the ordinary course of its business or operations or is inconsistent with its past business or operational practices and represents a risk of adverse consequences to investors, issuers listed on TSX Venture Exchange or the Canadian public venture market.
- Any agreement or transaction entered into between TSX Venture Exchange and TMX Group, TMX Group Inc., TSX Inc. and their affiliates and associates will be on terms and conditions that an independent third party would negotiate, acting at arm’s length.
- Fees and incentives charged by TSX Venture Exchange Inc. will:
  - be allocated on an equitable basis among the exchange’s listed issuers and applicants for listings, the exchange’s marketplace participants and other marketplace participants;
  - not have the effect of creating barriers to access;
  - be balanced with the exchange’s need to have sufficient revenues to satisfy its responsibilities; and
  - be fair, reasonable and appropriate.

- TSX Venture Exchange Inc. must, prior to ceasing to operate or suspending, discontinuing or winding-up all or a significant portion of its operations, or disposing of all or substantially all of its assets:
  - provide the BCSC and ASC at least six months' prior notice; and
  - comply with any requirements the BCSC and ASC may impose.

In the ASC and BCSC Undertakings, each of TMX Group, TMX Group Inc. and TSX Inc. has represented that they:

- will not implement, without prior BCSC and ASC approval, any changes to the strategic direction of TMX Group, TMX Group Inc., TSX Inc. or TSX Venture Exchange that could have a significant impact on the business or operations of TSX Venture Exchange.
- will ensure that TSX Venture Exchange maintains an office in Vancouver and Alberta that has a significant role in TSX Venture Exchange's:
  - development of TSX Venture Exchange's expertise in the public venture market;
  - maintenance and growth of a competitive Canadian public venture market;
  - development of innovations in the public venture market; and
  - development of policy that enhances the competitive position of TSX Venture Exchange.
- will ensure that TSX Venture Exchange maintains an office in Vancouver and Alberta through which it:
  - provides corporate finance services to, and performs corporate finance functions for, its listed issuers and applicants for listing; and
  - performs issuer regulation functions.
- will ensure that TSX Venture Exchange locates in its Vancouver and Alberta offices the executive, management, and operations personnel necessary to ensure it meets the requirements of the two immediately preceding paragraphs.

They have also agreed, among other things, to allocate sufficient financial and other resources to TSX Venture Exchange Inc. to permit it to operate in accordance with its Recognition Orders.

Please refer to “*Description of Share Capital of TMX Group - Restrictions On Ownership of Subsidiaries*” on page 23 of this AIF for a description of the principal restrictions relating to the share ownership of TSX Venture Exchange Inc. contained in the ASC and BCSC Undertakings.

### **Terms and Conditions Imposed on MX**

In addition to the terms and conditions outlined above, the AMF Recognition Orders for MX include the following terms and conditions:

- Fees shall not have the effect of creating barriers to access; however, they must take into consideration that MX must have sufficient revenues to perform its functions, its regulatory activities and its exchange operations.
- MX will ensure that all the fees it imposes are reasonably and equitably allocated, the process for setting fees is fair and appropriate, and the fee model is transparent.
- The head office and executive offices of MX must remain in Montréal, Québec, and the most senior officer of TMX Group (other than its chief executive officer) with direct responsibility for MX must be a resident of Québec at the time of his or her appointment (and for the duration of his or her term of office) and work in Montréal.
- MX will not cease to operate or suspend, discontinue or wind-up all or a significant portion of its operations, or dispose of all or substantially all of its assets, without: (i) providing the AMF at least six months' prior written notice of its intention; and (ii) complying with any terms and conditions that the AMF may impose in the public interest for the orderly discontinuance of its operations or the orderly disposition of its assets.
- Any material transactions or agreements between MX, TMX Group or TMX Group Inc. and any related companies must contain conditions that are at least as favourable to MX as market conditions in such circumstances.
- If MX decides to export its expertise in derivatives and related products trading and clearing, this international activity will be directed from Montréal.
- MX must maintain an independent division (the "Regulatory Division") under the control and oversight of the special committee (the "Special Committee") with clearly defined regulatory responsibilities for its market and for its participants. The Special Committee, named by the board of directors of MX, must be made up of no less than 50% of persons who: (i) are residents of Québec; (ii) satisfy the independence criteria applicable to the directors of MX; and (iii) have expertise in derivatives. The Regulatory Division:
  - must have a separate administrative structure and must be completely autonomous in performing its functions and in its decision-making process;
  - must be a separate business unit of MX and operate on a self-financing basis and must be not-for-profit; and
  - any changes to the Regulatory Division's administrative and organizational structure or to the Special Committee that may materially affect regulatory duties and operations must be approved by the AMF.

### **Terms and Conditions Imposed on CDCC**

In addition to the terms and conditions outlined above, the AMF Recognition Orders for CDCC include the following terms and conditions:

- The board of directors of CDCC shall have the following compositional requirements:
  - at least 33% of the directors must be independent<sup>8</sup>;
  - at least 33% of the directors are a partner, director, officer or employee of a clearing member of CDCC or such clearing member's affiliates, each of whom possess expertise in derivatives clearing and are financially literate within the meaning of NI 52-110 and of these directors;
    - one director is the chief executive officer of MX, or such other officer or employee of MX as nominated by MX; and
    - two of these directors are not a partner, director, officer or employee of a Significant Maple Shareholder and will be Unrelated to Original Maple Shareholders for so long as a Nomination Agreement is in effect;
  - one director is the chief executive officer of CDCC;
  - at least 25% of the directors are residents of the Province of Québec;
  - at least 50% of the directors possess expertise in derivatives clearing; and
  - an independent director acts as chair of the board of CDCC.
- The head office and executive offices of CDCC must remain in Montréal, Québec, and the most senior officer of TMX Group (other than its chief executive officer) with direct responsibility for CDCC must be a resident of Québec at the time of his or her appointment (and for the duration of his or her term of office) and work in Montréal.
- CDCC will ensure that all the fees it imposes are reasonably and equitably allocated, the process for setting fees is fair and appropriate, and the fee model is transparent.
- Fees shall not have the effect of creating barriers to access; however, they must take into consideration that CDCC must have sufficient revenues to perform its functions.
- If CDCC decides to export its expertise in clearing of derivatives and related products, such international activities will be directed from Montréal.
- CDCC will not terminate its operations or suspend, abandon or liquidate all or a material portion of all of its activities nor will it transfer all or substantially all of its assets, unless:
  - it has filed a written notice of its intent with the AMF at least six months prior to doing so; and

---

<sup>8</sup> For this purpose, a person will be considered to be independent if the person is not:

- a partner, director, officer or employee of a Significant Maple Shareholder,
- a partner, director, officer or employee of a clearing member of CDCC or such clearing member's affiliates or an associate of such partner, director, officer or employee,
- a partner, director, officer or employee of a marketplace that clears through CDCC or such marketplace's affiliates or an associate of such partner, director, officer or employee, or
- an officer or employee of CDCC or its affiliates or an associate of such officer or employee.

- it has complied with any terms and conditions that the AMF may impose in the public interest in order for the abandonment of its activities or the disposition of its assets to be carried out in an orderly fashion.

In addition to the terms and conditions outlined above, the OSC Recognition Order for CDCC includes the following terms and conditions:

- CDCC must continue to be subject to the regulatory oversight of the AMF and the BOC.
- CDCC must promote a governance structure that minimizes the potential for any conflict of interest with its shareholders that could adversely affect the clearing of products cleared by CDCC or the effectiveness of CDCC's risk management policies, controls and standards.
- With respect to the fixed income central counterparty service or any other central counterparty service for transactions in the cash markets:
  - CDCC must allow any person or company that meets the minimum operational requirements to access its services and systems on a commercially reasonable basis; and
  - the rules set by CDCC must be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and to remove impediments to the prompt and accurate clearance and settlement of securities transactions; not unreasonably create an impediment to competition; and not unreasonably limit, directly or indirectly, the ability of members to engage other third party post-trade service providers or the use of their services.

### **Terms and Conditions Imposed on CDS and CDS Clearing**

In addition to the terms and conditions outlined above, the OSC, AMF and BCSC Recognition Orders, as the case may be, include the following terms and conditions:

- At least 33% of the directors of CDS and CDS Clearing must be independent<sup>9</sup>.
- At least 33% of the directors of CDS and CDS Clearing must be representatives of participants of CDS or CDS Clearing ("Participant Directors") of which:
  - one Participant Director must be nominated by IIROC;
  - one Participant Director must be nominated by TMX Group from one of the five largest participants (including affiliates as a single unit);
  - at least one Participant Director nominated by TMX Group shall, for so long as a Nomination Agreement remains in effect, be Unrelated to Original Maple Shareholders; and
  - the Participant Directors should represent a diversity of participants.

---

<sup>9</sup> For this purpose, a person will be considered to be independent if the person is not:

- an associate, partner, director, officer or employee of a Significant Maple Shareholder,
- an associate, partner, director, officer or employee of a participant of CDS or CDS Clearing or such participant's affiliates or an associate of such partner, director, officer or employee,
- an associate, partner, director, officer or employee of a marketplace or such marketplace's affiliates or an associate of such partner, director, officer or employee, or
- an officer or employee of CDS or CDS Clearing or their affiliates or an associate of such officer or employee.

- One director of each of CDS and CDS Clearing must be a representative of a marketplace unaffiliated with TMX Group and nominated by marketplaces unaffiliated with TMX Group.
- At least 50% of the directors of CDS and CDS Clearing are required to possess expertise in clearing and settlement of the instruments cleared and settled by CDS and CDS Clearing (including risk management and the technology requirements related to clearing and settlement).
- At least two directors of CDS Clearing will represent investment dealers that are independent of a bank and that have a significant amount of their dealer activity in trading, clearing and settling securities listed on a venture exchange in Canada. For these purposes, an investment dealer is independent of a bank if the dealer is:
  - not an affiliated entity of the bank within the meaning of section 1.3 of NI 52-110; and
  - does not have, and has not had, any relationship with a bank that could, in the view of the CDS Clearing governance committee having regard to all relevant circumstances, be reasonably perceived to interfere with the exercise of independent judgment by a representative of such investment dealer as a director of CDS Clearing.
- Advisory committees comprised of users of the services of CDS and CDS Clearing (“Participants”) must be used to provide advice, comment and recommendations to assist the boards of CDS and CDS Clearing. The committees must meet the following requirements:
  - membership must be open to all Participants and marketplaces that access the services provided by CDS and CDS Clearing;
  - each committee may on any matters that the committee deems appropriate, and shall if requested by the OSC or the AMF, report directly to the OSC or AMF, as applicable, without first requiring board approval or notification of such reporting;
  - a staff representative of the OSC and the AMF may attend any meeting of the committees as an observer; and
  - CDS Clearing is required to use best efforts to ensure participation by a representative of at least one investment dealer with significant experience in the Canadian public venture market on certain committees.
- Each of CDS and CDS Clearing must establish a Risk Management and Audit Committee, comprised of five directors of which:
  - one member must be an independent director who will serve as chair;
  - two members must be industry directors that, for so long as a Nomination Agreement remains in effect, are Unrelated to Original Maple Shareholders, which may include the IIROC nominated director, provided such director possesses the appropriate qualifications and is willing to serve; and
  - at least one director on the CDS Clearing committee must represent investment dealers that are independent of a bank (which is determined in the same manner as for the board nominees representing investment dealers) and that have a significant amount of their dealer activity in trading, clearing and settling securities listed on a venture exchange in Canada.

