

# Governance

This section of our circular tells you about governance at TMX Group.

We believe that adopting and maintaining strong governance practices is fundamental to a well-run company, to the execution of our chosen strategies and our successful business and financial performance.

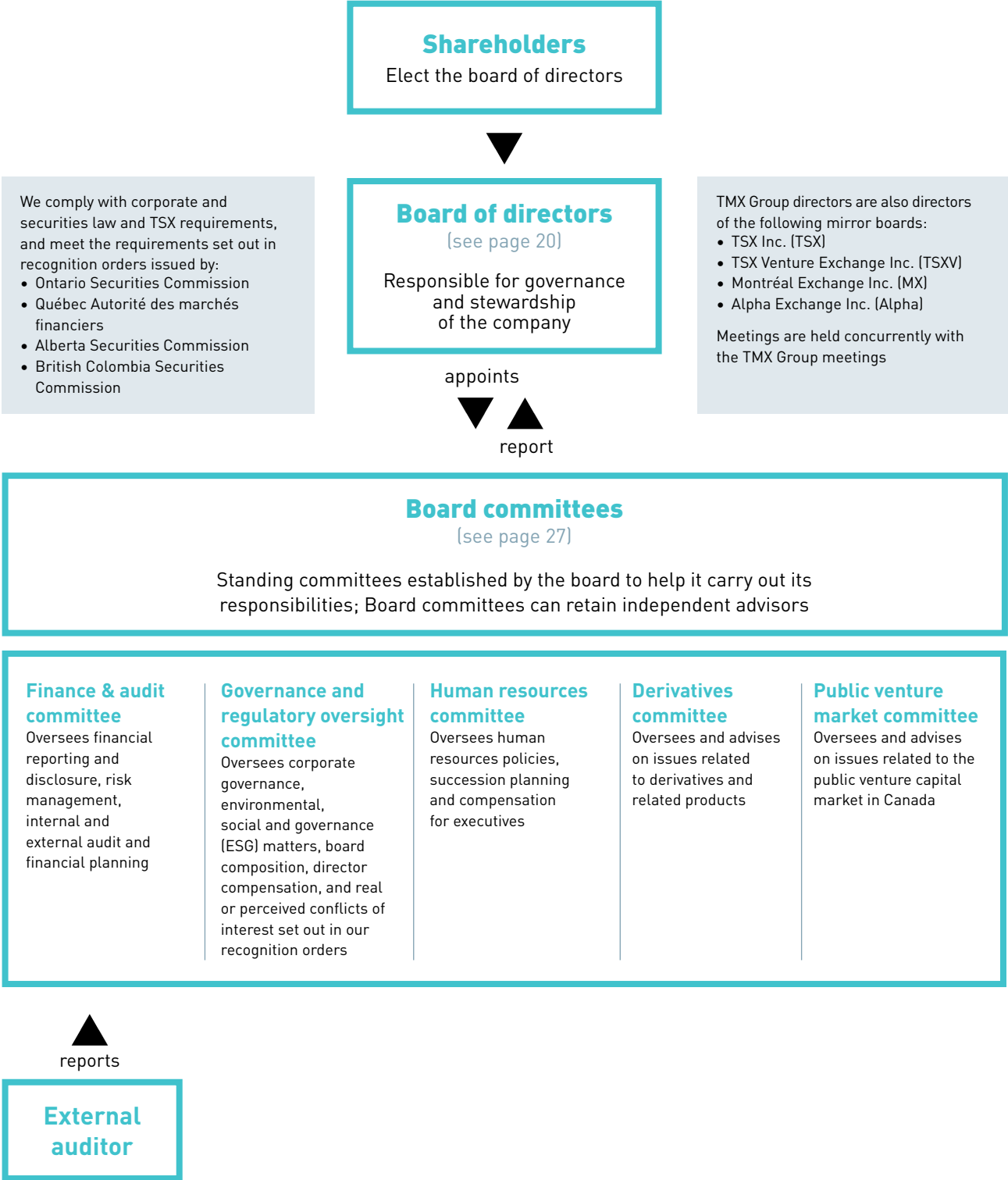
Our corporate governance practices are aligned with National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, National Policy 58-201 — *Corporate Governance Guidelines*, and recognition orders issued by the Ontario Securities Commission, Québec's Autorité des marchés financiers, the Alberta Securities Commission and the British Columbia Securities Commission.

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# Our governance structure



## Nominating directors to the board

The board needs directors who have a range of skills and qualifications, balanced by diversity criteria reflecting the communities in which TMX Group operates, including but not limited to gender, and other diversity characteristics including age, geographic background as well as Indigenous Peoples<sup>1</sup> and other under-represented groups, including racialized persons, people living with disabilities and members of the 2SLGBTQIA+ community (collectively with Indigenous Peoples, referred to as the “other diversity characteristics”).

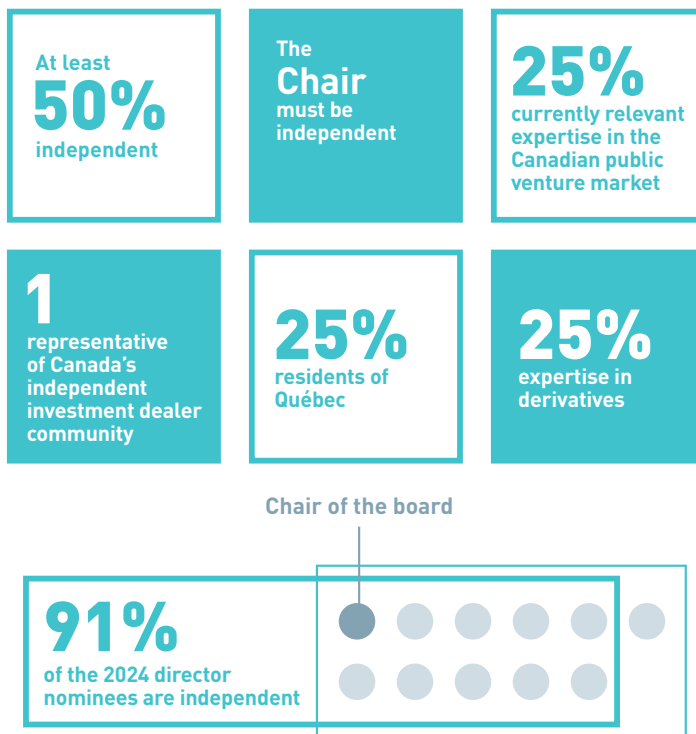
The board achieved and in 2024 continues to meet its goal of:

- at least one director reflecting other diversity characteristics, with two board members identifying themselves as West Asian and South Asian, respectively, representing 18% of the 2024 nominees; and
- at least 30% women. At this meeting there are four women nominees, representing 36% of the 2024 nominees.

The governance and regulatory oversight committee will recommend every year that the board adopt objectives for achieving the board diversity and inclusiveness goal set out in the board diversity policy, taking into account our unique regulatory obligations.

### Recognition order requirements

We have to meet many different requirements for board composition stipulated by our recognition orders.



### The means the director is independent withing the meaning of:

1. Section 1.4 of National Instrument 52-110 – *Audit Committees*
2. National Policy 58-201 – *Corporate Governance Guidelines*, and
3. Our recognition orders

In addition to the above requirements, a director is not independent if he or she has one of the following relationships with a TSX, TSXV, MX or Alpha market participant:

- is a partner, officer, director or employee of the market participant, or an associate of a partner, officer, director or employee of the market participant
- is a partner, officer, director or employee of a company affiliated with the market participant, and is actively or significantly engaged in the day-to-day operations of the market participant.

<sup>1</sup> “Indigenous Peoples” is defined as First Nations, Inuk and Métis.

## Annual nomination process

Directors need to understand the complexity of our business and the industry we operate in, and have the skills and experience to make an effective contribution to the board. The right composition is critical for constructive discussion and effective decision-making. Please turn to page 30 to read more about how we choose directors for the board.

## Governance and regulatory oversight committee

Reviews strategic and business objectives and confirms board nominees have the required skills

Reviews corporate and securities laws and our recognition order requirements

Reviews current directors and identifies any gaps

Reviews new board candidates

Recommends final list of nominees to the board

## Board

Approves the list of nominated directors

## Shareholders

Vote on the nominated directors at the annual meeting

# Snapshot of the 2024 director nominees

The 11 nominees to this year's board have the right mix of skills and experience to guide the strategies and business operations of TMX Group. All of them have agreed to serve on our board.

