

May 11, 2012

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Notice of Annual and Special Meeting of Shareholders of TMX Group Inc.

TMX Group Inc. (“TMX Group” or “we”) will hold our Annual and Special Meeting of Shareholders (the “Meeting”) at the TMX Broadcast Centre, 130 King Street West, Main Floor, Toronto, Ontario, Canada on Friday, May 11, 2012 at 2:00 p.m. (Eastern Time).

As a holder of our common shares, we invite you to attend the Meeting for the following purposes:

1. to consider our financial statements for the year ended December 31, 2011, and the auditor’s report on those statements;
2. to elect our Directors;
3. to appoint KPMG LLP as our auditor at a remuneration to be fixed by the Directors;
4. to consider and, if deemed advisable, to approve an advisory resolution to accept the approach to executive compensation disclosed in our Management Information Circular; and
5. to transact any other business properly brought before the Meeting.

Shareholders at the close of business on March 19, 2012 will be entitled to vote at the Meeting.

Our Management Information Circular (the “Circular”) which accompanies this notice is your guide to the business to be considered at the Meeting and includes the text of the advisory resolution on our approach to executive compensation. You will have an opportunity to ask questions and meet with management, the Board of Directors and your fellow shareholders. At the Meeting we will also report on our 2011 financial results.

If you are unable to attend the Meeting in person we ask you to complete, sign and return the enclosed proxy. We have provided instructions on how to complete and return your proxy with the enclosed proxy form and in the Circular. Our transfer agent, CIBC Mellon Trust Company, must receive your proxy no later than 5:00 p.m. (Eastern Time) on Wednesday, May 9, 2012, or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting. You must send your proxy to our transfer agent by either using the postage prepaid envelope provided or by mailing the proxy to CIBC Mellon Trust Company at P.O. Box 721, Agincourt, Ontario, Canada, M1S 0A1. You may also fax your proxy to CIBC Mellon Trust Company at (416) 368-2502 or toll free at 1 (866) 781-3111, Attention: Proxy Department.

We have made arrangements to provide a live audio webcast of the Meeting for those shareholders who cannot attend the Meeting in person. We will post details on how you may hear the webcast on our website at www.tmx.com and in a media release before the Meeting. However, shareholders will not be permitted to vote through the webcast facility or otherwise participate in the Meeting.

We have included the Circular and a form of proxy (and a pre-addressed envelope) with this Notice of Annual and Special Meeting of Shareholders and have posted them on our website at www.tmx.com.

By Order of the Board of Directors,



Sharon C. Pel

Senior Vice President, Group Head of Legal and Business Affairs
Toronto, Ontario
March 30, 2012

Management Information Circular

All information is as at March 5, 2012, unless otherwise indicated.

About This Document

This Management Information Circular (the “Circular”) explains the business to be considered at the annual and special meeting of shareholders (the “Meeting”) of TMX Group Inc. (“TMX Group” or “we”) to be held on Friday, May 11, 2012 at the place and for the purposes set out in the accompanying Notice of Annual and Special Meeting of Shareholders.

We are sending you this Circular in connection with management’s solicitation of your proxy for use at the Meeting and any continued meeting after an adjournment. Management will solicit proxies primarily by mail. However, our Directors, officers, employees and agents may also solicit proxies by telephone, email, facsimile, in writing or in person.

See “Voting Information” below for an explanation of how you can vote on the matters to be considered at the Meeting, whether or not you decide to attend the Meeting.

Voting Information

What will I be voting on?

You will be voting on:

- The election of our Directors (see page 5);
- The appointment of KPMG LLP as our auditor at a remuneration to be fixed by the Directors (see page 19); and
- An advisory resolution to accept the approach to executive compensation disclosed in the Circular (see page 20).

How will these matters be decided at the Meeting?

A simple majority of the votes cast, by proxy or in person, will constitute approval of matters voted on at the Meeting.

How many votes do I have?

Subject to the share ownership and voting restriction noted below, you will have one vote for every common share you own at the close of business on March 19, 2012, the record date for the Meeting.

To vote common shares you acquired after the record date, you must, not later than 10 days before the Meeting:

- Ask our transfer agent, CIBC Mellon Trust Company, to add your name to the voters’ list, and
- Produce properly endorsed share certificates or otherwise establish that you own the common shares.

What are the share ownership and voting restrictions?

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 our common shares without the prior approval of the Ontario Securities Commission (“OSC”) and Québec’s Autorité des marchés

financiers (“AMF”). No person or company may exercise the right to vote more than 10% of the votes attached to our common shares.

To the knowledge of our Directors and officers, no person or company or combination of persons or companies beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of our outstanding common shares.

How many common shares are eligible to vote?

On March 19, 2012, there were 74,691,240 common shares of TMX Group outstanding and eligible to vote.

How do I vote?

If you are eligible to vote and your common shares are registered in your name, you can vote your common shares as follows:

- In person at the Meeting; or
- By proxy, as explained below.

If your common shares are held in the name of a nominee (this makes you a “non-registered shareholder”), please see the instructions below under the headings “How can a non-registered shareholder vote by mail?” and “How can a non-registered shareholder vote in person at the Meeting?”

Can I vote by proxy?

Whether or not you attend the Meeting, you can appoint someone else to vote for you as your proxy holder. You can use the enclosed proxy form, or any other proper form of proxy, to appoint your proxy holder. The persons named in the enclosed form of proxy are the Chair of our Board and our Chief Executive Officer. **However, you can choose another person to be your proxy holder, including someone who is not one of our shareholders. You may do so by crossing out the names printed on the proxy and inserting another person’s name in the blank space provided, or by completing another proper form of proxy.**

We will provide proxy materials to brokers, custodians, nominees and fiduciaries who are required to forward those materials to the beneficial owners of common shares.

How will my proxy be voted?

On the proxy form, you can indicate how you want your proxy holder to vote your common shares, or you can let your proxy holder decide for you.

If you specify on the proxy form how you want your common shares to be voted on a particular issue (by marking FOR, AGAINST or WITHHOLD, as applicable) then your proxy holder must vote your common shares accordingly.

If you do not specify on the proxy form how you want your common shares to be voted on a particular issue, then your proxy holder can vote your common shares as he or she sees fit.

Unless you provide contrary instructions, common shares represented by proxies received by management will be voted:

- FOR the election as Directors of the proposed nominees whose names are set out on the following pages;
- FOR the appointment of KPMG LLP as our auditor at a remuneration to be fixed by the Directors; and
- FOR the advisory resolution to accept the approach to executive compensation disclosed in the Circular.

What if there are amendments or if other matters are brought before the Meeting?

The enclosed proxy form gives the persons named on it authority to use their discretion in voting on amendments, variations or additions to the matters identified in the Notice of Annual and Special Meeting of Shareholders and on all other matters that may properly come before the Meeting.