- CDS and CDS Clearing must obtain regulatory approval prior to integrating any of their information technology systems, clearing, settlement or depository systems, or operations with any affiliated entities (other than any integration of systems or operations between CDS and CDS Clearing).
- CDS Clearing will maintain an office in Vancouver and will ensure that services it provides from its Vancouver office are priced equally to equivalent services it provides from its other offices in Canada.
- Any material transaction between CDS Clearing and CDS, TMX Group or any of their affiliates or associates must be on terms and conditions that an independent third party would negotiate, acting at arm's length.
- Prior to ceasing to operate; suspending, discontinuing or winding up all or a significant portion of its operations; or disposing of all or substantially all of its assets, CDS Clearing must provide the BCSC with at least six months' prior written notice and comply with any requirements the BCSC may impose.
- CDS Clearing may not cease to be wholly owned by CDS or indirectly wholly owned by TMX Group without providing the BCSC with at least six months' prior notice and complying with any requirements the BCSC may impose.

#### *Fees*

- With respect to CDS and CDS Clearing fees, under the applicable Recognition Orders, all such fees will be subject to the approval of the applicable regulators. In addition, the ability to seek approval for fee increases on core or principal CDS or CDS Clearing services (as such terms are defined in the OSC and AMF Recognition Orders, respectively) in the future is constrained as we may only seek such approval where there has been a significant change in circumstances as at August 1, 2012, the effective date of the Recognition Orders. Accordingly, even where CDS' costs may be rising or revenues may be decreasing in the future (as a result of trading volumes falling in the future), we would only be permitted to seek a fee increase on core or principal CDS or CDS Clearing services if it could establish to the applicable regulators that there has been a significant change from circumstances as at August 1, 2012.
- For the fiscal year commencing on November 1, 2012, and subsequent fiscal years starting on January 1, 2013, we will share any annual revenue increases on clearing and other core or principal CDS and CDS Clearing services (as defined in the OSC and AMF Recognition Orders, respectively), as compared to revenues in fiscal year 2012 (the 12-month period ended October 31, 2012), on a 50/50 basis with participants.

- In addition, we will rebate an additional amount to participants in respect of exchange clearing services for trades conducted on an exchange or ATS as follows for each 12-month period ending October 31: \$2.75 million in 2013; \$3.25 million in 2014; \$3.75 million in 2015; \$4.0 million in 2016; and \$4.0 million annually thereafter.

### **Terms and Conditions Imposed on NGX**

The ASC recognizes and regulates NGX as an exchange for the trading of natural gas, electricity and crude oil contracts. The ASC also recognizes NGX as a clearing agency for clearing and settlement of natural gas, electricity and crude oil contracts, certain of which constitute exchange contracts, futures contracts or options. The terms and conditions of the ASC recognition orders require NGX to comply with certain exchange and clearing principles, reporting requirements, notification and other obligations.

NGX is regulated by the CFTC in the United States and is registered to operate as an exchange through its FBOT order and as a clearing house through its DCO order. The terms and conditions of the FBOT order include the requirement for NGX to comply with the requirements set out by the CEA and the CFTC regulations applicable to FBOTs and fulfill the representations made in support of its application for registration. The terms and conditions of the U.S. DCO order include the requirement for NGX to operate its clearing system in accordance with certain clearing principles as well as reporting and other obligations. As part of its Category 1 standing with FERC, NGX is also required to provide FERC with certain quarterly and annual filings.

### **Terms and Conditions Imposed on BOX**

Each of BOX and BOX Exchange is regulated by the SEC. BOX's options trades are cleared through The Options Clearing Corporation. In April 2012, the SEC approved BOX Exchange's application for registration as a national securities exchange, and after a corporate reorganization, BOX Exchange began acting as SRO to BOX on May 14, 2012. We have a 40% economic interest and 20% voting interest in the SRO.

### ***Regulation of Brokerage Firms — Operations and Business Conduct Generally***

All brokerage firms trading through Toronto Stock Exchange, TSX Venture Exchange, Alpha Exchange or MX must be members of a recognized SRO which regulates its members. These organizations regulate the broker-client relationships, business conduct and capital adequacy of their members. This regulation seeks to maintain the credibility of marketplaces, protect investors' interests and instil investor confidence by addressing general issues of trading ethics and investor protection in the markets. All brokerage firms that trade through TMX Select must be IIROC members. Participating organizations and member firms trading on Toronto Stock Exchange and TSX Venture Exchange, members trading on Alpha Exchange, subscribers trading on TMX Select and Canadian-approved participants trading on MX are regulated by IIROC. Foreign-approved participants trading through MX must be regulated by a recognized SRO or regulator in their jurisdiction. The exchanges, however, also have criteria for access to their markets.

### ***Regulation of Market Participants — Market Trading Conduct***

In Canada, an exchange can regulate its markets and its participants and enforce its requirements either directly or through a regulation services provider. The conduct of an ATS and its subscribers must also be monitored by a regulation services provider. IIROC is the SRO that provides regulation services to Toronto Stock Exchange, TSX Venture Exchange, Alpha Exchange and TMX Select, monitoring and enforcing compliance with universal market integrity rules.

The regulatory functions of MX are conducted by MX's Regulatory Division. As a recognized exchange and SRO, MX, through its Regulatory Division, is responsible for regulating its markets and its participants on a day-to-day basis. The Regulatory Division achieves this by adopting and enforcing rules and policies governing MX's markets and the conduct of approved participants.

MX's Regulatory Division is independent from its other operations and is under the sole internal oversight of MX's Special Committee – Regulatory Division, which is fully independent from MX and its management. The objective of creating the Regulatory Division was to ensure neutrality and impartiality when the Regulatory Division applies the rules that govern MX's markets and the relationships between MX and its market participants. More information on the Special Committee and the Regulatory Division can be found in the "***Our Business – Derivatives Trading and Clearing – MX, CDCC, and BOX – Derivatives – Regulatory Division***" section on page 21 of our 2014 MD&A.

### ***Issuers of Securities***

In Canada, there is one securities regulatory body in each province or territory. These provincial and territorial securities regulatory authorities regulate the offering of securities by issuers and their reporting and continuous disclosure requirements and, in certain cases, the conduct of various market participants including exchanges and intermediaries.

The ASC and BCSC have required TSX Venture Exchange to review and approve certain prospectuses filed by issuers listed on TSX Venture Exchange.

Each of our equity exchanges establishes standards for listed issuers and enforces compliance with those standards through the exchange's powers to halt trading in a security or to suspend or delist the listing of a security.

### ***Listing of our Shares on Toronto Stock Exchange***

Toronto Stock Exchange and staff of the OSC approved the listing and posting for trading of our common shares on Toronto Stock Exchange under the symbol "X" effective September 19, 2012. The OSC, in its Recognition Order, established procedures which require Toronto Stock Exchange to promptly report to the OSC any conflicts or potential conflicts of interest that arise or may arise with respect to our continued listing or the initial listing or continued listing of a competitor of TMX Group or its affiliates. Under these procedures, we established a conflicts committee, with at least two members who are independent of TSX Inc., and, for so long as any Nomination Agreement is in effect, Unrelated to an Original Maple Shareholder, and all conflict determinations and resolutions must be approved by staff of the OSC.

In addition, under Ontario securities legislation, the OSC has overriding powers to make decisions about Toronto Stock Exchange if it appears to be in the public interest. Toronto Stock Exchange's reporting requirements and the OSC's monitoring function for the listing of our common shares are set out in TSX Inc.'s Recognition Order.

### ***Regulatory Initiatives***

A number of regulatory initiatives and changes are being implemented by regulators in Canada and globally. Expanding regulation and proposed initiatives, including in the U.S. as a result of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and in the EU as a result of the European Market Infrastructure Regulation, impacting over-the-counter ("OTC") derivatives markets, exchanges and

clearinghouses, among others, will increase the regulation of and cost of compliance for our markets whose operations extend outside of Canada and are impacted by global regulatory developments.

In Canada, provincial securities regulators have released proposed rules regarding the regulation of the Canadian OTC derivatives markets which could lead to expanded regulation and increase the cost of compliance for our markets whose business is impacted by these developments.

Additionally, enhanced international standards governing financial market infrastructures (“PFMIs”) developed jointly by the CPMI and IOSCO are set out in the CPMI-IOSCO report *Principles for financial market infrastructures*, published in April 2012 (“PFMI Report”). The standards included in the PFMI Report are intended to enhance the safety and efficiency in clearing, settlement and recording arrangements, and more broadly, to limit systemic risk and foster transparency and financial stability. The PFMI Report is viewed as containing minimum international standards that must be applied consistently on a global level to PFMIs, including CDCC, CDS, CDS Clearing and NGX, as discussed in the “**Regulatory Matters - Recognition and Regulation of Exchanges, ATs, and Clearing Houses**” section on pages 4 to 6 of this AIF. Moreover, the new CPMI-IOSCO standards are intended to strengthen core financial infrastructures and markets, including derivatives markets and critical market infrastructures. In November 2014, the CSA published for comment proposed National Instrument 24-102 – *Clearing Agency Requirements*, the purpose of which is to implement the PFMIs as rule requirements in a unified manner in Canada via provincial regulators.

In May 2014, the CSA published a notice and request for comments on proposed amendments to National Instrument 23-101 - *Trading Rules*. These are the most significant proposed changes since the rules regarding ATs were issued in 2001. The proposed amendments relate to, among other things, the order protection rule, which requires that better-priced orders be executed before inferior-priced orders regardless of the marketplace on which the order is displayed. The notice includes consideration of future caps on trading fees of \$0.0030 per share or unit traded for equities or units priced at or above \$1.00. In addition, the CSA also sought feedback regarding a pilot study to examine the payment of rebates by marketplaces to their participants under the maker-taker pricing model. This pilot would include the elimination of the practice of paying rebates. The notice from the CSA also included a proposal that would require marketplaces to submit their professional market data fees for review and re-approval annually and to justify these fees in the context of the results of applying a relative value assessment of real-time market data. The CSA is also considering taking action that could involve a cap or the implementation of a separate methodology for non-professional market data fees. The net impact of these proposed changes on our business is uncertain as the final instrument has not been issued following the public comment period.