## The board meets our recognition order requirement

**91%**  
independent

**45%**  
expertise in derivatives

**27%**  
residents of Québec

**1**  
representative of  
Canada's independent  
investment dealer  
community

**36%**  
currently relevant  
expertise in the Canadian  
public venture market

### Luc Bertrand

BA  
Montréal, Québec  
Director since  
May 2011  
Age 69  
2023 vote: 98.96% FOR  
2023 attendance: 100%



- ✓ Independent
- ✓ Resident of Québec
- ✓ Expertise in derivatives

#### Country of residence

Canada

#### Current position

- Corporate Director

#### Previous business experience

- Vice Chair, National Bank Group Inc. (2011-2023)
- Deputy Chief Executive Officer and director of TMX Group (2008-2009)
- President and Chief Executive Officer of Montréal Exchange Inc. (2000-2009)

#### Public company boards

##### Current

- 5N Plus Inc., chairman (since 2016)

##### Other boards

- CH Group/Montréal Canadiens, immediate past chairman

#### Equity ownership at March 6, 2024

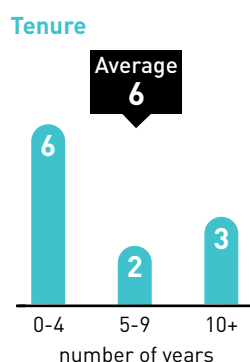
TMX Group shares: 3,025,000  
TMX Group DSUs: 27,908  
Equity at risk: \$105,896,618

Mr. Bertrand meets his equity ownership equity ownership requirement (see page 40).

## Other key metrics

**36%**  
women

**60 years**  
average age



#### Equity ownership

Includes the value of shares and deferred share units (DSUs) the director beneficially owns or controls (including dividend equivalents):

- shares are valued at \$34.68, the closing price of our common shares on TSX on March 6, 2024.
- DSUs are valued at \$35.46 for DSU value, the average closing price of our common shares on TSX for the five trading days before March 6, 2024.

Turn to page 40 for more information.

The board recommends you  
vote **FOR** each nominee.

**Nicolas Darveau-Garneau**  
MBA, B.MATH

Directors' Consortium  
Los Gatos, California  
Director since  
September 2018  
Age 55  
2023 vote: 95.79% FOR  
2023 attendance: 100%



**Martine Irman**  
BA, ICD.D, GCB.D,  
Advanced  
Management Program

Toronto, Ontario  
Director since  
November 2014  
Age 59  
2023 vote: 99.96% FOR  
2023 attendance: 100%



**Moe Kermani**  
Ph.D. Physics, M.Sc.

Vancouver, British  
Columbia  
Director since  
September 2020  
Age 53  
2023 vote: 99.89% FOR  
2023 attendance: 100%



✓ Independent

✓ Independent  
✓ Expertise in derivatives

✓ Independent  
✓ Expertise in the Canadian  
public venture market

**Country of residence**

United States

**Current position**

- Corporate Director

**Previous business experience**

- Chief Growth and Strategy Officer, Coveo Solutions Inc. (AI-powered enterprise search solutions) (2022-2023)
- Chief Search Evangelist, Google LLC (2017-2022)
- Other positions at Google included Director, US Search Sales & Strategy (2016-2017), Director, Performance Advertising Sales (2014-2015), Head of Performance Advertising Sales (2012-2013), General Manager, Google Québec (2011-2012)
- Chief Executive Officer and Co-Founder **BigDeal.com** Inc. (2009-2011)
- Co-Founder, **Liquor.com** (2008 – present)
- Founder and Principal, NDG Ventures (2003-2009)
- Senior Equity Analyst, Sanford C. Bernstein (2001-2003)

**Public company boards**

*Current*

- iA Financial Corporation Inc. (since 2018), human resources committee
- McEwen Mining Inc. (since 2023)

**Other boards**

- Alida Communications Inc.

**Equity ownership at March 6, 2024**

TMX Group DSUs: 39,332  
Equity at risk: \$1,394,713

Mr. Darveau-Garneau meets his equity ownership requirement (see page 40).

**Country of residence**

Canada

**Current position**

- Corporate Director

**Previous business experience**

- Vice Chair, TD Securities (2000-2019)
- Senior Vice President, TD Bank Group (2000-2019)
- various positions in international treasury, capital markets and securities of TD Bank Group (1989-1999)
- various treasury positions of CCL Industries (1985-1989)

**Public company boards**

*Current*

- First National Financial LP (since 2022)

**Other boards**

- Ontario Teachers' Pension Plan
- Plan International Canada
- St. Michael's Hospital Foundation
- Export Development Canada, immediate past chair

**Equity ownership at March 6, 2024**

TMX Group DSUs: 36,979  
Equity at risk: \$1,311,275

Ms. Irman meets her equity ownership requirement (see page 40).

**Country of residence**

Canada

**Current position**

- Managing Partner, Vanedge Capital Partners (venture capital fund)

**Previous business experience**

- Vice President, NetApp Inc. (2010-2012)
- President and CEO, Bycast Inc. (2000-2010)

**Other boards**

- Axine Water Technologies
- Echodyne Corp.
- Heavy AI
- Illusense Inc.
- Plotly Technologies Inc.
- xCures, Inc.
- Mojo Vision Inc.

**Equity ownership at March 6, 2024**

TMX Group DSUs: 26,456  
Equity at risk: \$938,130

Mr. Kermani meets his equity ownership requirement (see page 40).

**William Linton**

FCPA, FCA, CA, B.Com

Toronto, Ontario

Director since

July 2012

Age 69

2023 vote: 98.51% FOR

2023 attendance: 100%

**Audrey****Mascarenhas**

M.ENG, B.Sc

Calgary, Alberta

Director since

May 2021

Age 63

2023 vote: 99.21% FOR

2023 attendance: 88%

**John McKenzie**

MBA, BBA, CPA, CMA

Burlington, Ontario

Director since

August 2020

Age 51

2023 vote: 99.51% FOR

2023 attendance: 100%



- ✓ Independent
- ✓ Expertise in the Canadian public venture market

- ✓ Independent
- ✓ Expertise in the Canadian public venture market

- ✓ Not Independent
- ✓ Expertise in derivatives
- ✓ Expertise in the Canadian public venture market

**Country of residence**

Canada

**Current position**

- Corporate Director

**Previous business experience**

- Executive Vice President Finance and Chief Financial Officer of Rogers Communications (2005-2012)
- President and Chief Executive Officer of Call-Net Enterprises Inc. (2000-2005)
- Chair and Chief Executive Officer of Prior Data Sciences Inc. (1998-2000)
- Executive Vice President and Chief Financial Officer of SHL Systemhouse Inc. (1994-1997)
- Increasingly senior management roles at Rogers Communications (1978-1994), including Vice President, Finance and CFO of a subsidiary (1991-1994)

**Public company boards***Current*

- Empire Company Limited (since 2015), audit committee, corporate governance and nominating committee
- Deveron Corp (since 2020), chairman

**Other boards**

- CSL Group Inc.
- Forge First Master Holdings
- Openscreen Inc.
- TSX Trust Company, chair

**Equity ownership at March 6, 2024**

TMX Group DSUs: 105,864

Equity at risk: \$3,753,937

Mr. Linton meets his equity ownership requirement (see page 40).

**Country of residence**

Canada

**Current position**

- President and CEO, Questor Technology Inc. (clean technology)

**Previous business experience**

- various other positions at Questor Technology Inc. (1999-2005)
- various positions – Gulf Canada Resources (1982-1999)

**Public company boards***Current*

- Questor Technology Inc. (since 2001)

**Other boards**

- Society of Petroleum Engineers Methane Technical Section
- Lazaridis Institute Global Advisory
- Schulich Industry Engineering Advisory Council

**Equity ownership at March 6, 2024**

TMX Group DSUs: 20,235

Equity at risk: \$717,533

Ms. Mascarenhas meets her equity ownership requirement (see page 40).

**Country of residence**

Canada

**Current position**

- Chief Executive Officer, TMX Group

**Previous business experience**

- Other positions at TMX Group including Interim CEO, (2020), Chief Financial Officer (2016-2020), President, CDS (2015-2016), Chief Operating Officer, CDS (2013-2015), Vice President, Corporate Strategy and Development (2005-2013), Director, Corporate Development (2004-2005), and Director, Financial Planning & Analysis (2000-2004)

**Other boards**

- Accounting Standards Oversight Council
- Hamilton Health Sciences Foundation

**Equity ownership at December 31, 2023**

Mr. McKenzie meets his equity ownership requirement in his role as CEO (see page 58).

**Monique Mercier**

LLB, M. Phil, Ad. E.