At the time of printing this Circular, our management is not aware of any proposed amendments or that any other matter is to be presented for action at the Meeting. If, however, any proposed amendments or other matters properly come before the Meeting, the persons named on the enclosed proxy form will vote on them using the discretion given by the proxy form.

What if I change my mind and want to revoke my proxy?

You can revoke your proxy at any time before it is acted upon. You can do this by:

- Delivering a properly executed form of proxy with a later date; or
- Stating clearly, in writing, that you want to revoke your proxy and by delivering this written statement to the attention of our Senior Vice President, Group Head of Legal and Business Affairs no later than the close of business on May 9, 2012 (or, if the Meeting is adjourned, the business day before any adjourned meeting), or to the Chair of the Meeting before the start of the Meeting or any adjourned meeting; or
- In any other manner permitted by law.

Who counts the votes?

CIBC Mellon Trust Company, our Transfer Agent, counts and tabulates the proxies.

How do I contact the Transfer Agent?

By mail: CIBC Mellon Trust Company
P.O. Box 700, Station B
Montreal, Quebec H3B 3K3

By telephone: (416) 682-3860 (Toronto Area)
1 (800) 387-0825 (North America)

By fax: 1 (888) 249-6189

By e-mail: inquiries@canstockta.com

Is my vote confidential?

Yes, except (1) where you clearly intend to communicate your individual position to management, or (2) as necessary to comply with legal requirements.

How are proxies solicited?

Management requests that you sign and return the proxy form (in the postage-prepaid envelope provided) to ensure your votes will be counted at the Meeting. Management will solicit proxies primarily by mail. However, our Directors, officers, employees and agents may also solicit proxies by telephone, email, facsimile, in writing or in person. We may also retain the services of a proxy solicitation agent to assist in the solicitation of proxies. We will pay all costs of such proxy solicitation.

How can a non-registered shareholder vote by mail?

If your common shares are not registered in your own name (making you a non-registered shareholder), they will be held in the name of a nominee, which is usually a trust company, custodian, securities broker, other financial institution or a clearing agency in which the intermediary participates. Your nominee is required to seek your instructions as to how to vote your common shares. Unless you have previously informed your nominee that you do not wish to receive material relating to shareholders' meetings, you will have received this Circular in a mailing from your nominee, together with a proxy form or request for voting instructions.

Each nominee has its own signing and return instructions, which you should follow carefully to ensure your common shares will be voted. If you are a non-registered shareholder who has voted by mail and want to change your mind and vote in person, contact your nominee to discuss whether this is possible and what procedure to follow.

How can a non-registered shareholder vote in person at the Meeting?

Since we do not have access to the names of all of our non-registered shareholders, if you attend the Meeting, we will have no record of your shareholdings or of your entitlement to vote, unless your nominee has appointed you as proxy holder. If you are a non-registered shareholder and wish to vote in person at the Meeting, please insert your own name in the space provided on the proxy form or request for voting instructions sent to you by your nominee. By doing so, you are instructing your nominee to appoint you as proxy holder. Then follow the signing and return instructions provided by your nominee. Do not otherwise complete the form, as you will be voting at the Meeting.

Business of the Meeting

Consolidated Financial Statements

At the Meeting, you will consider the TMX Group audited consolidated financial statements for the year ended December 31, 2011, and the auditor's report on those financial statements. They are included in our 2011 Annual Report, which was mailed to those registered shareholders and beneficial shareholders who have requested it. You may obtain additional copies of the 2011 Annual Report, in English or French, from our Investor Relations Department upon request or at the Meeting.

Election of Directors

TMX Group's articles of incorporation provide for our board of directors (the "TMX Group Board") to consist of a minimum of three and a maximum of 24 Directors. The number of Directors currently in office is 12. The TMX Group Board has set the number of Directors to be elected at the Meeting at 12.

The Governance Committee of the TMX Group Board annually reviews the qualifications of and recommends nominees for election to the TMX Group Board for consideration and approval. The nominees are, in the opinion of the TMX Group Board, well qualified to act as Directors for the coming year. Each nominee has established his or her eligibility and willingness to serve as a Director, if elected.

On October 30, 2011, TMX Group and Maple Group Acquisition Corporation ("Maple") announced that they had entered into a support agreement (the "Support Agreement") in respect of Maple's proposed acquisition of all of the outstanding TMX Group common shares ("TMX Group Shares") pursuant to an integrated two-step transaction. The first step is Maple's offer to acquire between 70% and 80% of the TMX Group Shares for \$50.00 in cash per share, on a pro rated basis, to be followed by a second step court approved plan of arrangement that will provide TMX Group shareholders (other than Maple) with Maple shares in exchange for their remaining TMX Group Shares, on a one-for-one basis (collectively referred to as the "Maple Transaction").

Upon completion of the Maple plan of arrangement, TMX Group will cease to be listed on Toronto Stock Exchange (but will continue to exist as a private company while Maple will be listed on Toronto Stock Exchange), and the TMX Group Board will be replaced with a different board proposed by Maple. The Support Agreement contemplates that this board will include four individuals selected from among the independent directors currently serving on the TMX Group Board, to be mutually agreed between TMX Group and Maple.

The persons named as proxyholders in the form of proxy are the Chair of the TMX Group Board and our Chief Executive Officer who intend to vote at the Meeting for the election of the nominees to the TMX Group Board whose names are set out below unless you give specific instructions on the form of proxy to withhold that vote. If, before the Meeting, any of the listed nominees become unable or unwilling to serve as a Director, the persons named as proxyholders in the form of proxy will have the discretion to vote for a properly qualified substitute. 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.

Our Director Qualification Policy provides that in an uncontested election of Directors, any nominee who receives a greater number of votes "withheld" than votes "for" will tender his or her resignation to the TMX Group Board promptly following our annual meeting. An "uncontested election" means the number of nominees for election is the same as the number of Directors to be elected to the

TMX Group Board. The Governance Committee will consider the resignation and recommend to the TMX Group Board the action to be taken. The TMX Group Board will make its decision and announce it in a press release within 90 days following the annual meeting, including the reasons for rejecting the resignation, if applicable. A Director who tenders a resignation pursuant to this policy will not participate in any meeting of the TMX Group Board or the Governance Committee at which the resignation is considered.

The following pages set out, among other things, the names of the 12 proposed nominees for election as Directors, together with their municipalities of residence; their ages; the year from which each has continually served as a Director of TMX Group, TSX Inc. or their predecessors; their principal occupations and their occupations for the previous five years; other directorships; public board interlocks; TMX Group committee memberships; attendance at TMX Group Board and committee meetings; and the number of TMX Group Shares (including TMX Group deferred share units ("TMX Group DSUs")) of TMX Group beneficially owned by each proposed nominee.

A Record of Attendance of Directors at meetings of the TMX Group Board and its committees held during the year ended December 31, 2011 is also set out in Schedule A to this Circular.