In September 2014, the governments of British Columbia, Ontario, Saskatchewan, New Brunswick, Prince Edward Island and Canada signed a memorandum of agreement formalizing the terms and conditions of a cooperative capital markets regulatory system. This system will feature a single securities regulator administering a single set of securities regulations for those jurisdictions and a national *Capital Markets Stability Act* addressing criminal matters and systemic risk issues. The participating jurisdictions published for public comment drafts of proposed uniform provincial capital markets legislation and complementary federal legislation. The participating jurisdictions have targeted operationalization of this single securities regulator by fall 2015.

Further information regarding these regulatory initiatives and changes is located in the section “**Market Conditions, Initiatives and Regulatory Changes – Initiatives and Regulatory Changes**” on pages 8-11 of our 2014 MD&A.

## **Social Policies**

Our charitable contributions support our communities through a targeted program which ties into our brand and enhances our reputation as a corporate citizen. We focus on initiatives which address social welfare, health and health-related research, as well as education, and financial literacy which are closely aligned with the capital markets industry. TMX Group also has a corporate matching program which supports organizations important to individual employees by matching a portion of their personal gifts.

Our major contributions in 2014 included support for the United Way - Centraide, Frontier College, Habitat for Humanity and the Princess Margaret Hospital Foundation, in addition to a number of other charitable organizations in communities across Canada. We also continued our support of the Capital Markets Institute at the Rotman School of Business of the University of Toronto, the Junior Economic Club of Canada, Junior Achievement of Central Ontario and the MaRS Centre for Impact Investing.

In Vancouver, the third annual Toronto Stock Exchange and TSX Venture Exchange Charity Golf Tournament raised funds for the Canadian National Institute for the Blind, Learning Disabilities Association of Vancouver and Room to Read. In Calgary, the first annual Toronto Stock Exchange and TSX Venture Exchange “Golden Bull” Charity Golf Classic raised funds for the Alberta Children’s Hospital Foundation.

NGX held its NGX Charity Trading Day on March 27, 2014 in support of the Tom Baker Cancer Centre in Calgary.

Shorcan, through its annual charity day on January 24, 2014, supported Covenant House, Multiple Sclerosis Society of Canada, Canadian Athletes Now Fund and Pelletier Youth in Transition, as well as a number of other not-for-profit entities.

Under the Montréal Exchange Recognition Order, fines, costs associated with disciplinary matters and penalties collected by the Regulatory Division can only be used for specifically approved purposes. Montréal Exchange, through its Regulatory Division, has made contributions to the Management School of Université du Québec à Montréal (ESG UQUAM) for its mock trading room and to the Université de Montréal for the financial products and markets component of its graduate program in business law. Funds have also been used to launch an options simulation program targeting undergraduate students and a bursaries program for graduate and postgraduate students focused on derivatives education.

In 2013, we launched the TMX Capital Markets Learning Centre, a free online information portal designed to help Canadians gain a better understanding of financial markets. Incorporated in the portal is the TMX Trading Simulator, which provides a simulated market experience for trading both equities and options.

## **Risk Factors**

A discussion of risk factors related to TMX Group and its businesses appears under the heading “*Risks and Uncertainties*” on pages 68 to 97 of our 2014 MD&A, which is incorporated by reference into this AIF.

## **DESCRIPTION OF SHARE CAPITAL OF TMX GROUP**

Our authorized capital consists of an unlimited number of common shares and an unlimited number of preference shares, issuable in series. Currently, only common shares of TMX Group Limited are issued

and outstanding. No preference shares have been issued. Further information regarding our share capital is located in Note 21 of the 2014 Financial Statements.

### **Common Shares**

Each of our common shares is entitled to one vote at all meetings of our shareholders, except for meetings where only holders of another class or series of our shares are entitled to vote separately as a class or series. Each common share is also entitled to receive dividends if, as and when declared by the board of directors of TMX Group (the “TMX Group Board”). If the TMX Group Board declares and pays dividends, it must do so in equal amounts per share on all common shares (and subject to certain priority rights of the preference shares, if any). Common shareholders are entitled to participate in any distribution of our net assets if we liquidate, dissolve or wind-up (but subject to certain priority rights of preference shareholders, if any). The common shares do not have any pre-emptive, redemption, purchase or conversion rights except for the compulsory provisions described below related to enforcing the restrictions on ownership of our voting shares.

### **Preference Shares**

The TMX Group Board may issue preference shares at any time and in one or more series. If the TMX Group Board issues preference shares, it will, before they are issued, fix the number, consideration per share, designation of, and rights and restrictions for the preference shares of each series (subject to the special rights and restrictions attached to all preference shares). Each series of preference shares will rank equally with all other series of preference shares for the payment of dividends and return of capital if we liquidate, dissolve or wind-up. The preference shares have a priority right to receive dividends and any return of capital before the common shares and any other junior shares. We cannot amend the preference shares’ special rights and restrictions as a class without obtaining any approval required by law, and the approval of at least two-thirds of the votes cast at a meeting of preference shareholders called and held for that purpose. To date, TMX Group Limited has not issued any preference shares.

### **Restrictions on Ownership of Our Voting Shares**

Section 21.11 of the *Securities Act* (Ontario), as amended by regulation and an order of the OSC under section 21.11(4) of the *Securities Act* (Ontario) states that no person or company (or combination of persons or companies acting jointly or in concert) may beneficially own or exercise control or direction over more than 10% of any class or series of our voting shares without the prior approval of the OSC (together with the share ownership restrictions outlined below are collectively referred to as the “Share Ownership Restrictions”).

Under the AMF Recognition Orders, no person or company or combination of persons or companies acting jointly or in concert can beneficially own or exercise control or direction over more than 10% of any class or series of our voting shares, without the prior approval of the AMF.

The OSC and the AMF can change the Share Ownership Restrictions (including the ownership percentage threshold) in the future.

### **Share Ownership Restrictions in Our Articles**

On August 1, 2012, we amended our articles of incorporation to insert restrictions on voting share ownership (the “TMX Group Share Restrictions”) which are substantively identical to the Share Ownership Restrictions. Our common shares are currently our only outstanding voting shares. The

articles provide that these restrictions will automatically change or be removed if the Share Ownership Restrictions are changed or removed.

Our articles contain provisions to enforce the TMX Group Share Restrictions, including our ability to suspend voting rights, forfeit dividends or any other distribution, prohibit share transfers, require a sale of shares or redeem and suspend other shareholder rights. The TMX Group Board may at any time require holders of, or subscribers for, voting shares and certain other persons to make declarations and provide related information with respect to ownership, direction, or control of voting shares and certain other matters relevant to this restriction. The TMX Group Board may also require holders or subscribers to produce documents, provide responses to written questions, and attend in person to answer questions concerning any declaration. We are prohibited from accepting any subscription or issuing or registering a transfer of voting shares if it would result in a violation of the TMX Group Share Restrictions.

### **Minimum Equity Ownership Interest in TMX Group**

Each of CIBC World Markets Inc., National Bank Group Inc., Scotia Capital Inc., and TD Securities Inc., either directly or through an affiliate, has agreed to maintain a specified minimum ownership interest in TMX Group for a period of five years from September 14, 2012. For the year ended September 14, 2013, each of these investors were required to own at least 6.25%, and for each of the four following years, each of these investors must own at least 5.625%, of our common shares outstanding as at September 14, 2012.

### **Restrictions On Ownership of Subsidiaries**

#### ***TMX Group Inc. and TSX Inc.***

Under Section 21.11 of the *Securities Act* (Ontario), as amended by regulation, no person or company (or combination of persons or companies acting jointly or in concert) may beneficially own or exercise control or direction over more than 10% of any class or series of TMX Group Inc.'s or TSX Inc.'s voting shares without the prior approval of the OSC. Under the Recognition Orders, the OSC approved TMX Group's acquisition of all of the outstanding common shares of each of TMX Group Inc. and TSX Inc. on the condition that TMX Group continues to own, directly or indirectly, all of the issued and outstanding voting shares of each of TMX Group Inc. and TSX Inc. In addition, TMX Group Inc. must continue to own directly or indirectly, all of the issued and outstanding voting shares of TSX Inc. Any change to the ownership of TMX Group Inc. or TSX Inc. requires the prior approval of the OSC.

The AMF, under its Recognition Orders, has imposed a similar restriction with respect to the share ownership of TMX Group Inc. No person or company (or combination of persons or companies acting jointly or in concert), other than TMX Group, may beneficially own or exercise control or direction over more than 10% of any class or series of TMX Group Inc. voting shares without the prior approval of the AMF.

Each of TMX Group and TMX Group Inc. has also agreed, in the ASC and BCSC Undertakings, to notify the ASC and BCSC if it has applied or intends to apply to the OSC for an amendment to the Recognition Order of the OSC permitting TMX Group or TMX Group Inc., as the case may be, to own, directly or indirectly, less than all of the issued and outstanding voting shares of TSX Inc.

#### ***TSX Venture Exchange Inc.***

The ASC and BCSC Recognition Orders for TSX Venture Exchange Inc. impose conditions related to changes in ownership. TMX Group, TMX Group Inc. and TSX Inc. also agreed in the ASC and BCSC Undertakings not to complete or authorize a transaction that would result in TSX Venture Exchange Inc.

ceasing to be wholly owned by TSX Inc, or indirectly wholly owned by TMX Group or TMX Group Inc. without: (i) providing the ASC and BCSC at least three months' prior notice of their intention; and (ii) complying with any terms and conditions that the ASC or BCSC may impose.

### ***Alpha GP, Alpha LP and Alpha Exchange***

TMX Group must continue to own, directly or indirectly, all of the issued and outstanding voting shares of Alpha GP, and must continue to hold directly or indirectly, the interests in income and capital of Alpha LP. Alpha LP must continue to own, directly or indirectly, all the issued and outstanding voting shares of Alpha Exchange. Without the prior approval of the OSC, and subject to such terms and conditions as considered appropriate by the OSC, other than TMX Group, no person or company, and no combination of persons or companies acting jointly or in concert shall hold an interest of more than 10%, or such other percentage as may be prescribed by the OSC in the income or capital of Alpha LP or may beneficially own or exercise control or direction over more than 10%, or such other percentage as may be prescribed by the OSC, of any class or series of voting shares of Alpha GP. The OSC's approval, as the case may be, may be subject to such terms and conditions as the OSC considers appropriate.

### ***Montréal Exchange Inc. and Canadian Derivatives Clearing Corporation***

The AMF Recognition Orders for MX and CDCC state that no person or company and no combination of persons or companies acting jointly or in concert shall, without the prior approval of the AMF, own or exercise control or direction over more than 10% of any class or series of voting shares of: (i) MX, except for TMX Group and TMX Group Inc.; or (ii) CDCC, except for TMX Group, TMX Group Inc. and MX.

### ***The Canadian Depository for Securities Limited***

Under the Recognition Orders issued, CDS cannot make any change to its ownership structure without the prior approval of the OSC, the AMF and the BCSC.