Montréal, Québec

Director since

May 2022

Age 67

2023 vote: 98.32% FOR

2023 attendance: 100%

**Claude Tessier**

BA, CPA

Laval, Québec

Director since

September 2020

Age 60

2023 vote: 96.10% FOR

2023 attendance: 100%

**Eric Wetlaufer**

CFA, BA, ICD.D, GCB.D,

CCB.D

Newton Highlands,

Massachusetts

Director since

July 2012

Age 61

2023 vote: 98.86% FOR

2023 attendance: 100%



- ✓ Independent
- ✓ Resident of Québec

- ✓ Independent
- ✓ Resident of Québec
- ✓ Expertise in derivatives

- ✓ Independent
- ✓ Expertise in derivatives

**Country of residence**

Canada

**Current position**

- Senior Advisor, Bennett Jones LLP (law firm)
- Corporate Director

**Previous business experience**

- Executive Vice-President, Corporate Affairs, Chief Legal and Governance Officer of Telus Corporation (2014-2018)
- various other positions at Telus Corporation (2008-2014)
- various positions at Emergis Inc. (1999-2008)

**Public company boards***Current*

- Alamos Gold Inc. (since 2019) human resources committee (chair), corporate governance and nominating committee, public affairs committee
- iA Financial Corporation Inc. (since 2019) audit committee, human resources committee
- Innergex Renewable Energy Inc. (since 2015) corporate governance committee (chair), human resources committee

**Other boards**

- Thoracic Surgery Research Foundation of Montréal

**Equity ownership at March 6, 2024**

TMX Group DSUs: 12,338

Equity at risk: \$437,505

Ms. Mercier has until May 2027 to meet her equity ownership requirement (see page 40).

**Country of residence**

Canada

**Current position**

- Corporate Director
- President, Acacia Capital Inc. (external consulting and private investment firm)

**Previous business experience**

- Chief Financial Officer, Alimentation Couche-Tard Inc. (convenience store and road transportation fuel retail) (2016-2023)
- President, IGA Operations (2012-2016)
- Senior Vice President, Finance & Strategic Planning, Sobeys Québec (2003-2012)

**Public company boards***Current*

- CCL Industries Inc. (since 2023) audit committee, nominating and governance committee
- WSP Global Group Inc. (since 2023) audit committee

**Equity ownership at March 6, 2024**

TMX Group shares: 6,000

TMX Group DSUs: 21,117

Equity at risk: \$956,889

Mr. Tessier meets his equity ownership requirement (see page 40).

**Country of residence**

United States

**Current position**

- Managing Partner, TwinRiver Capital (global impact investment firm)
- Corporate Director

**Previous business experience**

- Senior Managing Director & Global Head of Public Market Investments, Canada Pension Plan Investment Board (2011-2018)
- Group Chief Investment Officer, International of Fidelity Management & Research (2005-2010)
- Co-Founder and Partner of Oxhead Capital Management
- Chief Investment Officer of U.S. Mid Cap and Specialty Growth, Putnam Investments
- Managing Director of Cadence Capital Management

**Public company boards***Current*

- Niyogin Fintech (since February 2019)

**Other boards**

- Enterra Solutions
- Investment Management Corporation of Ontario

**Equity ownership at March 6, 2024**

TMX Group DSUs: 48,063

Equity at risk: \$1,704,314

Mr. Wetlaufer meets his equity ownership requirement (see page 40).

**Ava Yaskiel**

LLB, LL.M, ICD.D

Toronto, Ontario

Director since

May 2023

Age 60

2023 vote: 99.96%

2023 attendance: 100%



- ✓ Independent
- ✓ Representative of Canada's independent investment dealer community

**Country of residence**

Canada

**Current position**

- Senior Strategic Advisor (public and private sectors)
- Corporate Director

**Previous business experience**

- G7/G20 Deputy Minister of Finance & Associate Deputy Minister of Finance for Canada (2018-2021)
- Various roles, culminating in Partner, Global Head of Corporate, M&A and Securities, Norton Rose Fulbright (formerly Ogilvy Renault LLP) (1996-2018)
- Various roles culminating in Senior Legal Counsel (Acting Director) of the Office of the General Counsel, Ontario Securities Commission (1990-1996)

**Other boards**

- Plan Catalyst
- LockDocs Advisory Board

**Equity ownership at March 6, 2024**

TMX Group DSUs: 5,521

Equity at risk: \$195,775

Ms. Yaskiel has until May 2028 to meet her equity ownership requirement (see page 40).



# About the TMX Group board

The board's primary responsibility is to provide governance and stewardship to TMX Group and to oversee our strategy, business operations and management.

Its responsibilities fall into seven categories:

1. Ethical culture
2. Strategic planning
3. Financial oversight and reporting
4. Risk oversight
5. Leadership and succession
6. Shareholder communication and engagement
7. Sustainability

The board has established five standing committees to help it carry out these responsibilities. The board approves the committee charters and the limits of authority it delegates to each committee. See page 27 for information about the committees and their priorities in 2023.

The board is also responsible for establishing practices that allow the board to function independently of management and non-independent directors. See page 32 for more information about board independence.

Non-management directors meet without management present at every board and committee meeting. From time to time, the directors who are not independent may be recused from meetings to allow for independent discussion about transactions and agreements those directors may have a material interest in.

## About the chair

The chair of the board must be independent. The chair leads the board and works with the CEO to make sure the company fulfills its responsibilities to stakeholders, including meeting its mandate to operate in the public interest.

## 1. Ethical culture

The board actively promotes a culture of integrity with the goal of advancing high standards of ethical conduct. In this rapidly changing environment, the board is continuously looking for ways to improve our culture and work environment.

We expect all directors, officers and employees to behave in a way that is fair, honest, responsible and consistent with our core values of excellence, client focus, innovation, collaboration, respect and integrity.

## Board and management set the tone at the top

Our recognition orders require us to take reasonable steps to make sure that every director and officer will perform their duties with integrity and in a manner that is consistent with TMX Group's public interest responsibilities. The board assesses the integrity of every new director and officer and their ability to create a culture of integrity at TMX Group. As part of this process, every new director and officer completes a personal information form and consents to searches being conducted so his or her personal information can be verified by TSX. In addition, TMX Group retains a third party to conduct investigative due diligence-based searches and analysis of potential reputation and integrity risks on proposed new director and officer nominees.

### Charters and position descriptions

The board has written position descriptions for the chair of the board, the CEO, and the chair of each board committee.

These are set out in the board and committee charters: the board charter is on page 85, and the charter for each committee is on our website ([tmx.com](https://www.tmx.com)).

The board and its committees review their respective charters at least once a year.

### How to get in touch with the board of TMX Group

You can reach the board by sending an email to [TMXshareholder@tmx.com](mailto:TMXshareholder@tmx.com)

## Codes of conduct

We have two codes of conduct (one for the board and one for employees), which you can find on our website ([tmx.com](https://tmx.com)) and on SEDAR+ ([sedarplus.ca](https://sedarplus.ca)). Compliance is mandatory and all directors, officers and employees have a responsibility to report violations of the codes. Violations can result in disciplinary action, including dismissal.

Everyone signs an acknowledgement every year that they have read, understood and complied with the code of conduct. Employees must also pass a test before they sign.

<b>Board code of conduct</b>	Emphasizes the importance of ethics in the promotion of a climate of honesty, truthfulness and integrity. Covers the obligations of a director, confidentiality and conflicts of interest, among other things.
<b>Employee code of conduct</b>	Emphasizes the importance of doing business ethically. Applies to all TMX Group officers and employees (which include consultants and independent contractors) and officers and employees of our subsidiaries, and covers confidentiality, conflicts of interest, supplier and client relationships and technology, among other things.

## Conflicts of interest and related party transactions

The two codes of conduct cover potential conflicts of interest and require that all directors, officers and employees avoid situations that may result in a potential conflict. In the event a director, officer or employee finds themselves in a potential conflict situation, the codes require that the person disclose the nature and extent of his or her interest in writing or by requesting to have it entered in the minutes of the meeting. In the event of a conflict of interest, the person in question will leave the meeting when the issue is discussed and, in the case of a director will refrain from participating in any decision or action.

The governance and regulatory oversight committee is responsible for overseeing and monitoring compliance of the two codes, and authorizing any waiver granted to any director or executive officer in connection with the respective code. The committee will also cause an investigation of any reported violations of the board code of conduct and will oversee an appropriate response, including corrective action and preventative measures. Any director who violates the board code of conduct will face appropriate, case specific, disciplinary action.

In addition, directors and executive officers complete annual questionnaires and must disclose any real or potential conflicts of interest or related party transactions. These questionnaires assist TMX Group to identify and monitor potential conflicts or possible related party transactions. The board takes appropriate measures to ensure the exercise of independent judgment in considering transactions and agreements that a director or executive officer may have a material interest in.

There were no material conflicts of interests or related party transactions reported by the board, CEO or the executive leadership team in 2023. On occasion, directors recuse themselves from deliberations and approvals even when their interest is not material (or the transaction or contract is not material) to avoid even the perception that a conflict of interest may arise.