	Wayne C. Fox⁽¹⁾ Chair of TMX Group Oakville, Ontario, Canada TMX Group Shares: nil TMX Group DSUs: 84,505 Equity at Risk: \$3,630,225⁽⁴⁾ Share Options: nil TMX Group Board Details: • Director since April 29, 1997 • Independent	Mr. Fox, 64, was appointed to the TMX Group Board in April 1997. He is the Chair of TMX Group and a Corporate Director. Until September 2005, he was Vice-Chair and Chief Risk Officer, Treasury, Balance Sheet and Risk Management, Canadian Imperial Bank of Commerce (chartered bank). In the previous five years, Mr. Fox held several increasingly senior positions in CIBC and in several CIBC affiliates. In addition, he was a member of the Steering Committee on Regulatory Capital, Institute of International Finance Inc. and on the Board of Governors of McMaster University and Junior Achievement of Central Ontario. In 2006, Mr. Fox became an accredited director through the Directors College program at McMaster University. Mr. Fox is Governor Emeritus of Appleby College and is a member of the Accounting Standards Oversight Council.				
TMX Group Board/Committee Membership		Attendance	Attendance (Total)		Total Compensation	
TMX Group Board (Chair) Governance Committee Human Resources Committee		34/34	42/42	100%	Year	Amount
		4/4			2011	\$275,000
		4/4			2010	\$275,000
Equity Ownership (as at December 31, 2011)						
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements
2011	—	84,505	84,505	\$3,630,225	\$250,000	Yes
2010	—	75,007	75,007	\$3,389,750		
Change	—	9,498	9,498	\$240,475		
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships		Public Board Interlocks	
—			—		—	

		Tullio Cedraschi ^{(1) (7)} Montréal, Québec, Canada		Mr. Cedraschi, 73, is a Corporate Director who was appointed to the TMX Group Board in September 2001. He was President and Chief Executive Officer of CN Investment Division (investment operations) until his retirement on January 31, 2008, a position he held for more than five years. Mr. Cedraschi serves on the board of Freehold Royalties Ltd. He is also a Governor Emeritus of McGill University, a Governor of the National Theatre School, a trustee of Olin College and an advisory board member to Walter Surface Technologies and the Pamoja Foundation.			
		TMX Group Shares: nil TMX Group DSUs: 35,117 Equity at Risk: \$1,508,581 ⁽⁴⁾ Share Options: nil					
		TMX Group Board Details:					
		• Director since September 25, 2001 • Independent					
TMX Group Board/Committee Membership			Attendance	Attendance (Total)		Total Compensation	
TMX Group Board			32/34	40/42	95%	Year	Amount
Governance Committee			4/4			2011	\$153,000
Human Resources Committee (Chair)			4/4			2010	\$130,667
Equity Ownership (as at December 31, 2011)							
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs⁽⁴⁾		Minimum Equity Ownership Requirements	Meets Requirements
2011	—	35,117	35,117	\$1,508,581		250,000	Yes
2010	—	30,277	30,277	\$1,300,661			
Change	—	4,840	4,840	\$207,920			
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Freehold Royalties Ltd.		January 1998 - Present		—			—

	Raymond Chan Calgary, Alberta, Canada TMX Group Shares: 10,000 TMX Group DSUs: 8,005 Equity at Risk: \$774,284⁽⁴⁾ Share Options: nil TMX Group Board Details: • Director since July 26, 2006 • Independent	Mr. Chan, 56, was appointed to the TMX Group Board in July 2006. He is the Executive Chairman of Baytex Energy Corp. (public oil and gas company) a position he has held since January 1, 2009. Mr. Chan was the Chief Executive Officer of Baytex Energy from September 2003 until December 31, 2008. Prior thereto, Mr. Chan was Senior Vice-President and Chief Financial Officer and a Director of Baytex Energy Ltd. from October 1998. Mr. Chan is a chartered accountant and has held senior executive positions in the Canadian oil and gas industry since 1982. Mr. Chan also serves on the boards of WestFire Energy Ltd., TORC Oil & Gas Ltd. and the Alberta Children's Hospital Foundation.					
TMX Group Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
TMX Group Board		34/34		44/44	100%	Year	Amount
Finance and Audit Committee		6/6				2011	\$152,000
Human Resources Committee		4/4				2010	\$132,500
Equity Ownership (as at December 31, 2011)							
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs⁽⁴⁾		Minimum Equity Ownership Requirements	Meets Requirements
2011	10,000	8,005	18,005	\$774,284		\$250,000	Yes
2010	10,000	6,593	16,593	\$713,627			
Change	—	1,412	1,412	\$60,657			
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Baytex Energy Corp.		Sept 2003 - Present		—		—	
WestFire Energy Ltd.		Dec 2007 - Present		Audit Committee			

Result Energy Inc.	Nov 2009 - April 2010	Audit Committee Compensation Committee	
Defiant Resources Corporation	Dec 2004 - March 2008	Audit Committee Governance and Compensation Committee Reserves Committee	

	Denyse Chicoyne^{(2) (7)} Montréal, Québec, Canada TMX Group Shares: 74,595 TMX Group DSUs: 5,489 Equity at Risk: \$3,446,369⁽⁴⁾ Share Options: nil TMX Group Board Details: • Director since May 1, 2008 • Independent	Ms. Chicoyne, 59 is a Corporate Director who was appointed to the TMX Group Board in May 2008. She serves on the boards of directors of Richelieu Hardware Ltd. and Deans Knight Income Corporation. Ms. Chicoyne has worked in the securities industry as a top ranked analyst for brokerage firms such as BMO Nesbitt Burns, Nesbitt Thomson, McNeil Mantha and was also a senior analyst and portfolio manager for the Caisse de dépôt et placement du Québec. Ms. Chicoyne is also a member of the CFA Institute.					
TMX Group Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
TMX Group Board Finance and Audit Committee		34/34 6/6		40/40	100%	Year	Amount
						2011	\$152,000 ⁽⁶⁾
						2010	\$128,000 ⁽⁶⁾
Equity Ownership (as at December 31, 2011)							
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements	
2011	74,595	5,489	80,084	\$3,446,369	\$250,000	Yes	
2010	74,595	4,171	78,766	\$3,389,750			
Change	—	1,318	1,318	\$56,619			
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Richelieu Hardware Ltd.		March 2005 - Present		Audit Committee		—	
Deans Knight Income Corporation		March 2009 - Present		Audit Committee			
Groupe Laperrière Verreault Inc.		Sept 2004 - August 2007		Audit Committee			
Bourse de Montréal Inc.		March 2007 - May 2008		Human Resources Committee Audit Committee			