### **Ratings**

TMX Group received the following credit ratings from DBRS, which as at the date of this AIF remain unchanged:

	<b>DBRS</b>	
	<b>Rating</b>	<b>Trend</b>
Issuer Credit Rating	A (high)	Stable
Senior Unsecured Debt	A (high)	Stable
Commercial Paper	R-1 (low)	Stable

DBRS' ratings are based on quantitative and qualitative considerations which are relevant for TMX Group. These ratings are intended to give an indication of the risk that TMX Group will not fulfill its obligations in a timely manner. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. Credit ratings may not reflect the potential impact of all risks on the value of securities. In addition, real or anticipated changes in the rating assigned to a security will generally affect the market value of that security. There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be revised or withdrawn entirely by a rating agency in the future.

DBRS will regularly evaluate our issuer rating and the rating of our Debentures and Commercial Paper outstanding. A downgrade from our existing rating could adversely affect our cost of borrowing and/or our ability to access sources of liquidity and capital and reduce financing options available to us.

As is customary, TMX Group paid fees to DBRS to obtain its credit ratings and expects to pay similar fees in the future. No additional payments were made to DBRS in respect of any other services provided to TMX Group during the past two years.

A description of the rating categories has been obtained from DBRS' website and is provided in Appendix B to this AIF.

## **DIVIDENDS**

We paid a dividend of \$0.40 on each outstanding common share on March 6, 2015 to shareholders of record at the close of business on February 20, 2015. In each of 2014 and 2013, we paid dividends totalling \$1.60 on each outstanding common share and in the fourth quarter of 2012, we paid dividends totalling \$0.40 on each outstanding common share.

As a holding company, our ability to pay dividends on our shares depends in large part upon our subsidiaries paying dividends and other amounts to us. Our subsidiaries must comply with corporate and securities laws and with their agreements before they can pay dividends to us. Certain capital maintenance requirements imposed on our subsidiaries may impose restrictions on the dividends or other amounts that a subsidiary may distribute to its shareholders. In addition, the debt covenants in our credit agreement may impose restrictions on our ability to pay dividends. Our debt covenants are outlined under the heading "*Commercial Paper, Debentures, Credit and Liquidity Facilities – Loans Payable*" and the capital maintenance requirements are outlined under the heading "*Managing Capital*" on pages 47 to 48 and 51 to 53, respectively, of our 2014 MD&A. Further information regarding TMX Group dividends is located in Note 27 of the 2014 Financial Statements.

Our current dividend policy is based on the following factors:

- a long-term intention to provide shareholders with regular and growing dividends, within the constraints arising from changes in our prevailing and projected earnings;
- prevailing market dividend yields, including those of comparable publicly traded exchange groups and other Canadian financial institutions;
- the need to retain capital to support our stability and growth; and
- compliance with applicable laws, regulations, orders and debt covenants.

This dividend policy is reviewed periodically by the TMX Group Board. The TMX Group Board has the sole discretion to declare and to adjust or eliminate dividends based on the above factors or other considerations.

## MARKET FOR SECURITIES

Our common shares are listed on Toronto Stock Exchange under the symbol “X.” The following table sets out the high and low sale prices per common share and the volume of TMX Group common shares traded for the periods indicated, as reported by Toronto Stock Exchange.

<b>2014</b>	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume</b>
January	52.10	48.06	434,937
February	53.12	48.22	622,126
March	54.08	50.95	539,211
April	57.85	52.52	433,292
May	59.20	56.27	675,968
June	61.35	57.03	399,810
July	58.98	56.45	274,040
August	57.49	53.60	383,934
September	55.59	52.33	333,712
October	54.66	51.00	342,221
November	54.45	51.15	350,082
December	52.94	49.38	459,817

### Prior Sales

During the most recently completed financial year, we did not issue any shares that are not listed or quoted on a marketplace. On May 30, 2014 we established the Commercial Paper Program to offer investors up to \$400 million of Commercial Paper. For additional information, please refer to “*General Development of the Business – TMX Group Commercial Paper Program*” on page 3 of this AIF, the “*Commercial Paper, Debentures, Credit and Liquidity Facilities – Commercial Paper*” section of our 2014 MD&A on page 45 and Note 12 of the 2014 Financial Statements.

## DIRECTORS AND OFFICERS

### Directors

As of the date of this AIF, the following individuals are the directors of TMX Group.

<b>Name and Residence</b>	<b>Principal Occupation</b>	<b>Director Since</b>
Charles Winograd Ontario, Canada	Chair, TMX Group since July 31, 2012, Senior Managing Partner, Elm Park Capital Management (mid-market lending) since July 2011 and President, Winograd Capital Inc. (external consulting and investment firm)	July 31, 2012
Luc Bertrand Québec, Canada	Vice Chair, National Bank Financial Group (chartered bank) since February 2011	May 13, 2011

Denyse Chicoyne Québec, Canada	Corporate Director	July 31, 2012
Louis Eccleston Ontario, Canada	Chief Executive Officer, TMX Group	November 3, 2014
Christian Exshaw Ontario, Canada	Managing Director and Head of Capital Markets Trading, Wholesale Banking, CIBC World Markets Inc. (investment dealer)	January 1, 2015
Marie Giguère Québec, Canada	Executive Vice-President, Legal Affairs and Secretariat, Caisse de dépôt et placement du Québec (pension fund)	May 13, 2011
Jeffrey Heath Ontario, Canada	Executive Vice President and Group Treasurer, Scotiabank (chartered bank)	September 12, 2012
Martine Irman Ontario, Canada	Senior Vice President, TD Bank Group (chartered bank) and Vice Chair, Head of Global Enterprise Banking, TD Securities (investment dealer)	November 6, 2014
Harry Jaako British Columbia, Canada	Executive Officer, Discovery Capital Management Corp. (venture capital firm) and President, British Columbia Discovery Fund Inc. (investment fund)	July 31, 2012
Lise Lachapelle Québec, Canada	Consultant and Corporate Director	May 23, 2014
William Linton Ontario, Canada	Corporate Director	July 31, 2012
Jean Martel Québec, Canada	Partner, Lavery, de Billy LLP (law firm)	July 31, 2012
Peter Pontikes Alberta, Canada	Senior Vice President, Public Equities, Alberta Investment Management Corporation (pension fund)	March 25, 2015
Gerri Sinclair British Columbia, Canada	Consultant and Corporate Director	July 31, 2012
Kevin Sullivan Ontario, Canada	Deputy Chairman, GMP Capital Inc. (investment dealer)	July 31, 2012
Anthony Walsh British Columbia, Canada	Corporate Director	July 31, 2012
Eric Wetlaufer Ontario, Canada	Senior Managing Director & Global Head of Public Market Investments, Canada Pension Plan Investment Board (pension fund) since June 2011	July 31, 2012
Michael Wissell Ontario, Canada	Senior Vice President, Public Equities, Ontario Teachers' Pension Plan (pension fund)	September 19, 2014

Directors are elected annually and will hold office until our next annual meeting of shareholders or until the director resigns, becomes ineligible, unable to serve or until his or her successor is elected or appointed.

Except where noted otherwise, the directors have had the principal occupations stated above, or other senior positions with the same, predecessor, or associated firms, for the past five years except for Mr.

Eccleston, who was President, S&P Capital IQ and Chairman of the Board, S&P Dow Jones Indices until July 2014; Mr. Linton, who was Executive Vice President Finance and Chief Financial Officer, Rogers Communications until July 2012; Ms. Sinclair, who was Executive Director, Centre for Digital Media, Great Northern Way Campus until August 2010; Mr. Sullivan, who was Chief Executive Officer, GMP Capital Inc. until September 2010; Mr. Walsh, who was President and Chief Executive Officer, Sabina Gold & Silver Corporation until November 2011 and Mr. Wetlaufer, who was Group Chief Investment Officer, International, Fidelity Management & Research until March 2010.

### ***TMX Group Board Charter***

TMX Group is committed to remaining at the forefront of good governance and ensuring the highest standard of corporate governance, as well as ensuring that the TMX Group Board causes exchange and clearing agency functions to be carried out in a manner consistent with the public interest and its regulatory responsibilities. Within the framework required by the Recognition Orders and the ASC and BCSC Undertakings, TMX Group's governance arrangements ensure fair, meaningful and diverse representation on the TMX Group Board and its committees, including appropriate representation of independent directors and a proper balance among the interests of the different persons and companies using TMX Group's services and facilities.

The TMX Group Board charter recognizes the primary responsibility of the TMX Group Board to provide governance and stewardship and sets out the board's responsibilities for, among other things: appointing and supervising officers comprising the executive officers (including setting roles and responsibilities for the Chair of the board and the Chief Executive Officer); strategic planning; risk management; financial reporting and management; shareholder communication; corporate governance; and adopting and monitoring compliance with a board code of conduct and an employee code of conduct.

The complete text of the TMX Group Board charter and other related information is available on our website at [www.tmx.com](http://www.tmx.com).

### **Committees of the TMX Group Board**

The TMX Group Board currently has six standing committees: a finance and audit committee, a governance committee, a human resources committee, a regulatory oversight committee, a derivatives committee and a public venture market committee. In March 2014, an ad hoc CEO Succession Committee was also constituted following the announcement in March 2014 of the retirement of Thomas Kloet. The Committee's mandate was to identify a qualified candidate for appointment as CEO of TMX Group which was fulfilled with the appointment of Louis Eccleston as CEO in November 2014. Each standing committee's charter is posted on our website at [www.tmx.com](http://www.tmx.com). A summary of each standing committee's responsibilities and the members of each such committee are set out below.

#### ***Governance Committee***

The TMX Group Board has established a Governance Committee, which is required to be comprised of at least five directors, all of whom are Independent and, so long as a Nomination Agreement is in effect, a majority of whom will be Unrelated to Original Maple Shareholders.

The Governance Committee assists the TMX Group Board by providing the TMX Group Board with recommendations relating to corporate governance in general, including, without limitation: (a) all matters relating to the stewardship role of the TMX Group Board in respect of the management of the corporation; (b) board size and composition, including: (i) confirming the status of nominees to the TMX Group Board as Independent and/or Unrelated to Original Maple Shareholders, as appropriate, before the

individual is submitted to shareholders as a nominee for election to the TMX Group Board; (ii) confirming on an annual basis that the status of the directors that are Independent and/or Unrelated to Original Maple Shareholders, as appropriate, has not changed; (iii) assessing and approving all nominees of management to the TMX Group Board, and any nominees pursuant to any Nomination Agreement; and (iv) the orientation of new members; (c) board compensation; and (d) such procedures as may be necessary to allow the TMX Group Board to function independently of management and non-independent directors.

The Governance Committee also designs and oversees compliance with policies associated with an efficient system of corporate governance, other than policies relating to conflicts of interest that are within the scope of the Regulatory Oversight Committee (discussed below). Such policies include our TMX Group Board Code of Conduct, our Employee Trading Policy, our Director Qualification Policy, and our Timely Disclosure, Confidentiality and Insider Trading Policy (“Insider Trading Policy”).