**How we create an ethical culture**

Board and management set the tone at the top

Codes of conduct set high standards:

- board code of conduct
- employee code of conduct

Board committees monitor compliance

Reports of violations are responded to impartially and without retaliation

## Monitoring compliance

The board oversees compliance with the codes through three of its committees:

<b>Board</b>	<ul style="list-style-type: none"><li>• approves board and employee codes of conduct</li></ul>
<b>Governance and regulatory oversight committee</b>	<ul style="list-style-type: none"><li>• monitors director and officer compliance with the board code of conduct and the employee code of conduct, respectively, reviews violations and makes recommendations to the board for any disciplinary action</li><li>• considers and grants any waivers from compliance with the board code of conduct and the employee code of conduct</li><li>• reviews the board code of conduct annually</li><li>• oversees conflict of interest policies and procedures related to our recognition orders</li><li>• oversees reports of allegations of breaches of ethical conduct received through the whistleblower hotline (other than those complaints under the oversight of the finance and audit committee, as outlined below) or other means related to our recognition orders</li></ul>
<b>Human resources committee</b>	<ul style="list-style-type: none"><li>• oversees compliance of employee code of conduct</li><li>• reviews the employee code of conduct annually</li></ul>
<b>Finance and audit committee</b>	<ul style="list-style-type: none"><li>• oversees any complaints about accounting, internal controls or auditing matters</li></ul>

## Reporting violations

Directors who are aware of a breach of the board code of conduct must immediately notify either the corporate secretary or the assistant corporate secretary of TMX Group Limited, who will inform the chair of the governance and regulatory oversight committee within two days of receiving the report.

Employees may report violations of the employee code of conduct to their manager, the CEO, the chief internal auditor or a member of the senior management team, including the chief human resources officer and the chief legal and enterprise corporate affairs officer and corporate secretary. Employees may also report violations to the chair of the finance and audit committee or, if they prefer to remain anonymous, through our confidential third-party whistleblower service. All reports are investigated promptly, confidentially and impartially. The governance and regulatory oversight committee has not waived any aspect of the board code of conduct or the employee code of conduct and no material change reports related to the conduct of any director or executive officer have been filed (generally required for behaviour that represents a material departure from the board or employee code of conduct).

TMX Group's speaking up policy empowers each employee to speak up and ask questions, raise concerns and report (including on an anonymous basis with our independent third party whistleblower service), without fear of retaliation or unfair treatment, any wrongdoing, which includes:

- all known, observed or suspected misconduct or improper or unethical acts; or
- violations or potential violations of the employee code of conduct or our corporate policies, standards and procedures; or
- violations or potential violations of any applicable law, legal or regulatory obligation or requirement, including those under a recognition order.

## 2. Strategic planning

The board oversees the development and execution of our strategic plan.

Management, led by the CEO, prepares the corporate strategic plan and detailed operational plans every year, and presents them to the board at a dedicated strategic planning session. The board reviews and approves the plans, making sure they are consistent with the corporate vision and purpose and take into account the long-term and short-term opportunities and risks of the business with a view to creating long-term value for all shareholders and other stakeholders.

### 2023 priorities

In 2023, the board focused on accelerating our transformation:

- identifying opportunities to increase recurring revenue
- expanding our global footprint.

Throughout the year, the board oversees the implementation and effectiveness of the plans within the context of our risk appetite, by comparing our results to the targets set out in the plans and in annual performance objectives.

### 3. Financial oversight and reporting

The board provides financial oversight to ensure that the company uses its resources wisely and reports adequate, accurate, timely, balanced and fair financial information to shareholders.

The board is responsible for:

- approving annual operating and capital budgets
- reviewing operating and financial results against approved strategy, budgets and objectives
- confirming the integrity of the system of internal controls, which include internal control over financial reporting and disclosure controls and procedures
- reviewing and overseeing our compliance with audit, accounting and financial reporting requirements
- approving our financial statements and accompanying MD&A and earnings press releases

The finance and audit committee carries out certain of these activities on behalf of the board, working with our external auditor as appropriate. You can read about the finance and audit committee's activities in 2023 on page 27.

### 4. Risk oversight

The board oversees risk management by:

- making sure we have policies, processes and systems in place to identify and manage key enterprise risks and objective certainty
- approving our enterprise risk management policy (ERM policy)
- approving our risk appetite statements.

The finance and audit committee oversees the adequacy and operating effectiveness of TMX Group's Enterprise Risk Management (ERM) program. The enterprise chief audit and risk officer, heads the enterprise risk management group, has a reporting line to the chair of the finance and audit committee, reports regularly to the finance and audit committee and is a member of the executive operating and risk committee.

#### A culture of risk management

TMX Group recognizes that effective risk management is fundamental to our ability to drive long-term sustainable growth through the execution of our strategic and operational objectives.

Our approach to risk management addresses opportunities, uncertainties and threats to the successful achievement of our objectives rather than managing our risks in isolation. This approach does not change the risks faced by our organization. Instead, it anchors the risk management process to our objectives which ensures the integration of the enterprise's risks with objectives and performance and supports the proper allocation of resources across the enterprise.

Risk management is embedded into the organization in three ways:

*Culture* – The board, together with the CEO and senior management, has established an enterprise-wide ethical culture that values the importance of effective risk management in day-to-day business activities and decision-making, and encourages frank and open communication.

*Accountability* – Risk management is integrated into policies and internal processes. Responsibilities and levels of authority for risk-taking are clearly defined. Our business unit and corporate function leaders own TMX Group's strategic and operational objectives and therefore remain accountable for the effective management of risks assumed in their activities supported by the enterprise risk management and internal audit groups.

#### The board's annual risk review

Reviewing management's assessment of risks and objective certainty of top strategic and operational objectives enabling a view of key enterprise risks

Discuss new and emerging risks

Develop strategies to manage, monitor, report on and mitigate each identified risk

*Process* – TMX Group’s ERM team facilitates and supports our leaders in their pursuit of their objectives and ensures that an appropriate framework is in place to identify, assess, measure, manage, monitor and report on material risks that may impact TMX Group’s strategic and operational objectives. It is designed to ensure that objectives and risks across the organization:

- are transparent and well understood;
- are consistent with TMX Group’s accepted and approved level of risk appetite;
- appropriately balance risk and reward; and
- serve as inputs into the enterprise strategy formulation process.

**Cybersecurity and Information Technology**

Our processes and networks and those of our third-party service providers, participants, and our customers may be vulnerable to information security risks, including unauthorized access, computer viruses, theft of data, denial of service attacks, and other security issues. The board regularly reviews our cybersecurity and information technology program, strategy and planning. In addition, the finance and audit committee receives quarterly updates on cybersecurity. TMX Group has invested significant resources and maintains robust systems to protect against the threat of security breaches to prevent or limit reputational, regulatory and legal consequences of cyber attacks. TMX Group continues to monitor for trends and respond accordingly with the adoption of strategies, technologies (technology modernization initiatives) and practices such as increasing reliance on cloud based services, to prevent or limit the impact of cyber threats, including those caused by the increasing evolution of the cyber threat landscape and the sophistication of threat actors. We maintain robust systems to protect our processes and networks from cybersecurity threats. Our information security team, led by our Chief Information Security Officer, develops and manages our information security services, including cybersecurity oversight for IT and business operations, data management, application development and maintenance functions. We leverage and implement industry best practice security measures to address the cyber threat landscape, manage increased volumes, and changes in our trading, clearing, settlement and depository activities, and address customer demands for improved performance and security requirements. These measures also address protection from people who could wrongfully use our information or cause interruptions or malfunctions in our operations which could damage the integrity of our markets and data provision. In addition, our employees are exposed to quarterly phishing tests and must complete an annual security awareness training and quiz.

**5. Leadership and succession**

The human resources committee of the board oversees human resources policies, programs and overall organizational culture, and is actively engaged in succession planning and executive compensation.

The board appoints the CEO and approves the appointment of other senior executives. It also approves the CEO’s objectives, performance targets and compensation.

**Succession planning**

Succession planning is an important focus for management and the board. The human resources committee reviews, approves and reports to the board on the talent assessment and succession plans for the CEO and other executives, including the named executives, to support the attraction, identification, development and retention of a diverse, inclusive and talented workforce.

To understand TMX Group’s various talent segments, we use a disciplined talent review process, led by the human resources team, to assess all employees at the Director level and above.

We also develop succession plans for every executive and/or other critical roles. The outcome of the talent review is used to determine potential successors in four time segments: Ready Now, Ready in 1-3 years, Ready in 3-5 years and Ready in 5+ years. We also identify interim successors to mitigate against potential talent departure risks.

**How we develop future leaders**

- Proactively assess talent and define succession gaps
- Identify employees with leadership potential and challenge them
- Review individual development needs and career objectives
- Coach and enable talent to help them achieve their full potential

The human resources team presents its findings to the human resources committee, which approves and reports to the board on the talent assessment and succession plans for executive and/or other critical roles. The CEO presents their view on CEO successors to the committee but final approval of CEO succession rests with the full board.

Over the course of 2023, talent assessments and succession plans were reviewed and where required, approved by the human resources committee.