	John A. Hagg⁽¹⁾ Calgary, Alberta, Canada TMX Group Shares: 5,000 TMX Group DSUs: 33,148 Equity at Risk: \$1,639,195⁽⁴⁾ Share Options: nil TMX Group Board Details: • Director since May 29, 2001 • Independent	Mr. Hagg, 64, is a Corporate Director and an independent businessman, who was appointed to the TMX Group Board in May 2001. Mr. Hagg is Chairman of the board of Strad Energy Services Ltd. and Chairman of the board of Clark Builders. He also serves on the board of directors of The Williams Companies Inc., The Fraser Institute and PetroShale Inc. Prior to December, 2001 he was Chairman of Northstar Energy Corporation.				
TMX Group Board/Committee Membership		Attendance	Attendance (Total)		Total Compensation	
TMX Group Board		32/34	40/42	95%	Year	Amount
Human Resources Committee		4/4			2011	\$146,000
Public Venture Market Committee		4/4			2010	\$123,500

Equity Ownership (as at December 31, 2011)						
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements
2011	5,000	33,148	38,148	\$1,639,195	\$250,000	Yes
2010	5,000	28,556	33,556	\$1,441,929		
Change	—	4,592	4,592	\$197,266		
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships		Public Board Interlocks	
PetroShale Inc.		March 2012 - Present	-		—	
The Williams Companies, Inc.		January 2012 - Present	Audit Committee Finance Committee			
Strad Energy Services Ltd.		June 2006 - Present	Governance Committee Audit Committee Human Resources Committee			
Global Railway Industries Ltd.		Dec 2005 - May 2008	Audit Committee Compensation Committee			

	Harry A. Jaako⁽¹⁾ Vancouver, British Columbia, Canada TMX Group Shares: nil TMX Group DSUs: 21,794 Equity at Risk: \$936,242⁽⁴⁾ Share Options: nil TMX Group Board Details: • Director since August 1, 2001 • Independent	Mr. Jaako, 59, was appointed to the TMX Group Board in August 2001. He is the Executive Officer and a Director and Principal of Discovery Capital Management Corp. (DCMC) and is also President and a Director of British Columbia Discovery Fund (VCC) Inc., a British Columbia venture capital fund managed by DCMC. He has held these director and officer positions for more than five years, during which time and prior thereto he was also the Chairman, Co-Chief Executive Officer and a Principal of Discovery Capital Corporation (a publicly-traded venture capital company), the former parent company of DCMC. Incidental to the venture capital business of DCMC and its former parent company, Mr. Jaako also serves as Chairman and Director of Paradigm Environmental Technologies Inc., and as a Director of Avigilon Corporation, Navarik Corp., Texada Software Inc., and Vigil Health Solutions Inc. Mr. Jaako is also the Honorary Consul for Estonia in British Columbia.					
TMX Group Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
TMX Group Board		33/34		42/44	95%	Year	Amount
Finance and Audit Committee		5/6				2011	\$156,000
Public Venture Market Committee (Chair)		4/4				2010	\$132,167
Equity Ownership (as at December 31, 2011)							
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs⁽⁴⁾		Minimum Equity Ownership Requirements	Meets Requirements
2011	—	21,794	21,794	\$936,242		\$250,000	Yes
2010	—	19,245	19,245	\$826,740			
Change	—	2,549	2,549	\$109,502			
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Avigilon Corporation		June 2008 - Present		Audit Committee Compensation and Corporate Governance Committee			—
Texada Software Inc.		Oct 2003 - Present		Audit Committee Compensation Committee			
Vigil Health Solutions Inc.		Dec 2003 - Present		Compensation Committee Corporate Governance and Compensation Committee			
Discovery Capital Corporation		July 2000 - Sept 2007		—			
Tir Systems Ltd.		Oct 1991 - June 2007		Compensation Committee Corporate Governance & Nominating Committee			

	Thomas A. Kloet⁽¹⁾ Chief Executive Officer TMX Group Toronto, Ontario, Canada TMX Group Shares: 17,500 TMX Group DSUs: 42,491 Equity at Risk: \$2,578,550⁽⁴⁾ Share Options: 266,536 TMX Group Board Details: • Director since July 30, 2008 • Non-Independent (Chief Executive Officer of TMX Group)	Mr. Kloet, 53, was appointed to the TMX Group Board in July 2008. He is the Chief Executive Officer of TMX Group, a position he assumed on July 14, 2008. Prior to joining TMX Group Mr. Kloet was, from 2003, the Senior Executive Vice President and Chief Operating Officer of the American Zone for Fimat and its successor, Newedge Group. From 2000 to 2002 Mr. Kloet served as the first Chief Executive Officer and Executive Director of the Singapore Exchange Limited. Mr. Kloet has held various management positions in the securities industry throughout his career. Mr. Kloet also serves on the boards of the World Federation of Exchanges, Bermuda Stock Exchange, Investment Industry Regulatory Organization of Canada, Elmhurst College and the Elmhurst Memorial Hospital.		
TMX Group Board/Committee Membership		Attendance	Attendance (Total)	
TMX Group Board		34/34	34/34	100%
Public Board Membership During Last Five Years⁽⁵⁾		Public Board Committee Memberships		Public Board Interlocks
—	—	—		—

	J. Spencer Lanthier⁽¹⁾ Toronto, Ontario, Canada TMX Group Shares: nil TMX Group DSUs: 31,334 Equity at Risk: \$1,346,068⁽⁴⁾ Share Options: nil TMX Group Board Details: • Director since February 8, 2000 • Independent	Mr. Lanthier, 71, is a Corporate Director who was appointed to the TMX Group Board in February 2000 who also serves on the boards of Ellis-Don Inc. (Chair) and Wellspring Cancer Support. Mr. Lanthier is a past Chairman of the board of Wellspring Cancer Support. Mr. Lanthier previously served as Lead Director of the Bank of Canada and Biovail Inc. Mr. Lanthier was appointed as a Member of the Order of Canada in 1999. He received an Honorary Doctor of Laws Degree from the University of Toronto in 2002. When he retired in 1999, Mr. Lanthier was a partner of KPMG Canada and from 1993 until 1999 he was Chairman and Chief Executive of KPMG Canada and a member of the KPMG International Executive Committee.					
TMX Group Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
TMX Group Board		34/34		44/44	100%	Year	Amount
Finance and Audit Committee (Chair)		6/6				2011	\$169,000
Governance Committee		4/4				2010	\$141,667
Equity Ownership (as at December 31, 2011)							
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs⁽⁴⁾		Minimum Equity Ownership Requirements	Meets Requirements
2011	—	31,334	31,334	\$1,346,068		\$250,000	Yes
2010	—	26,261	26,261	\$1,128,138			
Change	—	5,073	5,073	\$217,930			
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Zarlink Semiconductor Inc.		May 2003 - October 2011	Audit Committee and Nominating and Corporate Governance Committee			—	
Rona Inc.		May 2006 - May 2011	Audit Committee				
Biovail Inc.		June 2008 - September 2010	Nominating and Corporate Governance Committee Compensation Committee				
Gerdaul Ameristeel		May 2000 - August 2010	Audit Committee and Human Resources Committee				
Torstar Corporation		July 2002 - May 2009	Audit Committee and Pension Committee				
Emergis Inc.		Feb 2003 - Jan 2008	Audit Committee				