The Insider Trading Policy applies to all directors, officers and employees. Under the Insider Trading Policy, we have established a Disclosure Committee that is responsible for updating the policy as required, monitoring the effectiveness of and compliance with the Insider Trading Policy, educating our directors, officers and employees about the policy, reviewing and authorizing written, electronic and oral disclosure by us, and monitoring our website.

#### *Committee Members*

Marie Giguère (Chair), Denyse Chicoyne, Harry Jaako, William Linton and Charles Winograd.

#### ***Finance and Audit Committee***

The Finance and Audit Committee of the TMX Group Board is comprised entirely of directors who meet the independence and financial literacy requirements set out in NI 52-110 and who are Independent.

The Finance and Audit Committee assists the TMX Group Board in fulfilling its oversight responsibilities regarding: (a) the integrity of TMX Group’s financial reporting; (b) the internal control systems of TMX Group; (c) the external audit process; (d) the internal audit and assurance process; (e) financial planning, investment opportunities and treasury activities; and (f) the administration of TMX Group’s pension plan(s). This committee also assists the TMX Group Board in fulfilling its risk management responsibilities, including reviewing and assessing TMX Group’s risk management policies, processes and systems with regard to the identification of principal risks and the adequacy of the implementation of appropriate procedures to mitigate and manage such risks.

As required under NI 52-110, the committee:

- is directly responsible for overseeing the work of the external auditor in connection with the audit of the annual financial statements and the review of the interim financial statements and any other audit, review or attest functions the external auditor performs for TMX Group, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- must pre-approve all non-audit services to be provided to TMX Group or its subsidiaries by the external auditor;
- must review TMX Group’s financial statements and related management’s discussion and analysis, and annual and interim earnings press releases before they are publicly disclosed;

- must be satisfied that adequate procedures are in place and must periodically assess the adequacy of those procedures for the review of TMX Group’s public disclosure of financial information extracted or derived from our financial statements, other than the public disclosures referred to above;
- must establish procedures for (i) the receipt, retention and treatment of complaints received by TMX Group regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and for the protection from retaliation of those who report such complaints in good faith; and
- must review and approve the hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.

#### *Committee Members*

William Linton (Chair), Denyse Chicoyne, Harry Jaako, Anthony Walsh and Eric Wetlaufer.

#### *Charter*

The full text of the Finance and Audit Committee’s charter is included as Appendix C to this AIF.

#### *Composition of the Committee and Relevant Education and Experience of its Members*

The following are the members of the Finance and Audit Committee, each of whom is a director and is independent under Sections 1.4 and 1.5 of NI 52-110. The members of the audit committee are each financially literate under Section 1.6 of NI 52-110 and bring significant skill and experience to their responsibilities including professional experience in accounting, business and finance. The specific education and experience of each member that is relevant to the performance of his or her responsibilities as a member of the committee is set out below:

William Linton (Chair)	Mr. Linton served as the Executive Vice President Finance and Chief Financial Officer of Rogers Communications from 2005 until his retirement in July 2012. Since receiving his Chartered Professional Accountant designation in 1977, Mr. Linton has served in various management and director roles for both reporting and non-reporting issuers. Mr. Linton became a Fellow of the Institute of Chartered Professional Accountants in 2012.
Denyse Chicoyne	Ms. Chicoyne has worked in the securities industry as a top ranked analyst for brokerage firms such as BMO Nesbitt Burns, Nesbitt Thomson, and McNeil Mantha and was also a senior analyst and portfolio manager for the Caisse de dépôt et placement du Québec. Ms. Chicoyne holds an MBA in Finance and International Business from McGill University (1981) and has been a designated Chartered Financial Analyst (CFA) since 1986. Ms. Chicoyne is a member of the Montreal Society of Financial Analysts as well as of the CFA Institute.

---

Harry Jaako	<p>Mr. Jaako is the Executive Officer and a director and Principal of DCMC (a venture capital firm) and is also President and a director of British Columbia Discovery Fund (VCC) Inc., a British Columbia venture capital fund managed by DCMC. As a venture capital professional, Mr. Jaako has directed investments in over 30 companies for over 15 years, and has been responsible for monitoring the financial reporting of many of these investments. He has also, for more than 20 years, served as a senior executive and/or director of numerous reporting and non-reporting issuers and been involved with all aspects of their financial reporting in such executive or board capacities. Throughout his career, Mr. Jaako has also served in an advisory capacity to securities regulators and SROs in matters related to corporate finance.</p>
Anthony Walsh	<p>Mr. Walsh has over 25 years of leadership experience, holding senior financial and executive positions such as President and Chief Executive Officer of Miramar Mining Corporation, President and Chief Executive Officer of Sabina Gold and Silver Corporation and Senior Vice President and Chief Financial Officer of International Corona Corporation. In addition, Mr. Walsh had a 12-year tenure with Deloitte, Haskins &amp; Sells, where he earned his Chartered Professional Accountant designation. Mr. Walsh currently serves on several boards of Canadian exploration and development companies.</p>
Eric Wetlaufer	<p>Mr. Wetlaufer, a Chartered Financial Analyst, has over 20 years of experience in investment management and is currently Senior Managing Director &amp; Global Head of Public Market Investments of the Canada Pension Plan Investment Board. Previously, Mr. Wetlaufer was the Group Chief Investment Officer, International at Fidelity Management &amp; Research in Boston, Massachusetts. Mr. Wetlaufer was also the co-founder and partner of Oxhead Capital Management and has held the roles of Chief Investment Officer of U.S. Mid Cap and Specialty Growth at Putnam Investments and Managing Director at Cadence Capital Management.</p>

---

#### *Pre-Approval Policies and Procedures*

As set out in the committee's charter, the committee is responsible for pre-approving any non-audit services to be provided to TMX Group or its subsidiaries by its external auditor, with reference to compatibility of the service with the external auditor's independence.

*External Auditor Services Fees (by category)*

The aggregate fees billed by the external auditors, related to the years ended December 31, 2014 and 2013 for professional services are set out below:

<b>Services Rendered</b>	<b>Fees billed</b>	
	<b>Fiscal 2014</b>	<b>Fiscal 2013</b>
Audit Fees <sup>(1)</sup>	\$1,320,200	\$1,524,000
Audit Related Fees <sup>(2)</sup>	\$653,000	\$934,000
Tax Fees <sup>(3)</sup>	Nil	\$85,000
All Other Fees <sup>(4)</sup>	\$25,000	Nil
<b>Total</b>	<b>\$1,998,200</b>	<b>\$2,543,000</b>

- (1) For the audit of financial statements, including interim reviews of quarterly financial statements, and for services normally provided by the auditor in connection with statutory and regulatory filings, including in 2013 services related to the Debenture Offering.
- (2) For assurance and related services that are reasonably related to the performance of the audit or review of financial statements and are not reported in Audit Fees, including the audit of the TMX Group pension plan, French translation services, and reporting on internal controls as required by contract or for business reasons.
- (3) Fees paid were for tax compliance services.
- (4) Fees paid were for services related to the readiness assessment for quality assurance review of our internal audit department.

***Human Resources Committee***

The TMX Group Board has established a Human Resources Committee, comprised of directors who are non-management and are Independent. A component of the mandate of the Human Resources Committee is to oversee the administration of compensation and benefits plans. The Human Resources Committee also makes recommendations to the TMX Group Board regarding (a) appointing and compensating executive officers and approving succession plans for the Chief Executive Officer and other executive officers and (b) approving and reporting to the TMX Group Board in respect of human resources policies for executive officers.

The committee reviews annually the Chief Executive Officer's performance targets and corporate goals and objectives; reviews and approves the Chief Executive Officer's performance evaluation against these targets, goals and objectives; and reviews and recommends to the TMX Group Board the Chief Executive Officer's compensation. On an annual basis, the committee reviews the Employee Code of Conduct and recommends to the TMX Group Board for approval any amendments to the Employee Code of Conduct. It is also responsible for overseeing our employee benefits plans, including the design and administrative management of our pension plans. The committee is also responsible for ensuring that compensation design risks and related policies and practices are properly identified, measured and managed within acceptable tolerances in a manner that supports TMX Group's objectives.

***Committee Members***

Eric Wetlaufer (Chair), Lise Lachapelle, Gerri Sinclair, Charles Winograd and Michael Wissell.

### ***Regulatory Oversight Committee***

The TMX Group Board has established a Regulatory Oversight Committee, which is required to be comprised of at least three directors, all of whom are Independent and for so long as a Nomination Agreement is in effect, a majority of whom will be Unrelated to Original Maple Shareholders.

The Regulatory Oversight Committee is charged with the following duties: (a) considering real or perceived conflicts of interest that may arise, including but not limited to in the context of: (i) ownership interests in TMX Group by any marketplace participant in a marketplace owned or operated by TMX Group or TMX Group's affiliated entities with representation on the TMX Group Board; (ii) increased concentration of ownership of each of TMX Group, TMX Group Inc., TSX Inc., Alpha LP and Alpha Exchange; and (iii) the profit-making objective and the public interest responsibilities of TMX Group, including general oversight of the management of the regulatory and public interest responsibilities of TMX Group Inc. and TSX Inc.; (b) overseeing the establishment of mechanisms to avoid or appropriately manage real or perceived conflicts of interest or potential conflicts of interest, including any policies and procedures that are developed by TMX Group, TMX Group Inc. or TSX Inc.; (c) monitoring the operation of mechanisms that deal with conflicts of interest, including oversight of reporting of issuer regulation activities and conflicts of interest by TSX Inc.; (d) reviewing the effectiveness of the policies and procedures regarding conflicts of interest on a regular, and at least annual, basis; (e) annually preparing a written report examining the avoidance and management of conflicts of interest, the mechanisms used and the effectiveness of those mechanisms and providing the report to the TMX Group Board and to the OSC; and (f) reporting to the TMX Group Board as appropriate, and in writing directly to the OSC, on any matter that the Regulatory Oversight Committee deems appropriate, or that is required by the OSC, without first requiring TMX Group Board approval or notification for such reporting.

#### ***Committee Members***

Jean Martel (Chair), Denyse Chicoyne, Marie Giguère and Lise Lachapelle.

### ***Derivatives Committee***

The TMX Group Board has established a Derivatives Committee, which advises and makes recommendations to the TMX Group Board with respect to all policy issues and matters that are likely to have a significant impact on derivatives and related products of TMX Group and its subsidiaries and, among other things, on the role of TMX Group and/or MX and/or CDCC in relation thereto. At least a majority of the members of the Derivatives Committee are required to have expertise in derivatives.

#### ***Committee Members***

Luc Bertrand (Chair), Christian Exshaw, Jeffrey Heath, Kevin Sullivan and Michael Wissell.