**Diversity**

TMX Group leaders are responsible for creating a culture of inclusiveness. We strive to have our leadership demographic profile reflect the profile of our industry as a whole, and we actively seek to ensure our workforce is representative of the communities we operate in.

Since establishing our long-term ED&I strategy in 2021, our employee-led ED&I Council has been developing and supporting the execution of programs and policies that support a diverse and inclusive workforce. In 2023, the Council established our 2023-2025 ED&I roadmap and was responsible for overseeing the continued execution of our strategy. Key accomplishments included a ½ day Inclusive Leadership in Action session with our Global Leadership Team, launching an enterprise-wide “Community Reflections” series to showcase the power of employee stories, and completing Phase 2 of the Progressive Aboriginal Relations (PAR) program.

Our ED&I strategy continues to focus on progressing balanced gender representation in the overall workforce (defined as 40% - 60% women or men), taking into account that identification is not just binary. We achieved this goal in 2021 and have maintained overall workforce representation of 40% of all positions held by women. Further we have a goal of at least 40% women in executive positions (both senior executives and other executives) by 2025. As at December 31, 2023, approximately 31% of executive positions were held by women – an increase from 29% in the previous year. We continue to focus on ensuring we have diverse candidate slates for executive level roles, and we are continuing to develop and advance women within the organization to support the achievement of our targets.

Positions held by women	Target (established in 2021)	Positions held by women at December 31, 2023
Senior executives	40% women by 2025	2 of 8 (25%)
Executives		13 of 42 (31%)
All other employees	40 to 60% women or men by 2025	694 of 1,739 (40%)

In 2023, we maintained our Gold parity-certified status through Women in Governance. The certification recognizes organizations that have achieved results by articulating a commitment to gender parity in the workplace, integrating it into the ecosystem of the organization and implementing mechanisms to achieve that commitment and sustain it over time.

In addition to the above, our strategy also focuses on enhancing representation across all groups, including Indigenous Peoples. Please see page 10 for an overview of our report to shareholders on our progress on the development of internal programs and policies that support Indigenous employees, businesses, communities and other stakeholders.

**6. Shareholder communication and engagement**

The board oversees shareholder communication and engagement.

Activities include:

- establishing the processes that management uses to make sure public disclosure is consistent, transparent, accurate, fair, balanced, regular and timely
- holding an annual ‘say on pay’ advisory vote to get feedback on executive compensation
- making sure TMX Group has a mechanism to receive other feedback from shareholders.

**2023 engagement**

In 2023, we met with investors at ten investment or industry conferences and attended meetings with investors from 26 cities.

We post our investor brochure from these events on our website, along with other disclosure documents.

We have a disclosure policy that sets out disclosure practices, names authorized spokespeople and helps ensure confidentiality. A disclosure committee made up of management ensures we comply with the disclosure policy and applicable regulations, evaluates whether information is material and reviews disclosure documents before final approval by the board (as necessary).

TMX Group executives host conference calls with investors and analysts every quarter after announcing our financial results. These calls are broadcast live, and we make audio archives available by telephone or webcast for several months. Our investor relations staff provides information to current and potential investors, responds to inquiries and tracks any feedback received. We encourage all shareholders to attend our meeting to hear updates and interact with management and board members.

Shareholders who would like to communicate with the board should send correspondence to the attention of the chair of the board, TMX Group Limited, 100 Adelaide Street West, Suite 300, Toronto, Ontario M5H 1S3 or by email at [TMXshareholder@tmx.com](mailto:TMXshareholder@tmx.com).

## 7. Sustainability

The board oversees TMX Group's integration of sustainability and climate-related objectives into our enterprise strategy, business processes, operations and investment decisions. Board, committee and management's roles are outlined below.

### Board of directors

- Ethical culture
- Short and long-term strategic planning
- Financial oversight and reporting
- Risk oversight
- Leadership and succession
- Shareholder communication

### Board committees

#### Governance and regulatory oversight committee

- Board stewardship
- Board size and composition
- Director selection and orientation (including skills requirements)
- Director education
- Director independence
- Sustainability (including ESG reporting and ESG related risks)
- Climate transition planning
- Corporate governance policies and practices
- Real and perceived conflicts of interest

#### Finance and audit committee

- Internal controls and whistleblower complaints
- External audit
- Internal audit and assurance
- Risk management (including climate risk)
- Financial planning, investment opportunities, treasury activities and capital planning

#### Human resources committee

- Executive appointment and compensation
- Oversight of TMX Group ESG objectives relative to executive compensation
- Succession planning for the Chief Executive Officer and other senior executives
- Administration of compensation and benefits plans
- Oversight of ESG objectives and the assessment and selection of appropriate financial and non-financial performance metrics

### 2023 highlights

Released our fourth annual ESG report, which includes disclosure informed by and aligned with both the Sustainability Accountability Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosure (TCFD). The report is available on our website.

Achieved carbon neutrality for our 2022 reported emissions

Introduced new products and services for issuers and investors to manage ESG exposures.

Advanced our ED&I program to foster a more diverse, inclusive workplace (see page 25).

Took important steps in our Indigenous reconciliation journey by achieving Phase 2 of the Progressive Aboriginal Relations certification program, which provides third party, independent evaluation of corporate performance in four key areas: leadership actions, employment, business development and community relationships.

Increased the focus on ESG topics in the short-term incentive plan by including specific individual and team-based ESG goals in the individual performance objectives for the CEO and senior executives (see page 65).

# Board committees

The board's primary responsibility is to provide governance and stewardship to TMX Group and to oversee our strategy, business operations and management.

## Finance and audit committee

### Chair

Claude Tessier<sup>1</sup>

### Members

William Linton<sup>1</sup>

Audrey Mascarenhas

Eric Wetlaufer

Ava Yaskiel

### 2023 meetings

5

96% attendance

### 100% independent

(according to National Instrument 52-110 – *Audit Committees* and our recognition orders)

### 100% financially literate

(as defined by the board, but at a minimum means that the director can read and understand a set of financial statements that are comparable in scope and complexity to our financial statements, which is consistent with the meaning set out in National Instrument 52-110 – *Audit Committees*)

<sup>1</sup>Chartered Professional Accountant

## Oversees

- Financial reporting and disclosure
- Internal controls and whistleblower complaints
- External audit
- Internal audit and assurance
- Risk management
- Financial planning, investment opportunities, treasury activities and capital plan
- Pension plans

## Recent areas of focus

- Recommended the annual and interim financial statements and related management's discussion and analysis and media releases to the board for approval
- Reviewed significant judgments relating to:
  - the acquisition of VettaFi Holdings LLC
  - fair value of financial instruments
  - goodwill impairment
- Reviewed business plan, capital plan, normal course issuer bid and internal reorganizations
- Reviewed financing plan for the VettaFi Holdings LLC acquisition
- Reviewed amendments to TMX Group's revolving credit facility
- Reviewed disclosure controls and procedures and internal control over financial reporting
- Reviewed and monitored the project related to the modernizing clearing platform
- Reviewed the principles for management's process and use of non-GAAP measures
- Reviewed and approved the annual internal audit plan and monitored its execution
- Reviewed enterprise risk management activities and findings, risk management policy and risk appetite statements
- Reviewed independence and performance of our external auditor and approved the audit plan
- Reviewed and assessed management's reports on pension plan oversight
- Reviewed updates on cyber security
- Recommended amendments to its committee charter



## **Governance and regulatory oversight committee**

### **Chair**

William Linton

### **Members**

Nicolas Darveau-Garneau

Audrey Mascarenhas

Monique Mercier

### **2023 meetings**

5

100% attendance

### **100% independent**

according to National Policy 58-201 – *Corporate Governance Guidelines* and our recognition orders)

### **Oversees**

- Board stewardship
- Board size and composition
- Director selection and orientation
- Board compensation
- Director independence
- Environmental, social and governance oversight
- Corporate governance
- Real and perceived conflicts of interest in three areas:
  - ownership interests by marketplace participants with a representative on the board
  - increased concentration of ownership in the recognized exchange
  - profit-making objectives and public interest responsibilities.

Maintains appropriate conflict of interest policies and procedures, including overseeing reports of breaches or possible breaches of a recognition order requirement.