		Jean Martel^{(1) (7)} Montréal, Québec, Canada TMX Group Shares: 2,000 TMX Group DSUs: 24,526 Equity at Risk: \$1,139,685⁽⁴⁾ Share Options: nil TMX Group Board Details: • Director since October 26, 1999 • Independent		Mr. Martel, 58, was appointed to the TMX Group Board in October 1999. He is a partner of Lavery, de Billy LLP, a Québec based law firm where he has been practicing securities, financial and regulatory law in Montreal since 1999. From 1995 to 1999, he was Chairman and President of the Commission des valeurs mobilières du Québec (“CVMQ”), the Québec securities regulator, and from 1988 to 1994, he acted as Assistant Deputy Minister of Finance of Québec, with overall responsibilities for financial institutions and financial sector policy in that province. During his tenure at the CVMQ, he was also Vice Chair of the Executive Committee of the International Organization of Securities Regulators. He serves on the board of directors of the Business Development Bank of Canada. He also chairs the Independent Review Committee of the Investment Funds of the Québec Bar and is a special advisor to the Board of Association Internationale du Logiciel Libre.			
TMX Group Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
TMX Group Board Public Venture Market Committee		34/34 3/4		37/38	97%	Year	Amount
						2011	\$154,500 ⁽⁶⁾
						2010	\$121,667 ⁽⁶⁾
Equity Ownership (as at December 31, 2011)							
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements	
2011	2,000	24,526	26,526	\$1,139,685	\$250,000	Yes	
2010	2,000	21,273	23,273	\$999,940			
Change	—	3,253	3,253	\$139,745			
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
—		—		—		—	

	John P. Mulvihill⁽¹⁾⁽³⁾ Toronto, Ontario, Canada TMX Group Shares: nil TMX Group DSUs: 31,820 Equity at Risk: \$1,366,946⁽⁴⁾ Share Options: nil TMX Group Board Details: • Director since June 12, 1996 • Independent	Mr. Mulvihill, 64, was appointed to the TMX Group Board in June 1996. He is Chairman and CEO, Mulvihill Capital Management Inc. (investment counsel), a position he has held for more than five years. Mr. Mulvihill is the Chairman of the Board of University Health Network and is a Director of 12 exchange-traded funds listed on Toronto Stock Exchange (Canadian Utilities & Telecom Income Fund, Core Canadian Dividend, Gold Participation & Income Fund, Government Strip Bond Trust, Premium Canadian Income Fund, Premium Canadian Bank, Premium Split Share, Pro-AMS U.S., S Split Corp., Top 10 Canadian Financial Trust, Top 10 Split Trust and World Financial Split). Mr. Mulvihill is also a member of the CFA Institute.					
TMX Group Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
TMX Group Board Governance Committee (Chair)		33/34		37/38	97%	Year	Amount
		4/4				2011	\$145,500
						2010	\$118,667
Equity Ownership (as at December 31, 2011)							
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements	
2011	—	31,820	31,820	\$1,366,946	\$250,000	Yes	
2010	—	27,287	27,287	\$1,172,214			
Change	—	4,533	4,533	\$194,732			

Public Board Membership During Last Five Years ⁽⁵⁾	Public Board Committee Memberships	Public Board Interlocks
—	—	—



Kathleen M. O'Neill
Toronto, Ontario, Canada

TMX Group Shares: nil

TMX Group DSUs: 24,948

Equity at Risk: \$1,071,734⁽⁴⁾

Share Options: nil

TMX Group Board Details:

- Director since April 26, 2005
- Independent

Ms. O'Neill, 58, is a Corporate Director who was appointed to the TMX Group Board in April 2005. Prior to January 2005, she was an Executive Vice President, BMO Bank of Montreal. Prior to joining BMO Bank of Montreal in 1994, Ms. O'Neill was with PricewaterhouseCoopers for 19 years including eight years as a tax partner. Ms. O'Neill is a fellow of the Institute of Chartered Accountants of Ontario. In 2005, Ms. O'Neill became an accredited director through the ICD/Rotman School of Management Directors Education Program. She is a member of the boards of Finning International Inc., ARC Resources Limited, Invesco Canada Fund Inc., Invesco Corporate Class Inc., Canadian Tire Bank and The Cadillac Fairview Corporation Limited. Ms. O'Neill is also a member of the advisory board, the audit committee and the independent review committee for Invesco Canada Funds. She is past Chair of the board of St. Joseph's Health Centre Foundation, past Chair of the board of St. Joseph's Health Centre in Toronto, a director of the board of the University of St. Michael's College in the University of Toronto and the Canadian Tire Jumpstart Foundation.

TMX Group Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
TMX Group Board Finance and Audit Committee Governance Committee	34/34	44/44	100%	Year	Amount		
	6/6			2011	\$156,500 ⁽⁶⁾		
	4/4			2010	\$131,000		
Equity Ownership (as at December 31, 2011)							
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements	
2011	—	24,948	24,948	\$1,071,734	\$250,000	Yes	
2010	—	21,453	21,453	\$921,593			
Change	—	3,495	3,495	\$150,141			
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships		Public Board Interlocks		
Finning International Inc.		February 2007 - Present	Audit Committee Governance Committee Human Resources Committee Pension Committee		—		
Arc Resources Limited		June 2009 - Present	Audit Committee Human Resources and Compensation Committee				
MDS Inc.		March 2005 - March 2009	Audit Committee Employee Health and Safety Committee				

	Gerri B. Sinclair Vancouver, British Columbia, Canada TMX Group Shares: nil TMX Group DSUs: 22,833 Equity at Risk: \$980,876⁽⁴⁾ Share Options: nil TMX Group Board Details: • Director since April 26, 2005 • Independent	Ms. Sinclair, 64, is a Corporate Director who was appointed to the TMX Group Board in April 2005. She was the Executive Director, Centre for Digital Media at Great Northern Way Campus (academic institution) from November 2006 to August 2010. Ms. Sinclair is also a Strategic Consultant (consulting services) to government and industry, specializing in the areas of telecommunication and emerging technologies. From 2002 to 2004 she was the General Manager of MSN.ca. From 2001 to 2002, Ms. Sinclair was President of B.C. Premier’s Technology Council. She was also the founder and CEO of NCompass Labs, an internet technology startup company acquired by Microsoft in 2001. Ms. Sinclair currently serves on the boards of the Vancouver Airport Authority, The Social Sciences and Humanities Research Council of Canada and the DigiBC – The Digital Media and Wireless Association of BC.					
TMX Group Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
TMX Group Board Human Resources Committee Public Venture Market Committee		34/34		42/42	100%	Year	Amount
		4/4				2011	\$149,000
		4/4				2010	\$130,667
Equity Ownership (as at December 31, 2011)							
Year	TMX Group Shares	TMX Group DSUs	Total TMX Group Shares and TMX Group DSUs	Total Market Value of TMX Group Shares and TMX Group DSUs ⁽⁴⁾		Minimum Equity Ownership Requirements	Meets Requirements
2011	—	22,833	22,833	\$980,876		\$250,000	Yes
2010	—	18,555	18,555	\$797,099			
Change	—	4,278	4,278	\$183,777			
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Ballard Power Systems Inc.		January 2006 - June 2010		Corporate Governance Committee Management Development, Nominating and Compensation Committee			—