### ***Public Venture Market Committee***

The TMX Group Board has established a Public Venture Market Committee, which is required to be comprised of at least 50% of directors with currently relevant expertise in the Canadian public venture capital markets. The Public Venture Market Committee's function is to advise and make recommendations to the TMX Group Board with respect to all policy issues and matters that are likely to have a significant impact on the public venture capital market in Canada and the role of TMX Group and/or TSX Venture Exchange Inc. in relation thereto.

### *Committee Members*

Harry Jaako (Chair), Luc Bertrand, Peter Pontikes, Gerri Sinclair, Kevin Sullivan and Anthony Walsh.

### **Executive Officers**

As at the date of this AIF, the following are the executive officers of TMX Group.

<b>Name</b>	<b>Position</b>	<b>Province and Country of Residence</b>
Charles Winograd	Chair	Ontario, Canada
Louis Eccleston	Chief Executive Officer	Ontario, Canada
Kevin Cowan	President, TSX Markets, Group Head of Equities	Ontario, Canada
Jean Desgagné	President and Chief Executive Officer CDS, Group Head of Cash Clearing	Ontario, Canada
Cheryl Graden	Senior Vice President, Group Head of Legal and Business Affairs and Corporate Secretary	Ontario, Canada
Brenda Hoffman	Senior Vice President, Group Head of Information Technology	Ontario, Canada
Mary Lou Hukezalie	Senior Vice President, Group Head of Human Resources	Ontario, Canada
Alain Miquelon	President and Chief Executive Officer Montréal Exchange, Group Head of Derivatives	Québec, Canada
James Oosterbaan	President and Chief Executive Officer NGX, Group Head of Energy	Alberta, Canada
Michael Ptasznik	Senior Vice President and Group Head Chief Financial Officer	Ontario, Canada
Eric Sinclair	President, TMX Datalinx, Group Head of Information Services	Ontario, Canada

Except as otherwise noted in this AIF, all executive officers named above have held their present positions or other senior positions with TMX Group or its subsidiaries, predecessors, or associated firms for the past five years, except for Mr. Eccleston, who was President, S&P Capital IQ and Chairman of the Board, S&P Dow Jones Indices until July 2014; Mr. Desgagné, who was Senior Vice President, Trading Risk Services, TD Bank Group until February 2013 and Mr. Oosterbaan, who was Senior Vice President, Operations and Commodity Portfolio Management of Capital Power Corp. until November 2012.

### **Shareholdings of Directors and Executive Officers**

To our knowledge, as at February 28, 2015, the directors and executive officers of TMX Group as a group, beneficially owned, directly or indirectly, or exercised control or direction over approximately 441,000 common shares, representing less than 1% of our outstanding common shares and no director or executive officer of TMX Group beneficially owned or controlled voting securities of any of our subsidiaries.

### **Corporate Cease Trade Orders or Bankruptcies**

To our knowledge and except as otherwise disclosed below, no director or executive officer of TMX Group:

- a) is, as at the date of this AIF or has been within the last 10 years, a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued:
  - i. while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
  - ii. after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- b) is, as at the date of this AIF, or has been within the last 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Ms. Lachapelle served as a director of AbitibiBowater Inc. (“AbitibiBowater”) (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) from 2002 to December 2010. In April 2009, AbitibiBowater, together with certain of its U.S. and Canadian subsidiaries, filed voluntary petitions in the U.S. Bankruptcy Court for the District of Delaware for relief under the provisions of Chapter 11 and Chapter 15 of the U.S. Bankruptcy Code, as amended, and certain of its Canadian subsidiaries sought creditor protection under the *Companies’ Creditors Arrangement Act* (Canada) (the “CCAA”) with the Superior Court of Quebec in Canada. AbitibiBowater completed its reorganization and emerged from creditor protection proceedings under the CCAA in Canada and Chapter 11 of the U.S. Bankruptcy Code in December 2010.

Mr. Jaako served as a director of Paradigm Environmental Technologies Inc. (“Paradigm”) from June 2005 to September 2013 and as Chairman from November 2007 to September 2013. In June 2014, Wolrige Mahon Limited was appointed as the receiver of the assets of Paradigm pursuant to an order of the Supreme Court of British Columbia under the *Bankruptcy and Insolvency Act* (Canada).

### **Penalties or Sanctions**

To our knowledge, no director or executive officer of TMX Group (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Under our Recognition Orders, TMX Group is required to manage and identify any conflicts of interest or potential conflicts of interest, perceived or real, arising from its ownership interest in TMX Group Inc., TSX Inc., Alpha and TSX Venture Exchange Inc. and from the involvement of any partner, director, officer or employee of a Significant Maple Shareholder in the management or oversight of the marketplace operations or regulation functions of a TMX Group Marketplace and the services and products provided by the TMX Group Marketplace. The Regulatory Oversight Committee oversees the management of real or perceived conflicts. The terms of reference of this committee are outlined above under the section “*Committees of the TMX Group Board – Regulatory Oversight Committee*”.

Each Original Maple Shareholder is required to identify and manage any conflicts of interest (perceived or real) arising from the involvement of a Nominee under a Nomination Agreement as a director on the TMX Group Board. Where appropriate, directors remove themselves from portions of board or committee meetings in accordance with the TMX Group Board Code of Conduct and the *Business Corporations Act* (Ontario), or ad hoc special committees are constituted, in each case to allow independent discussion of matters at issue. In addition, the TMX Group Board Code of Conduct, the Employee Code of Conduct and corporate and securities legislation require disclosure of conflicts by individual directors and officers.

### **Employees**

We had a total of 1,323 employees as at December 31, 2014 compared with a total of 1,306 employees as at December 31, 2013.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed elsewhere in this AIF, TMX Group is not aware of any material interest, direct or indirect of any director or executive officer of TMX Group, or any associate or affiliate of any such director or executive officer, in any transaction from April 28, 2011 (the date of incorporation of TMX Group) to December 31, 2014 or during the current financial year, or in any proposed transaction, that has materially affected or is reasonably expected to materially affect TMX Group.

### **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for our common shares is TMX Equity Transfer at its principal offices in Toronto, Ontario.

### **MATERIAL CONTRACTS**

The following are the only material contracts, other than the contracts entered into in the ordinary course of business, which were entered into in 2014 or which were entered into after January 1, 2002 that are still in effect:

- Credit agreement dated as of May 30, 2014, between TMX Group and a syndicate of Canadian and global financial institutions (the “Credit Agreement”). The Credit Agreement replaced the amended and restated credit agreement dated as of September 30, 2013, entered into between TMX Group and a syndicate of Canadian and global financial institutions in connection with the Debenture Offering.

TMX Group entered into the Credit Agreement to provide backstop to the Commercial Paper Program and for general corporate purposes. Further details relating to the credit facilities are located under the heading “*Commercial Paper, Debentures, Credit and Liquidity Facilities – Loans Payable*” on pages 47 to 48 of our 2014 MD&A.

- Trust indenture dated September 30, 2013 among TMX Group and Computershare Trust Company of Canada, as trustee, as supplemented by (i) the first supplemental indenture dated September 30, 2013 in respect of the 3.253% Series A Senior Unsecured Debentures due October 3, 2018; (ii) the second supplemental indenture dated September 30, 2013 in respect of the 4.461% Series B Senior Unsecured Debentures due October 3, 2023; and (iii) the third supplemental indenture dated September 30, 2013 in respect of the Series C floating rate (3-Month CDOR plus 70 bps) Senior Unsecured Debentures due October 3, 2016. Further details relating to the trust indenture, including the supplemental indentures, are located under the heading “*Commercial Paper, Debentures, Credit and Liquidity Facilities – Debentures*” on pages 46 to 47 of our 2014 MD&A.

Copies of these documents have been filed on SEDAR and are available at [www.sedar.com](http://www.sedar.com) and on our website at [www.tmx.com](http://www.tmx.com).

## EXPERTS

Our auditor is KPMG LLP, who has prepared the Independent Auditors’ Report to the shareholders of TMX Group in respect of our audited annual consolidated financial statements. KPMG LLP are the auditors of TMX Group and have confirmed that they are independent with respect to TMX Group and its related entities within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations from January 1, 2014 to January 28, 2015.

## ADDITIONAL INFORMATION

Additional information about us, including directors’ and officers’ remuneration and indebtedness, principal holders of our securities, options to purchase securities and interests of insiders in material transactions (where applicable), and our corporate governance approach and procedures, may be found in our Management Information Circular for our most recent annual meeting of shareholders that involved the election of directors. We also provide additional financial information in the 2014 Financial Statements and in the related 2014 MD&A.

We will provide to any person, upon request to our Investor Relations Department at The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2 (or phone (416) 947-4277 or 1 (888) 873-8392; fax (416) 947-4727; or email [TMXshareholder@tmx.com](mailto:TMXshareholder@tmx.com)), a copy of this AIF and any documents we incorporate by reference, a copy of the 2014 Financial Statements together with the accompanying auditors’ report and the related 2014 MD&A, a copy of any interim financial reports and related interim management’s discussion and analysis subsequent to the financial statements for the year ended December 31, 2014. If you are not our shareholder, we may require you to pay a reasonable charge for a copy of any of these documents. Additional information about us, including copies of these documents, may be found on our website at [www.tmx.com](http://www.tmx.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## FORWARD-LOOKING INFORMATION

This AIF of TMX Group and certain information incorporated by reference herein contains “forward-looking information” (as defined in applicable Canadian securities legislation) that is based on expectations, assumptions, estimates, projections and other factors that management believes to be relevant as of the date of this AIF. Often, but not always, such forward-looking information can be identified by the use of forward-looking words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “targeted”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, or variations or the negatives of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved or not be taken, occur or be achieved. Forward-looking information, by its nature, requires us to make assumptions and is subject to significant risks and uncertainties which may give rise to the possibility that our expectations or conclusions will not prove to be accurate and that our assumptions may not be correct.

Examples of forward-looking information in this AIF include, but are not limited to, factors relating to stock, derivatives and energy exchanges and clearing houses and the business, strategic goals and priorities, market condition, pricing, proposed technology and other initiatives, financial condition, operations and prospects of TMX Group which are subject to significant risks and uncertainties. These risks include: competition from other exchanges or marketplaces, including alternative trading systems and new technologies, on a national and international basis; dependence on the economy of Canada; adverse effects on our results caused by global economic uncertainties including changes in business cycles that impact our sector; failure to retain and attract qualified personnel; geopolitical and other factors which could cause business interruption; dependence on information technology; vulnerability of our networks and third party service providers to security risks; failure to implement our strategies; regulatory constraints; constraints imposed by our level of indebtedness, risks of litigation or regulatory proceedings; dependence on adequate numbers of customers; failure to develop, market or gain acceptance of new products; currency risk; adverse effect of new business activities; not being able to meet cash requirements because of our holding company structure and restrictions on paying dividends; dependence on third party suppliers and service providers; dependence of trading operations on a small number of clients; risks associated with our clearing operations; challenges related to international expansion; restrictions on ownership of TMX Group common shares; inability to protect our intellectual property; adverse effect of a systemic market event on certain of our businesses; risks associated with the credit of customers; cost structures being largely fixed; dependence on market activity that cannot be controlled; the regulatory constraints that apply to the business of TMX Group and its regulated subsidiaries, costs of on exchange clearing and depository services, trading volumes (which could be higher or lower than estimated) and revenues; future levels of revenues being lower than expected or costs being higher than expected.