### **Recent areas of focus**

- Reviewed the board and each committee charter
- Completed the evaluation and assessment of the board, its committees and each director
- Recommended approval of TMX Group's annual ESG report
- Received regular updates on sustainability
- Recommended the nominees to stand for election at the annual and special meeting of shareholders
- Concluded the recruitment process for an additional board member
- Oversaw the chair of the board succession process which began in 2022 and recommended the new chair to the board for approval in May 2023
- Reviewed the corporate governance practices in the circular and recommended it to the board for approval
- Recommended the composition of the board's committees
- Received regular updates on key governance and regulatory developments
- Reviewed the board orientation and education policy, employee trading policy, timely disclosure confidentiality and insider trading policy, director qualification policy and the board diversity policy
- Reviewed directors' and officers' insurance
- Reviewed conflict of interest policies and procedures and filed its annual report with the Ontario Securities Commission
- Reviewed the report of conflicts committee and approved the appointment of the independent committee members to the conflicts committee

## Human resources committee

### Chair

Eric Wettlaufer

### Members

Nicolas Darveau-Garneau

Martine Irman

Moe Kermani

Monique Mercier

### 2023 meetings

5

100% attendance

### 100% independent

according to National Policy 58-201 – *Corporate Governance Guidelines* and our recognition orders)

## Oversees

- Executive appointment and compensation
- Succession planning for the CEO and other senior executives
- Human resources policies for executives
- Administration of compensation and benefits plans

## Recent areas of focus

- Reviewed peer group and compensation benchmarking
- Reviewed annual performance assessments of senior management and approved their compensation
- Reviewed the compensation discussion and analysis and recommended it to the board for approval
- Approved the 2023 compensation design and funding
- Recommended the CEO's compensation
- Reviewed high-potential talent management and succession planning
- Reviewed and approved executive officer appointments and organizational changes
- Reviewed talent, culture and respectful workplace policies
- Continued to evaluate the linkage between ESG priorities and executive pay
- Reviewed the short and long-term incentive plan designs, considering alignment with our strategy and pay for performance philosophy
- Reviewed Canadian benefits plan design
- Approved an Equity Recognition Program for certain employees below the Director level
- Approved changes to the Human Resources Committee charter to highlight the role of the Committee with respect to ESG matters.
- Oversight of ESG objectives and the assessment and selection of appropriate financial and non-financial performance metrics

## Derivatives committee

### Chair

Martine Irman

### Members

Monique Mercier

Kevin Sullivan

Claude Tessier

Ava Yaskiel

### 2023 meetings

2

100% attendance

### 60%

with expertise in derivatives

## Advises the board on

All policy issues and matters that are likely to have a significant impact on derivatives and related products of TMX Group and its subsidiaries.

## Recent areas of focus

- Reviewed regular updates on the derivatives business
- Reviewed derivatives initiatives, including extended trading hours, developing multi-service graphical user interface to enhance the client experience and expanding the current suite of products to launch new equity, fixed income and other asset class products

## Public venture market committee

### Chair

Moe Kermani<sup>1</sup>

### Members

Audrey Mascarenhas<sup>1</sup>

Kevin Sullivan<sup>1</sup>

Ava Yaskiel

### 2023 meetings

2

100% attendance

<sup>1</sup> 75% of committee members with currently relevant expertise in the Canadian public venture market (as defined by our recognition order requirements)

## Advises the board on

All policy issues and matters that are likely to have a significant impact on the public venture capital market in Canada.

## Recent areas of focus

- Reviewed the national advisory committee's quarterly report on summarizing its activities and the activities of the local advisory committees
- Received regular updates on TSXV's business
- Reviewed TSXV's strategy to be the pre-eminent global platform for growing venture stage issuers
- Reviewed technology initiatives to redefine the issuer experience
- Reviewed updates on various policy initiatives

# About TMX Group directors

The governance and regulatory oversight committee is responsible for recommending director candidates who understand the complexity of our business and the industry we operate in, and have the skills and experience to make an effective contribution to the board.

All TMX Group directors share several basic characteristics: they are thoughtful and act with integrity, they are held in high regard by their peers, and they interact easily with other board members and management. They have the time to be fully engaged in all of the board's activities, and are willing to participate fully and frankly in a way that encourages free and open discussion.

The governance and regulatory oversight committee reviews the composition of the board at least once a year against criteria in four categories:

- recognition order requirements
- corporate and securities law requirements
- areas of expertise that support company strategy
- diversity that supports healthy debate.

Our recognition orders include requirements for independence, certain industry experience, certain geographic diversity, as well as a requirement to ensure that TMX Group has policies and procedures under which we will (i) take reasonable steps to ensure that each director is a fit and proper person, and (ii) consider whether the past conduct of a director affords reasonable grounds to believe that the director will perform his or her duties with integrity and in a manner that is consistent with the public interest responsibilities of TMX Group.

The committee has identified 14 areas of expertise that are specifically related to our business strategy. These areas will evolve over time as we execute on our global growth strategy aimed at increasing our presence in key new markets around the world. The committee will also consider diversity criteria reflecting the communities in which TMX Group operates, including but not limited to the other diversity characteristics listed on page 14.

The committee uses a matrix built from these requirements to identify any gaps between the board composition and the company's strategic requirements every year. Filling those gaps is a key consideration in the selection of new directors.

The table on the next page shows our recognition order requirements and our required areas of expertise, along with the nominees who fill each category.

	Luc Bertrand	Nicolas Darveau-Garneau	Martine Irman	Moe Kermani	William Linton	Audrey Mascarenhas	John McKenzie	Monique Mercier	Claude Tessier	Eric Wetlaufer	Ava Yaskiel	TOTAL	
<b>Recognition order requirements</b>													
<b>Independent</b> (see page 32) Required: at least 50%	•	•	•	•	•	•	•	•	•	•	•	10	91%
<b>Resident of Québec</b> Required: at least 25%	•							•	•			3	27%
<b>Expertise in derivatives</b> Required: at least 25%	•		•				•		•	•		5	45%
<b>Currently relevant expertise in the Canadian public venture market</b> Required: at least 25%				•	•	•	•					4	36%
<b>Additional areas of expertise</b>													
<b>CEO/Senior officer</b> experience working as a CEO or senior officer for a major organization	•	•	•	•	•	•	•	•	•	•	•	11	100%
<b>Governance/board</b> experience as a board member of a major or public company organization	•	•	•	•	•	•	•	•	•	•	•	11	100%
<b>Regulated company</b> experience working in an organization regulated by government or regulatory bodies	•	•	•		•	•	•	•	•	•		9	82%
<b>Technology</b> experience in businesses heavily dependent on information technology	•	•	•	•	•	•	•	•	•	•		10	91%
<b>Strategy</b> experience driving strategic direction and leading the growth of an organization	•	•	•	•	•	•	•	•	•	•	•	11	100%
<b>Financial/risk</b> financial accounting and reporting, corporate finance, internal controls and risk management	•	•	•		•	•	•	•	•	•	•	10	91%
<b>Mergers and acquisitions</b> experience in major mergers and acquisitions	•	•	•	•	•	•	•	•	•	•	•	11	100%
<b>Marketing</b> experience in marketing in the capital markets	•	•	•	•		•	•			•		7	64%
<b>Human resources</b> experience in compensation, benefit and pension programs, legislation and agreements	•	•	•		•	•		•		•	•	8	73%
<b>Energy</b> experience in the energy markets	•	•	•			•	•	•	•	•		8	73%
<b>Broker/dealer</b> experience working in the capital markets at a broker/dealer	•	•	•			•				•		5	45%
<b>Clearing</b> experience in cash, derivatives or energy clearing	•	•	•				•			•		5	45%
<b>International</b> experience working in an organization with global operations	•	•	•	•		•	•	•	•	•	•	10	91%
<b>Sustainability</b> experience or knowledge in sustainability matters, environmental issues, climate risks and opportunities, social issues, equity, diversity and inclusion, corporate governance principles and practices	•	•	•	•	•	•	•	•	•	•	•	11	100%

## Determining director independence

Independence for the board is defined by National Instrument 52-110 – *Audit Committees*, National Policy 58-201 — *Corporate Governance Guidelines* and our recognition orders.

The governance and regulatory oversight committee assesses each director’s independence. Directors help with this by completing an annual questionnaire that asks for details about their relationship with TMX Group, other business relationships and shareholdings. Potential nominees being considered for the board also complete the questionnaire.

## Status of the 2024 nominated directors

	Independent	Status
Luc Bertrand	Yes	
Nicolas Darveau-Garneau	Yes	
Martine Irman	Yes	
Moe Kermani	Yes	
William Linton	Yes	
Audrey Mascarenhas	Yes	
John McKenzie	No	TMX Group CEO
Monique Mercier	Yes	
Claude Tessier	Yes	
Eric Wetlaufer	Yes	
Ava Yaskiel	Yes	
<b>Total</b>	91%	

## 91% of this year’s nominated directors are independent

That means the nominee is independent within the meaning of:

- Section 1.4 of National Instrument 52-110 – *Audit Committees*
- National Policy 58-201 — *Corporate Governance Guidelines*, and
- Our recognition orders  
A director is not independent if he or she has one of the following relationships with a TSX, TSXV, MX or Alpha market participant:
  - is a partner, officer, director or employee of the market participant, or an associate of a partner, officer, director or employee of the market participant
  - is a partner, officer, director or employee of a company affiliated with the market participant, and is actively or significantly engaged in the day-to-day operations of the market participant.