- (1) On April 3, 2000, The Toronto Stock Exchange demutualized and continued under the Business Corporations Act (Ontario) as The Toronto Stock Exchange Inc. The Toronto Stock Exchange had a board of governors, which became the Board of Directors of The Toronto Stock Exchange Inc. on demutualization. The Toronto Stock Exchange Inc. was renamed TSX Inc. on July 10, 2002. On November 12, 2002, TSX Inc. completed a corporate reorganization through which TMX Group acquired all the outstanding common shares of TSX Inc. and became the holding company of the TMX group of companies which includes TSX Inc.
- (2) Ms. Chicoyne was a director of Albums DF Ltée until June 16, 2003 when she withdrew from the board, six months before the bankruptcy of this company on December 6, 2003.
- (3) Mr. Mulvihill is prohibited from purchasing TMX Group Shares by the terms of employment with his employer.
- (4) Equity at Risk is determined by adding the value of TMX Group Shares and TMX Group DSUs owned. The value of all TMX Group Shares is determined with reference to the closing price for our TMX Group Shares on Toronto Stock Exchange on March 5, 2012, which was \$43.040. The value of all TMX Group DSUs is determined with reference to the fair market value of a TMX Group DSU on March 5, 2012, calculated based on the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange for the five trading days preceding March 5, 2012, which was \$42.959.
- (5) Public Board Membership only reflects corporate board membership and not ETFs or entities that do not issue shares to the public.
- (6) Ms. Chicoyne's, Ms. O'Neill's and Mr. Martel's 2011 Total Compensation also includes their retainer and meeting fees for sitting on Montréal Exchange Inc.'s ("MX") Rules and Policies Committee.
- (7) We have provided a written undertaking to the AMF in which we agreed that 25% of our Directors will be residents of Québec. The Québec resident Directors who are nominees for election to the TMX Group Board are Ms. Chicoyne and Messrs. Cedraschi and Martel.

Independence and TMX Group Board Committees

In accordance with the current TSX Inc. and TMX Group recognition order ("Recognition Order") issued by the OSC, the Governance Committee reviewed the relationship of each Director with TMX Group to determine which Directors are independent under National Instrument 52-110 — *Audit Committees*, National Policy 58-201 — *Corporate Governance Guidelines*, the TMX Group Board Independence Standards and our Recognition Order. The following chart illustrates the independence of members of the TMX Group Board and its standing committees as of December 31, 2011:

Directors	Committees (Number of Members) ⁽¹⁾			
	Finance and Audit Committee ⁽²⁾	Governance Committee ⁽³⁾	Human Resources Committee ⁽³⁾	Public Venture Market Committee
Independent Outside Directors				
Tullio Cedraschi		✓	Chair	
Raymond Chan	✓		✓	
Denyse Chicoyne	✓			
Wayne C. Fox		✓	✓	
John A. Hagg			✓	✓
Harry A. Jaako	✓			Chair
J. Spencer Lanthier	Chair	✓		
Jean Martel				✓
John P. Mulvihill		Chair		
Kathleen M. O'Neill	✓	✓		
Gerri B. Sinclair			✓	✓
Management Director — Not Independent				
Thomas A. Kloet ⁽¹⁾				

(1) The Chief Executive Officer of TMX Group and all other non-employee Directors who are not otherwise members may attend all meetings of the Finance and Audit Committee, the Governance Committee, the Human Resources Committee and the Public Venture Market Committee in an ex-officio capacity, but are not entitled to vote.

(2) In accordance with National Instrument 52-110 — Audit Committees all members of the Finance and Audit Committee are independent Directors.

(3) In accordance with National Policy 58-201 — Corporate Governance Guidelines all members of the Governance Committee and the Human Resources Committee are independent Directors.

Experience Matrix

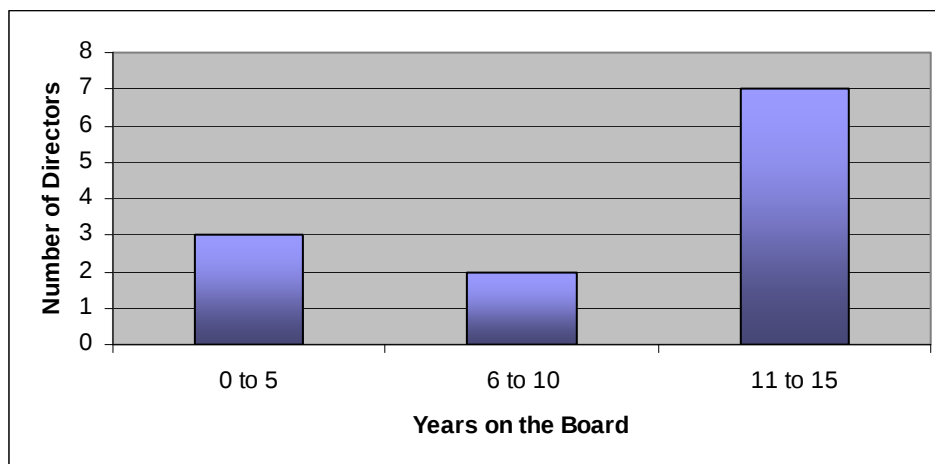
The Governance Committee reviews annually the composition of the TMX Group Board, including the current strengths, skills and experiences on the TMX Group Board. The objective is to ensure the TMX Group Board's composition provides the appropriate mix of skills and experience to guide the strategies and business operations of TMX Group. The Governance Committee identifies any gaps in the TMX Group Board's composition and seeks to fill those gaps. Qualities such as integrity, good character and high regard in his or her community or professional field will always be basic criteria for TMX Group Board members.

We maintain a skills matrix and the Directors indicate their experience in each area. The matrix below illustrates the TMX Group Board's mix of experience in 15 categories that are important to TMX Group.

Experience Description	Directors with significant experience
Chief Executive Officer/Senior Officer — experience working as a Chief Executive Officer or senior officer for a major organization.	10
Governance/Board — experience as a board member of a major or public company organization.	12
Regulated Company — experience working in an organization which the business/operations is regulated by the government, government agencies or other regulatory bodies.	12
Technology — experience in businesses heavily dependent on information technology.	9
Strategy — experience driving strategic direction and leading growth of an organization.	11
Financial/Risk — experience in financial accounting and reporting, corporate finance, internal controls and risk management.	11
Mergers & Acquisitions — experience in major mergers and acquisitions.	11
Marketing — experience in marketing in the capital markets.	9
Human Resources — experience in compensation, benefit and pension programs, legislation and agreements.	8
Energy — experience in the energy markets.	6
Capital Markets — experience working in the capital markets.	11
Derivatives — experience in the derivatives markets.	9
Public Venture — experience in the public venture markets.	10
Clearing — experience in clearing.	5
International — experience working in an organization with global operations.	9

The TMX Group Board Tenure chart below is calculated using the year from which each Director has continually served as a Director of TMX Group, TSX Inc. or their predecessors.