Forward-looking information is based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions in connection with the ability of TMX Group to successfully compete against global and regional marketplaces; business and economic conditions generally; exchange rates (including estimates of the U.S. dollar – Canadian dollar exchange rate), the level of trading and activity on markets, and particularly the level of trading in TMX Group’s key products; business development and marketing and sales activity; the continued availability of financing on appropriate terms for future projects; productivity at TMX Group, as well as that of TMX Group’s competitors; market competition; research and development activities; the successful introduction and client acceptance of new products; successful introduction of various technology assets and capabilities; the impact on TMX Group and its customers of various regulations; TMX Group’s ongoing relations with its employees; and the extent of any labour, equipment or other disruptions at any of its operations of any significance other than any planned maintenance or similar shutdowns.

While we anticipate that subsequent events and developments may cause our views to change, we have no intention to update this forward-looking information, except as required by applicable securities law. This forward-looking information should not be relied upon as representing our views as of any date subsequent to the date of this AIF. We have attempted to identify important factors that could cause actual actions, events or results to differ materially from those current expectations described in forward-looking information. However, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are not intended to represent a complete list of the factors that could affect us. See “**Risks and Uncertainties**” outlined in our 2014 MD&A filed with securities regulatory authorities in Canada.

## **TRADE-MARKS**

Groupe TMX, Natural Gas Exchange, NGX, TMX, TMX Atrium, TMX Group, TMX Datalinx, TMX Select, Toronto Stock Exchange, TSX, TSX Markets, TSX Venture Exchange and TSXV are trade-marks of TSX Inc.

Montréal Exchange, Bourse de Montréal and MX are trade-marks of Montréal Exchange Inc. and are used under license.

Alpha and Alpha Exchange are trade-marks of Alpha Trading Systems Limited Partnership and are used under license.

CDS and CDSX are trade-marks of The Canadian Depository for Securities Limited and are used under license.

BOX Options Exchange and BOX are trade-marks of Boston Options Exchange Group, LLC and are used under license.

Canadian Derivatives Clearing Corporation, CCCPD, CDCC and Corporation canadienne de compensation de produits dérivés are trade-marks of the Canadian Derivatives Clearing Corporation and are used under license.

Equicom is a trade-mark of the Equicom Group Inc. and is used under license.

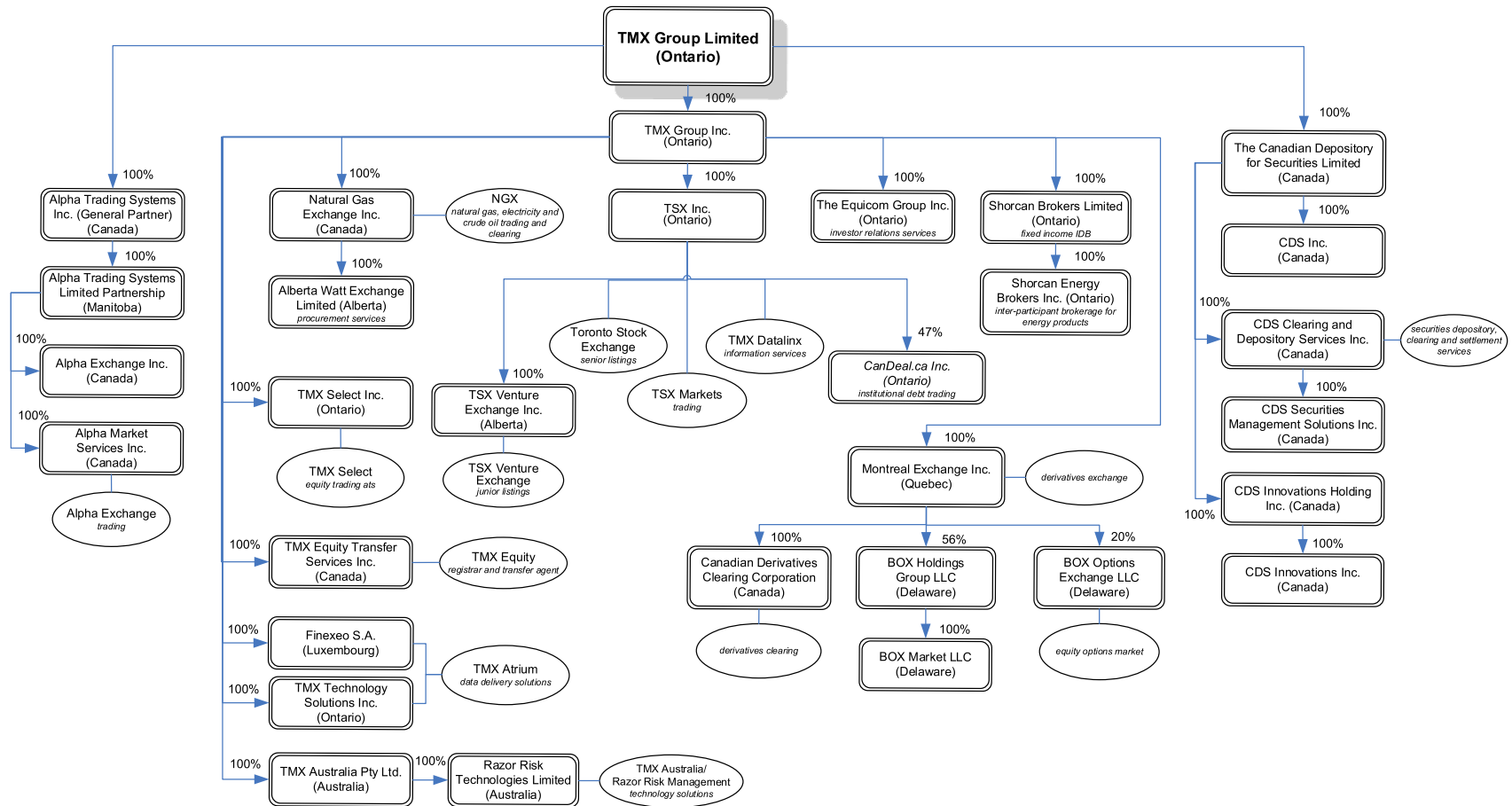
Razor Risk is a trade-mark of Razor Risk Technologies Limited and is used under license.

Shorcan, Shorcan Brokers and Shorcan Energy Brokers are trade-marks of Shorcan Brokers Limited and are used under license.

All other trade-marks used in this AIF are the property of their respective owners.

## APPENDIX A Intercorporate Relationships

We carry on our business principally directly or indirectly through the companies (boxed) and operations (circled) shown below. This chart outlines the jurisdiction in which each company was incorporated, continued, formed or organized and the percentage of votes attaching to all voting securities of each company held directly or indirectly by TMX Group or its subsidiaries.



## **APPENDIX B**

### **Ratings and Trends**

#### ***Issuer Credit Rating***

DBRS corporate rating analysis begins with an evaluation of the fundamental creditworthiness of the issuer. Issuer ratings address the overall credit strength of the issuer. Unlike ratings on individual securities or classes of securities, issuer ratings are based on the entity itself and do not include consideration for security or ranking. Ratings that apply to actual securities (secured or unsecured) may be higher, lower or equal to the issuer rating for a given entity. Given the lack of impact from security or ranking considerations, issuer ratings generally provide an opinion of default risk for all industry sectors. DBRS typically assigns issuer ratings on a long-term basis using its long-term obligations rating scale.

#### ***Long-Term Debt - Senior Unsecured Debt***

DBRS' long-term rating scale provides an opinion on the risk of default. That is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which obligations have been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. All rating categories other than AAA and D also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.

The A rating is ranked third of ten rating categories. Long-term debt rated A is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. Entities may be vulnerable to future events, but qualifying negative factors are considered manageable.

#### ***Short-Term Debt - Commercial Paper***

DBRS' short-term debt rating scale provides an opinion on the risk that an issuer will not meet its short-term financial obligations in a timely manner. Ratings are based on quantitative and qualitative considerations relevant to the issuer and the relative ranking of claims. The R-1 and R-2 rating categories are further denoted by the subcategories "(high)", "(middle)", and "(low)".

The R-1 rating is ranked first of six rating categories. Short-term debt rated R-1(low) is of good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial, but the overall strength is not as favorable as higher ratings. Entities may be vulnerable to future events, but qualifying negative factors are considered manageable.

#### ***Rating Trends***

Rating trends provide guidance in respect of DBRS' opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories – "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. In general, the DBRS view is based primarily on an evaluation of the issuing entity or guarantor itself, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates.

A Positive or Negative Trend is not an indication that a rating change is imminent. Rather, a Positive or Negative Trend represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a Stable Trend were assigned to the security.

**APPENDIX C**  
**Finance & Audit Committee Charter**

**TMX GROUP LIMITED**  
**(FORMERLY MAPLE GROUP ACQUISITION CORPORATION)**  
**(THE “CORPORATION”)**  
**FINANCE & AUDIT COMMITTEE CHARTER**

**1. General**

The Board of Directors of the Corporation (the “Board”) has established a Finance and Audit Committee (the “Committee”) to take steps on its behalf as are necessary to assist the Board in fulfilling its oversight responsibilities regarding:

- (a) the integrity of the Corporation’s financial statements;
- (b) the internal control systems of the Corporation;
- (c) the external audit process;
- (d) the internal audit and assurance process;
- (e) risk management;
- (f) business planning;
- (g) investment opportunities and the raising of funds by the Corporation;
- (h) the administration, financial reporting and investment activities of the pension plan(s);
- (i) the Corporation’s compliance with legal and regulatory requirements, and
- (j) any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

**2. Members**

The Board will in each year appoint a minimum of four (4) directors as members of the Committee. All members of the Committee will be independent directors as required by law and all recognition orders and exemption orders issued in respect of the Corporation by applicable securities regulatory authorities.

All members of the Committee shall be financially literate. While the Board shall determine the definition of and criteria for financial literacy, this shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

The Chief Executive Officer (“CEO”) of the Corporation and, to the extent the Chair of the Board is not otherwise a member of the Committee, the Chair, and all other non-management directors who are not

members of the Committee may attend all meetings of the Committee in an ex-officio capacity and will not vote. Directors who are also members of management, other than the CEO, shall be entitled to attend meetings of the Committee if invited to do so by the Chair of the Committee. The CEO shall not attend in-camera sessions.