## Director resignation

Directors are expected to submit their resignation to the board if their circumstances change, or if there are reasonable grounds to question their ability to act independently. The governance and regulatory oversight committee will consider the resignation and make a recommendation to the board about whether it would be in the best interests of TMX Group to have the director remain on the board.

## **Building a diverse board**

The board derives strength from the diversity of thought represented by the variety of backgrounds, qualities, skills and experience of its directors. In identifying suitable candidates, the governance and regulatory oversight committee will consider independence, and experience as a CEO/senior officer or board member or in the following areas: governance, regulated company, technology, strategy, financial and risk, mergers and acquisitions, marketing, human resources, energy, broker/dealer, derivatives, clearing, public venture market, international business and sustainability. As well, the governance and regulatory oversight committee will consider any gaps in representation from geographic regions relevant to TMX Group's strategic priorities and take into account the legal and regulatory obligations for directors unique to TMX Group under its recognition order securities law requirements. Qualities such as integrity, good character and high regard in his or her community or professional field are expected of all board members.

The recognition orders applicable to TMX Group, TSX, TSX Venture Exchange Inc., and Alpha Exchange Inc. (each an Exchange) require the Exchange to (i) have policies and procedures under which it will take reasonable steps, to ensure that each director is a fit and proper person, and (ii) consider whether the past conduct of a director affords reasonable grounds to believe that the director will perform his or her duties with integrity and in a manner that is consistent with the public interest responsibilities of the Exchange (the Fit and Proper Test).

To support the Fit and Proper Test, the governance and regulatory oversight committee requires new nominees to the board to complete a personal information form using the Toronto Stock Exchange process administered by the Investigative Services Division. New nominees are also required to complete TMX Group's director questionnaire for potential directors administered by the General Counsel's Office of TMX Group. The governance and regulatory oversight committee will also retain a third party to conduct investigative due diligence-based background searches consisting of in-depth intelligence collection and analysis of potential reputation and integrity risks on new director nominees.

When identifying and considering qualified candidates for the board, the governance and regulatory oversight committee will also consider diversity criteria reflecting the communities in which TMX Group operates, including but not limited to the other diversity characteristics listed on page 14.

The board is committed to maintaining its board composition in which women comprise at least 30% of the board's directors. On an annual basis, the governance and regulatory oversight committee will recommend that the board adopt objectives for maintaining the board diversity and inclusiveness goal set out in the board diversity policy, taking into account our unique regulatory obligations.

## Gender diversity

**36%**  
women

Our board diversity policy includes gender diversity as a factor to be considered when determining board composition. The board committed to have at least 30%- women on the board.

This year's nominees include four women, representing 36% of the nominees. We measure the effectiveness of our approach to gender diversity by tracking the number of women on the board every year.

## Other diversity

**18%**  
other diversity  
characteristics

Our board diversity policy includes other diversity characteristics as a factor to be considered when determining board composition. The board achieved its goal to have at least one director reflect one of the other diversity characteristics by TMX Group's 2022 annual meeting.

This year's nominees include two directors who identified themselves as being ethnically diverse (one director identifies as West Asian and one director identifies as South Asian), representing 18% of the nominees.

## Age and tenure

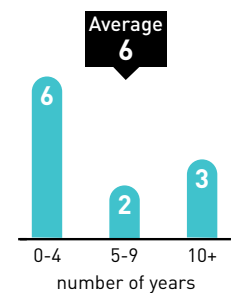
**60 years**  
average age

We believe that board renewal is in the best interests of TMX Group.

The board has a tenure limit of 12 years for directors appointed or elected to the board, to be served in one-year terms. Generally, a director would not be nominated for re-election at the annual meeting of shareholders following completion of their 12<sup>th</sup> year. The governance

and regulatory oversight committee can nominate a director who has reached the tenure limit for up to three additional one-year terms, if necessary to comply with regulatory requirements, to ensure a specific area of expertise is represented on the board, or if it is otherwise in the best interests of TMX Group.

### Tenure



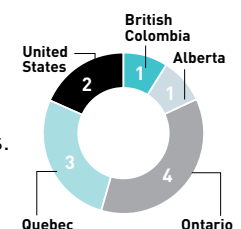
In early 2023, the board amended the policy to introduce a tenure limit of five years for a person appointed chair of the board (to be served in successive one-year terms), regardless of the number of years served as a director. Under this policy, the governance and regulatory oversight committee can nominate the then-serving chair for up to three additional years (to be served in successive one-year terms).

## Geographic location

While our recognition orders require at least 25% of our directors to be residents of Québec, the governance and regulatory oversight committee also looks for representation from the other locations we operate in.

This year's nominees are located in Alberta, British Columbia, Ontario, Québec and the United States.

### Location



## Attending meetings

### 2023 meeting attendance

There were 26 board and committee meetings in 2023. Directors attended 99% of all meetings, in aggregate.

Directors are expected to come fully prepared to every regularly scheduled board and committee meeting, as well as special meetings where possible (except in exceptional circumstances).

A director whose attendance falls below 75% must submit his or her resignation to the board. The governance and regulatory oversight committee will consider the resignation, and make a recommendation to the board about whether it would be in the best interests of TMX Group to have the director remain on the board.

### 2023 attendance

	Board	Derivatives committee	Finance and audit committee	Governance and regulatory oversight committee	Human resources committee	Public venture market committee	All board and committee meetings	
Luc Bertrand	7/7	1/1				1/1	9/9	100%
Nicolas Darveau-Garneau	7/7			5/5	5/5		17/17	100%
Martine Irman	7/7	2/2	2/2		5/5		16/16	100%
Moe Kermani	7/7				5/5	2/2	14/14	100%
William Linton	7/7		5/5	5/5			17/17	100%
Audrey Mascarenhas	6/7		2/3	5/5		2/2	15/17	88%
Monique Mercier	7/7	2/2		5/5	2/2		16/16	100%
John McKenzie	7/7						7/7	100%
Kevin Sullivan	7/7	2/2				2/2	11/11	100%
Claude Tessier	7/7	2/2	5/5				14/14	100%
Eric Wetlaufer	7/7		5/5		5/5		17/17	100%
Charles Winograd <sup>1</sup>	3/3			3/3			6/6	100%
Ava Yaskiel <sup>2</sup>	4/4	1/1	3/3			1/1	9/9	100%

<sup>1</sup> Mr. Winograd retired from the board on May 2, 2023.

<sup>2</sup> Ms. Yaskiel was elected to the board on May 2, 2023.

## Serving on other public boards

### 1

There is one board interlock.

While we do not have a formal limit on the number of other public company boards a director can sit on, the governance and regulatory oversight committee looks at whether directors are overcommitted by keeping track of how many other public company boards our directors sit on.

The governance and regulatory oversight committee also looks at whether two or more board members sit on the same board of another public company (other than a TMX Group subsidiary), and will recommend to the board the best course of action if there is an issue.

After its review of this year's nominees, the governance and regulatory oversight committee recommended to the board and the board has determined that:

- none of this year's nominees is overcommitted
- while Ms. Mercier and Mr. Darveau-Garneau sit together on the iA Financial Corporation Inc. board, they continue to be able to exercise independent judgment as members of the board.

See the director profiles starting on page 15 for details about other boards the nominees sit on.



## Director education

We make sure our directors understand our business and keep current on industry developments, the operating risk and regulatory environment, continuous disclosure obligations, accounting and financial reporting requirements and best practices in corporate governance.

The governance and regulatory oversight committee regularly reviews the content of our orientation and director education programs against current and emerging trends, corporate objectives and input from directors and management, and makes changes as necessary.

### Orientation

Our orientation program for new directors is designed to help them understand TMX Group and their own responsibilities so that they can make a meaningful contribution as quickly as possible.

New directors receive a manual that includes extensive information about the business, our corporate strategy, priorities, financial performance and plans, risks and legal and regulatory requirements, as well as detailed information about the board and what we expect of our directors.

New directors also meet with the CEO and other members of the senior management team, and are invited to spend time with other senior leaders to deepen their knowledge of the company.

### Continuing education

We organize presentations for directors and prepare written materials for them to read, tailoring the content to current issues and the specific needs of the board.

Continuing education is integrated into our board meetings, and directors may attend all committee meetings even when they are not sitting members as a guest. Directors receive a comprehensive package of information before every board meeting, committee meeting and strategic planning session. The board committees also deliver reports to the full board after each committee meeting. All of these materials are accessible on a permanent, secure extranet.

Directors also receive a daily news email with relevant information about the industry, and periodic reports and analysis of significant industry developments.

TMX Group staff regularly present to the board about different aspects of our business, and we arrange for third-party experts to present on specialized topics. The table below lists presentations our directors attended in 2023 as part of the continuing education program.