**TMX Group Board Tenure
(Director Nominees)
as at March 5, 2012**



Directors' Compensation and Equity Ownership Requirements

The following summarizes the annual compensation arrangements in effect from April 26, 2006 (except as noted below) for non-employee Directors:

Chair of the TMX Group Board Retainer⁽¹⁾	
- Cash	\$125,000 per year
- TMX Group DSUs ⁽²⁾	\$150,000 per year
Director Retainer	
- Cash	\$30,000 per year
- TMX Group DSUs ⁽²⁾	\$50,000 per year
Committee Chair Retainer	
- Finance and Audit Committee ⁽³⁾	\$20,000 per year
- Other Committees ⁽³⁾	\$10,000 per year
Committee Member Retainer	\$3,000 per year
TMX Group Board Meeting Attendance Fee	\$1,500 per meeting
Committee Meeting Attendance Fee	\$1,500 per meeting
Travel Fee⁽⁴⁾	\$1,500 per meeting

- (1) The Chair of the TMX Group Board receives no additional committee or attendance fees.
- (2) A TMX Group DSU issued under the TMX Group Non-Executive Director DSU Plan is a bookkeeping entry equivalent to the value of a TMX Group Share, credited to an account to be maintained for the individual Director until retirement from the TMX Group Board. The number of TMX Group DSUs (including fractional TMX Group DSUs) to be credited to a Director's TMX Group DSU account is determined by dividing the dollar value of the grant by the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange for the five trading days preceding the date of grant.
- (3) On March 3, 2010, the TMX Group Board, on the recommendation of the Governance Committee, amended the current level of committee chair retainer for the Finance and Audit Committee and the other Committees from \$10,000 and \$6,000 to \$20,000 and \$10,000, respectively.
- (4) Travel fees are paid to Directors whose return air travel time exceeds six hours per meeting.

Non-employee Directors must achieve ownership of \$250,000 of TMX Group Shares over a five year period (including ownership of TMX Group DSUs issued under the TMX Group Non-Executive Director DSU Plan). Until the mandated level of ownership is reached, these Directors must take at least 50% of their TMX Group Board and Committee compensation in the form of TMX Group DSUs (although Directors are free to elect a higher level of TMX Group DSU participation). Each TMX Group DSU has a value based on the value of one TMX Group Share. We credit TMX Group DSUs to a Director's TMX Group DSU account by dividing the dollar value of the Director's TMX Group Board and Committee compensation by the weighted average trading price for our TMX Group Shares on Toronto Stock Exchange for the five trading days before the date of payment of a Director's retainer or attendance fee. TMX Group DSUs can only be redeemed at the time a Director ceases to be a Director. We will not issue or transfer any TMX Group Shares on redemption of TMX Group DSUs; only cash payments will be made.

The following table reflects all amounts of compensation earned by the non-employee Directors in 2011. Directors who are our employees do not receive fees for serving as Directors. We also reimburse Directors for out-of-pocket expenses incurred in connection with meetings of the TMX Group Board or any committee of the TMX Group Board.

Director	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Tullio Cedraschi	103,000	50,000					153,000
Raymond Chan	102,000	50,000					152,000
Denyse Chicoyne	93,000	50,000				9,000 ⁽¹⁾	152,000
Wayne C. Fox ⁽²⁾	125,000	150,000					275,000
John A. Hagg	96,000	50,000					146,000
Harry A. Jaako	106,000	50,000					156,000
J. Spencer Lanthier	119,000	50,000					169,000
Jean Martel	88,500	50,000				16,000 ⁽¹⁾	154,500
John P. Mulvihill	95,500	50,000					145,500
Kathleen M. O'Neill	102,000	50,000				4,500 ⁽¹⁾	156,500
Gerri B. Sinclair	99,000	50,000					149,000
Jean Turmel ⁽³⁾	31,500					3,000 ⁽¹⁾	34,500
Laurent Verreault ⁽³⁾	49,500						49,500
Total	1,210,000	650,000				32,500	1,892,500

- (1) Ms. Chicoyne, Ms. O'Neill, Messrs. Martel and Turmel received retainer and meeting fees for sitting on MX's Rules and Policies Committee. For 2011, the retainer and meeting fees received by Ms. Chicoyne, Ms. O'Neill, Messrs. Martel and Turmel were \$9,000, \$4,500, \$16,000 and \$3,000, respectively.
- (2) To recognize the extraordinary contribution that Mr. Fox has made to TMX Group in relation to the proposed merger with London Stock Exchange Group plc ("LSEG Merger") and the Maple Transaction the TMX Group Board approved TMX Group making a donation of \$100,000 to The Fox Family Fund at the United Way of Greater Toronto.
- (3) Messrs. Turmel and Verreault retired from the TMX Group Board on June 30, 2011.

The following table is a breakdown of the fees earned by the non-employee Directors for attending TMX Group Board and Committee meetings in 2011.

Director	TMX Group Board Retainer (\$)	Equity Grant (TMX Group DSUs) (\$)	Committee Chairman Retainer (\$)	Committee Member Retainer (\$)	TMX Group Board Attendance Fee (\$) ⁽¹⁾	Committee Attendance Fee (\$) ⁽¹⁾	Total Fees Paid (\$)	Total Fees Paid in Cash (\$)	Portion of Fees taken in TMX Group DSUs (%)
Tullio Cedraschi	30,000	50,000	10,000	3,000	48,000	12,000	153,000		100
Raymond Chan	30,000	50,000		6,000	51,000	15,000	152,000	102,000	33
Denyse Chicoyne	30,000	50,000		3,000	51,000	9,000	143,000	93,000	35
Wayne C. Fox ⁽²⁾	125,000	150,000					275,000		100
John A. Hagg	30,000	50,000		6,000	48,000	12,000	146,000		100
Harry A. Jaako	30,000	50,000	10,000	3,000	49,500	13,500	156,000	79,500	49
J. Spencer Lanthier	30,000	50,000	20,000	3,000	51,000	15,000	169,000		100
Jean Martel	30,000	50,000		3,000	51,000	4,500	138,500	44,250	68
John P. Mulvihill	30,000	50,000	10,000		49,500	6,000	145,500		100
Kathleen M. O'Neill	30,000	50,000		6,000	51,000	15,000	152,000	39,000	74
Gerri B. Sinclair	30,000	50,000		6,000	51,000	12,000	149,000		100
Jean Turmel ⁽³⁾	15,000			1,500	12,000	3,000	31,500		100
Laurent Verreault ⁽³⁾	15,000			1,500	28,500	4,500	49,500		100
Total	455,000	650,000	50,000	42,000	541,500	121,500	1,860,000	357,750	81

(1) See Schedule A for attendance at TMX Group Board and Committee meetings.