### 3. **Duties**

The Committee shall have the following duties:

#### (a) **Financial Reporting and Disclosure**

- (1) **Audited Annual Financial Statements**: Review the audited annual financial statements, all related MD&A, and earnings press releases for submission to the Board for approval.
- (2) **Quarterly Review**: Following their review by the external auditor, review the quarterly financial statements, the related management discussion and analysis (“MD&A”), and earnings press releases for submission to the Board for approval.
- (3) **Significant Accounting Principles and Disclosure Issues**: Review with management and the external auditor, significant accounting principles and disclosure issues, including complex or unusual transactions, highly judgmental areas such as reserves or estimates, significant changes to accounting principles, and alternative treatments under Canadian GAAP for material transactions. This shall be undertaken with a view to understanding their impact on the financial statements, and to gaining reasonable assurance that the statements are accurate, complete, do not contain any misrepresentations, and present fairly the Corporation’s financial position and the results of its operations in accordance with Canadian GAAP.
- (4) **Compliance**: Confirm through discussions with management that Canadian GAAP and all applicable laws or regulations related to financial reporting and disclosure have been complied with.
- (5) **Legal Events**: Review any actual or anticipated litigation or other events, including tax assessments, which could have a material current or future effect on the Corporation’s financial statements, and the manner in which these have been disclosed in the financial statements.
- (6) **Off-Balance-Sheet Transactions**: Discuss with management the effect of any off-balance-sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation’s financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components or revenues and expenses.
- (7) **Other Disclosures**: Satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information, other than the public disclosure of the information referred to in sections 1 and 2 above, and periodically assess the adequacy of those procedures.

(b) **Oversight of Internal Controls**

- (1) Review and Assessment: Review and assess the adequacy and effectiveness of the Corporation's system of internal control and management information systems through discussions with management, the Chief Internal Auditor ("CIA"), and the external auditor.
- (2) Oversight: Oversee system of internal control, by:
  - Monitoring and reviewing policies and procedures for internal accounting, internal audit, financial control and management information;
  - Consulting with the external auditor regarding the adequacy of the Corporation's internal controls;
  - Reviewing with management its philosophy with respect to internal controls and, on a regular basis, all significant control-related findings together with management's response; and
  - Obtaining from management adequate assurances that all statutory payments and withholdings have been made.
- (3) Fraud: Oversee investigations of alleged fraud and illegality relating to the Corporation's finances.
- (4) Complaints: Review with management that appropriate procedures exist for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and for the protection from retaliation of those who report such complaints in good faith.

(c) **External Audit**

- (1) Appointment or Replacement: Recommend the appointment or replacement of the external auditor to the Board, who will consider the recommendation prior to submitting the nomination to the shareholders for their approval.
- (2) Compensation: Review with management, and make recommendations to the Board, regarding the compensation of the external auditor. In making a recommendation with respect to compensation, the Committee shall consider the number and nature of reports issued by the external auditor, the quality of internal controls, the size, complexity and financial condition of the Corporation, and the extent of internal audit and other support provided by the Corporation to the external auditor.
- (3) Reporting Relationships: The external auditor will report directly to the Committee.
- (4) Performance: Review with management, on a regular basis, the terms of the external auditor's engagement, accountability, experience, qualifications and performance. Evaluate the performance of the external auditor.

- (5) Transition: Review management's plans for an orderly transition to a new external auditor, if required.
- (6) Audit Plan: Review the audit plan and scope of the external audit with the external auditor and management, and consider whether the nature and scope of the planned audit procedures can be relied upon to detect weaknesses in internal controls, frauds or other illegal acts.
- (7) Audit Plan Changes: Discuss with the external auditor any significant changes required in the approach or scope of their audit plan, management's handling of any proposed adjustments identified by the external auditor, and any actions or inactions by management that limited or restricted the scope of their work.
- (8) Review of Results: Review, in the absence of management, the results of the annual external audit, the audit report thereon and the auditor's review of the related MD&A, and discuss with the external auditor the quality (not just the acceptability) of accounting principles used, any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the auditor's preferred treatment, and any other material communications with management.
- (9) Disagreements with Management: Resolve any disagreements between management and the external auditor regarding financial reporting.
- (10) Material Written Communications: Review all other material written communications between the external auditor and management, including the post-audit management letter containing the recommendations of the external auditor, management's response and, subsequently, follow up identified weaknesses.
- (11) Interim Financial Statements: Engage the external auditor to review all interim financial statements and review, in the absence of management, the results of the auditor's review of the interim financial statements and the auditor's review of the related MD&A.
- (12) Other audit matters: Review any other matters related to the external audit that are to be communicated to the Committee under generally accepted auditing standards.
- (13) Meeting with External Auditor: Meet with the external auditor in the absence of management at least quarterly to discuss and review specific issues as appropriate as well as any significant matters that the auditor may wish to bring to the Committee for its consideration.
- (14) Correspondence: Review with management and the external auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies.
- (15) Independence: At least annually, and before the external auditor issues its report on the annual financial statements, review and confirm the independence of the

external auditor through discussions with the auditor on their relationship with the Corporation, including details of all non-audit services provided. Consider the safeguards implemented by the external auditor to minimize any threats to their independence, and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the external auditor. Consider the number of years the lead audit partner has been assigned to the Corporation, and consider whether it is appropriate to recommend to the Board a policy of rotating the lead audit partner more frequently than every five years, as is required under the rules of the Canadian Public Accountability Board.

- (16) Non-Audit/Audit Services: Pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditor, with reference to compatibility of the service with the external auditor's independence.
- (17) Hiring Policies: Review and approve the hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.

(d) **Internal Audit and the Provision of Assurance**

- (1) Chief Internal Auditor: Review and approve the appointment, replacement or dismissal of the CIA. The CIA reports to the Chief Executive Officer ("CEO") administratively and to the Committee functionally.
- (2) Assurance Activities: Review with management and the CIA the mandate, staffing, plans, activities, and results of the Corporation's assurance providers to gain reasonable assurance that their activities are appropriately comprehensive, effective and coordinated with the external auditor.
- (3) Assurance Findings: Discuss the impact of any significant assurance findings, together with the appropriateness of management's response, on the adequacy and effectiveness of the Corporation's system of internal control.
- (4) Meeting: Meet with the CIA in the absence of management at least annually to discuss and review specific issues as appropriate as well as any significant matters that the CIA may wish to bring to the Committee for its consideration, including a discussion of any restrictions or limitations placed on the CIA with respect to scope of work or access to required information.

(e) **Risk Management**

- (1) Adequacy of Policies and Procedures: Review and assess the adequacy of the Corporation's risk management policies and procedures with regard to identification of the Corporation's principal risks annually, and review (at least semi-annually) updates on these risks from the Director, Risk Management. Review and assess the adequacy of the implementation of appropriate systems to mitigate and manage the risks, and report regularly to the Board.

(f) **Financial Planning and Investments**

- (1) Business Plan: Review and recommend the Business Plan, including the annual Operating and Capital Budgets for submission to the Board for approval. Review periodic financial forecasts.
- (2) Investment Opportunities: Review and assess investment opportunities of a value exceeding management's authority, in accordance with procedures established by the Board from time to time.
- (3) Guidelines and Policies: Review and approve guidelines and policies for the investing of cash and marketable securities and review reports from management on the results of such investments against established benchmarks.
- (4) Additional Funds for Investment: Review and assess management's plans with respect to raising additional funds whether through debt or capital, in accordance with procedures established by the Board from time to time.

(g) **Pension Plan**

- (1) Oversight: Review and assess management's reports on pension plan oversight including:
  - (i) Review management controls and processes with respect to the administration of investment activities, financial reporting and funding of the plan(s).
  - (ii) Confirm the following appointments for the management of the plan(s), subject to exceptions where the appointment authority is assigned to another party as per plan documents:
    - Auditor
    - Trustee
    - Fund Manager
  - (iii) Annually, or as required, together with the Human Resources Committee, appoint members of the Pension Committee.
  - (iv) Review the actuarial assumptions used for the valuation, including the rate of return on investments and the discount rate used to arrive at the funding requirements.
  - (v) Review and approve the plan(s) investment objectives and guidelines annually and amend if necessary.
  - (vi) Review the investment performance of the funds and the investment managers, and their compliance with the investment objectives and guidelines and applicable legislation.
  - (vii) Review and approve the annual audited financial statements of the plan(s).

(h) **Compliance**

- (1) Filings with Regulatory Authorities: Review with management the Corporation's relationship with regulators, and the timeliness and accuracy of Corporation filings with regulatory authorities.
- (2) Employee Code of Conduct: Confirm that adequate and effective systems are in place to enforce compliance with the Employee Code of Conduct. Ensure the Employee Code of Conduct is disclosed in the Corporation's annual report or information circular at least every three years or following a material amendment. Alternatively, confirm with management that an up-to-date version of the Employee Code of Conduct is disclosed on the Corporation's website.

(i) **Communication**

- (1) Communication Channels: Establish and maintain direct communication channels with management, the CIA, the external auditor and the Board to discuss and review specific issues as appropriate.
- (2) Coordination with Management: The Committee will coordinate with management on audit and financial matters, and will:
  - (i) Meet privately with management to discuss any areas of concern to the Committee or management; and
  - (ii) Review expenses incurred by the Chair of the Board and CEO of the Corporation. Ensure that the CEO reviews all expenses incurred by direct executive reports of the CEO.

(j) **Related Party Transactions**

- (1) Related Party Transactions: Review with management all related party transactions and the development of policies and procedures related to those transactions.

(k) **Board Relationship and Reporting**

- (1) Adequacy of Charter: Review and assess the adequacy of the Committee Charter annually and submit such amendments as the Committee proposes to the Governance Committee.
- (2) Disclosure: Oversee appropriate disclosure of the Committee's Charter, and other information required to be disclosed by applicable legislation, in the Corporation's Annual Information Form and all other applicable disclosure documents.
- (3) Reporting: Report regularly to the Board on Committee activities, issues and related recommendations.

**4. Chair**

The Board will in each year appoint the Chair of the Committee. The Chair shall have accounting or related financial expertise. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and will, in any event, advise all other members of any decisions made or powers exercised.

**5. Meetings**

The Committee shall meet at the request of its Chair, but in any event it will meet at least four times a year. Notices calling meetings shall be sent to all Committee members, to the CEO of the Corporation, to the Chair of the Board and to all other directors. The external auditor or any member of the Committee may call a meeting of the Committee.

**6. Quorum**

A majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing will constitute a quorum.

**7. Removal and Vacancy**

A member may resign from the Committee, and may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a director. The Board will fill vacancies in the Committee by appointment from among the directors of the Board in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all its powers.

**8. Experts and Advisors**

The Committee may retain or appoint, at the Corporation's expense, such experts and advisors as it deems necessary to carry out its duties, and to set and pay their compensation. The Committee shall provide notice to the Governance Committee of its actions in this regard.

**9. Secretary and Minutes**

The Chief Financial Officer of the Corporation, or such other person as may be appointed by the Chair of the Committee, will act as Secretary of the Committee. The minutes of the Committee will be in writing and duly entered into the books of the Corporation. The minutes of the Committee will be circulated to all members of the Board.