	<b>Date</b>	<b>Presenter</b>	<b>Who attended</b>
<b>Artificial Intelligence</b>	December 2023	Nicolas Darveau-Garneau	Full board
<b>Artificial Intelligence at TMX</b>	December 2023	Management	Full board

We also encourage directors to attend programs offered by others to keep up with developments in corporate governance, regulatory or industry matters and best practices relevant to their board and committee roles. They select the programs they believe will benefit them the most, and we reimburse them up to a set amount each year.

We pay for our directors to be members of the Institute of Corporate Directors, which gives them access to events, educational programs and publications. Directors are also invited to attend any seminars presented by TSX, TSXV, MX and CDCC.

# Performance evaluation

The board has an annual process for evaluating its effectiveness and the effectiveness of the chair of the board, the board’s committees and individual directors.

The governance and regulatory oversight committee leads the annual assessment process, with input from all directors, using performance criteria the committee establishes together with the chair of the board.

Every director completes a self-assessment and a survey that seeks feedback on peers. This year the chair of the governance and regulatory oversight committee joined the chair of the board to interview every director one-on-one. The chair is interviewed by the chair of the governance and regulatory oversight committee. The interviews provide an opportunity to offer candid feedback on board effectiveness and to expand on the survey responses.

The chair of the board and chair of the governance and regulatory oversight committee shares feedback with each director individually as appropriate. The chair also discusses the results of the individual evaluations with the chair of the governance and regulatory oversight committee and reports summary findings to the committee and to the full board. The chair of the governance and regulatory oversight committee discusses the results of the chair of the board’s assessment survey with the committee and with the full board. The committee reviews the results of the assessments and recommends any changes it believes will improve the performance and effectiveness of the board.

**Annual five-step assessment process**

1. Written self-assessment
2. Peer evaluation survey
3. One-on-one interviews
4. Feedback shared individually and with the full board
5. Governance and regulatory oversight committee recommends any follow-up

# How we pay our directors

Our director compensation program is designed to attract and retain highly qualified board members and to align their interests with those of our shareholders.

The board approves how much we pay our directors, and what form that compensation takes, to make sure compensation meets the program's objectives and reflects the responsibilities and risks of being a director.

The governance and regulatory oversight committee reviews director compensation levels every two years and makes recommendations for the board to consider. The committee typically retains external consultants to provide advice and benchmarks based on comparable companies.

Director compensation includes:

- an annual retainer for membership on the board (paid in a combination of cash and deferred share units (DSUs))
- an annual retainer for participating on board committees

## Changes to director compensation in 2023

After retaining independent consultant Southlea Group LP (Southlea) in 2022 to review director compensation at the companies in our comparator group, the governance and regulatory oversight committee recommended and the board approved an increase to the board and committee retainers noted in the table below. See page 56 for Southlea's fee details.

The changes took effect on January 1, 2023.

	<b>2023</b> (as of January 1, 2023)
<b>Board retainer</b>	
Chair of the board	
• cash	\$135,000
• DSUs	\$250,000
Directors	
• cash	\$60,000
• DSUs	\$120,000
<b>Committee retainers</b>	
Committee chairs	
• Finance and audit committee	\$35,000
• Human resources committee	\$30,000
• Governance and regulatory oversight committee	\$25,000
• Other committees	\$20,000
Committee members	
• Finance and audit committee	\$15,000
• Human resources committee	\$15,000
• Governance and regulatory oversight committee	\$15,000
• Other committees	\$10,000
Travel fee (if return air travel time exceeds six hours)	\$1,500

## About DSUs

A DSU is a notional share that has the same value as one TMX Group common share, and therefore has the same upside and downside risk. DSUs earn additional units as dividend equivalents at the same rate as dividends paid on our shares.

Our directors redeem DSUs for cash only after they leave our board. The redemption value depends on the market value of our shares at that time.

## Director compensation table

The table below lists all compensation earned by our directors in 2023.

Director fees include payment for services the directors provide as directors of the TMX Group board and the boards of TSX, TSXV, MX and Alpha.

All other compensation includes additional fees several directors earn for serving on the boards or committees of other subsidiaries (see below for details).

	Annual fees				All other compensation	Total compensation	Allocation of annual fees	
	Board retainer		Committee retainers				paid in cash	taken as DSUs
	cash	DSUs	chair	member				
<b>Luc Bertrand</b>	\$110,000	\$250,000	\$6,667	\$3,333	\$33,000	\$403,000	\$33,000	92%
<b>Nicolas Darveau-Garneau</b>	\$60,000	\$120,000	–	\$30,000	–	\$210,000	–	100%
<b>Martine Irman</b>	\$60,000	\$120,000	\$13,333	\$20,000	\$26,667	\$240,000	–	100%
<b>Moe Kermani</b>	\$60,000	\$120,000	\$20,000	\$15,000	\$6,667	\$221,667	–	100%
<b>William Linton</b>	\$60,000	\$120,000	\$25,000	\$15,000	\$115,833	\$335,833	\$164,167	51%
<b>Audrey Mascarenhas</b>	\$60,000	\$120,000	–	\$35,000	–	\$215,000	–	100%
<b>John McKenzie</b> (not paid)	–	–	–	–	–	–	–	–
<b>Monique Mercier</b>	\$60,000	\$120,000	–	\$31,667	\$16,666	\$228,333	\$27,083	88%
<b>Kevin Sullivan</b>	\$60,000	\$120,000	–	\$20,000	–	\$200,000	–	100%
<b>Claude Tessier</b>	\$60,000	\$120,000	\$35,000	\$10,000	\$6,667	\$231,667	\$55,833	76%
<b>Eric Wetlaufer</b>	\$60,000	\$120,000	\$30,000	\$15,000	–	\$225,000	\$26,250	88%
<b>Charles Winograd</b>	\$56,250	–	–	–	–	\$56,250	–	100%
<b>Ava Yaskiel</b>	\$40,000	\$120,000	–	\$23,333	\$6,667	\$190,000	\$35,000	82%

All other compensation includes fees for sitting on boards and committees of the following TMX Group subsidiaries :

	MX rules and policies committee / TSX and Alpha rules committee	MX self-regulatory oversight committee	TSX Trust Company board	BOX Holdings Group, LLC and BOX Options Market, LLC board	Total
Luc Bertrand				\$33,000	\$33,000
Martine Irman	\$20,000	\$6,667			\$26,667
Moe Kermani	\$6,667				\$6,667
William Linton	\$3,333		\$112,500		\$115,833
Monique Mercier	\$3,333	\$13,333			\$16,666
Claude Tessier		\$6,667			\$6,667
Ava Yaskiel	\$6,667				\$6,667

## Equity ownership

To align the interests of our directors with those of our shareholders, we require directors to own three times their annual retainer in TMX Group equity.

That means directors have to own at least \$540,000 (\$1,155,000 for the chair) in equity, represented by a combination of shares and DSUs. This requirement was increased on January 1, 2023, from \$510,000 for directors.

Until they meet this requirement, directors have to receive at least 50% of their annual director compensation in the form of DSUs. Unless otherwise noted, they have five years from the time they joined the board to meet the requirement.

The table below shows the value of the shares and DSUs each director held as at March 6, 2024. We calculated the value as follows:

- *TMX Group shares*: we used the closing price of our shares on TSX on March 6, 2024 (\$34.68)
- *DSUs*: we used the weighted average trading price of our shares on TSX for the five trading days ending on March 6, 2024 (\$35.46)

All of the directors meet their equity ownership requirement with the exception of Ms. Mercier, who has until May 2027, and Ms. Yaskiel who has until May 2028.

as of March 6, 2024	2023		2024		Change		Value at March 6, 2024	Meets ownership requirement
	TMX Group shares (#)	DSUs (#)	TMX Group shares (#)	DSUs (#)	TMX Group shares (#)	DSUs (#)		
<b>Luc Bertrand</b>	3,025,000	14,365	3,025,000	27,908	–	13,543	\$105,896,618	yes
<b>Nicolas Darveau-Garneau</b>	–	31,075	–	39,332	–	8,257	\$1,394,713	yes
<b>Martine Irman</b>	–	27,590	–	36,979	–	9,389	\$1,311,275	yes
<b>Moe Kermani</b>	–	18,125	–	26,456	–	8,331	\$938,130	yes
<b>William Linton</b>	–	97,290	–	105,864	–	8,574	\$3,753,937	yes
<b>Audrey Mascarenhas</b>	–	12,285	–	20,235	–	7,950	\$717,533	yes
<b>Monique Mercier</b>	–	5,255	–	12,338	–	7,083	\$437,505	no
<b>Claude Tessier</b>	6,000	14,470	6,000	21,117	–	6,647	\$956,889	yes
<b>Eric Wetlaufer</b>	–	39,980	–	48,063	–	8,083	\$1,704,314	yes
<b>Ava Yaskiel</b>	–	–	–	5,521	–	5,521	\$195,775	no