(2) The Chair of the TMX Group Board receives \$125,000 of cash and \$150,000 in TMX Group DSUs as compensation and no additional committee or attendance fees are paid.

(3) Messrs. Turmel and Verreault retired from the TMX Group Board on June 30, 2011.

Director Equity Ownership

The table on page 19 shows, as at December 31, 2011, the number of TMX Group Shares owned by each Director, the number of TMX Group DSUs held by each Director, and the change from December 31, 2010 to December 31, 2011. Non-employee Directors must achieve ownership of \$250,000 of TMX Group Shares over a five year period (including ownership of TMX Group DSUs issued under the TMX Group Non-Executive Director DSU Plan). As at March 5, 2012, all of our non-employee Director nominees were above the minimum equity ownership level.

Non-employee Directors do not receive grants of share options under the TMX Group option plan ("Share Options"). The total value of TMX Group Shares and TMX Group DSUs is the amount each Director, as at March 5, 2012, has at risk in TMX Group.

Directors	Year	Number of TMX Group Shares	Number of TMX Group DSUs	Total Number of TMX Group Shares and TMX Group DSUs	Equity at Risk ⁽¹⁾ (\$)	Equity at Risk Multiple of Annual Retainer
Tullio Cedraschi	2011	–	35,117	35,117	1,508,581	18.9
	2010	–	30,277	30,277		
	Change	–	4,840	4,840		
Raymond Chan	2011	10,000	8,005	18,005	774,284	9.7
	2010	10,000	6,593	16,593		
	Change	–	1,412	1,412		
Denyse Chicoyne	2011	74,595	5,489	80,084	3,446,369	43.1
	2010	74,595	4,171	78,766		
	Change	–	1,318	1,318		
Wayne C. Fox ⁽²⁾	2011	–	84,505	84,505	3,630,225	13.2
	2010	–	75,007	75,007		
	Change	–	9,498	9,498		
John A. Hagg	2011	5,000	33,148	38,148	1,639,195	20.5
	2010	5,000	28,556	33,556		
	Change	–	4,592	4,592		
Harry A. Jaako	2011	–	21,794	21,794	936,242	11.7
	2010	–	19,245	19,245		
	Change	–	2,549	2,549		
Thomas A. Kloet ⁽³⁾	2011	17,500	42,491	59,991	2,578,550	n/a
	2010	17,500	–	17,500		
	Change	–	42,491	42,491		
J. Spencer Lanthier	2011	–	31,334	31,334	1,346,068	16.8
	2010	–	26,261	26,261		
	Change	–	5,073	5,073		
Jean Martel	2011	2,000	24,526	26,526	1,139,685	14.2
	2010	2,000	21,273	23,273		
	Change	–	3,253	3,253		
John P. Mulvihill	2011	–	31,820	31,820	1,366,946	17.1
	2010	–	27,827	27,827		
	Change	–	4,533	4,533		
Kathleen M. O'Neill	2011	–	24,948	24,948	1,071,734	13.4
	2010	–	21,453	21,453		
	Change	–	3,495	3,495		
Gerri B. Sinclair	2011	–	22,833	22,833	980,876	12.3
	2010	–	18,555	18,555		
	Change	–	4,278	4,278		

- (1) Equity at risk is determined by adding the value of TMX Group Shares and TMX Group DSUs owned. The value of all TMX Group Shares is determined with reference to the closing price for our TMX Group Shares on Toronto Stock Exchange on March 5, 2012, which was \$43.040. The value of all TMX Group DSUs is determined with reference to the fair market value of a TMX Group DSU on March 5, 2012, calculated based on the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange for the five trading days preceding March 5, 2012, which was \$42.959.
- (2) Mr. Fox's equity at risk multiple is calculated based on the annual retainer received as Chair of the TMX Group Board. Mr. Fox's equity at risk multiple when calculated based on the Directors' annual retainer is 45.4 times.
- (3) As Chief Executive Officer of TMX Group, Mr. Kloet is required to achieve equity ownership equal to three times his base salary over a four year period. In addition to TMX Group Shares we include TMX Group DSUs for purposes of satisfying Mr. Kloet's equity ownership requirements.

Appointment of Auditor and Auditor's Remuneration

The TMX Group Board recommends that TMX Group shareholders re-appoint KPMG LLP as our auditor and authorize the Directors to fix the auditor's remuneration. Representatives of KPMG LLP will be present at the Meeting. KPMG LLP has served as our auditor since TMX Group was formed on August 23, 2002 and as auditor of TSX Inc. and its predecessors since 1993.

The persons named in the enclosed proxy intend to vote for the re-appointment of KPMG LLP, Chartered Accountants, Suite 4600, 333 Bay Street, Bay Adelaide Centre, Toronto, Ontario, M5H 2S5, as our auditor to hold office until the next annual meeting of shareholders and in favour of authorizing the Directors to fix the auditor's remuneration.

The aggregate fees billed by KPMG LLP, TMX Group's auditor, related to the years ended December 31, 2011 and 2010 for professional services are set out below:

Services Rendered	Fees billed by KPMG	
	Fiscal 2011	Fiscal 2010
Audit Fees ⁽¹⁾	\$1,266,200	\$1,193,500
Audit Related Fees ⁽²⁾	\$299,000	\$337,000
Tax Fees ⁽³⁾	\$0	\$7,500
Other Fees ⁽⁴⁾	\$0	\$100,000

(1) For the audit of our financial statements, including the review of our quarterly financial statements, and for services normally provided by the auditor in connection with statutory and regulatory filings. Fees for 2011 include services related to the LSEG Merger and the acquisition of TMX Atrium. Fees for 2010 include services related to the TMX Group International Financial Reporting Standards opening balance sheet.

(2) For assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported in (1), including the audit of the pension plan for our employees, French translation services, a CSA 3416 report on internal control procedures at a service organization and other services provided in connection with information technology controls.

(3) Fees for tax advisory services provided to MX in 2010.

(4) Fees for services provided to NGX in 2010 relating to its margining system.

Advisory Vote on Approach to Executive Compensation

The TMX Group Board believes that shareholders should have the opportunity to fully understand the objectives, philosophy and principles that it has used to make executive compensation decisions. Our executive compensation program, developed under the direction of the Human Resources Committee, has been designed to attract, motivate and retain a highly qualified executive team and directly link their pay to attaining both our corporate and their individual performance objectives. In addition to promoting pay for performance, our compensation program is designed to align our executives' interests with those of TMX Group shareholders by linking executive compensation to TMX Group's performance. Our program is designed to provide a balance between short-term and longer term compensation awards to ensure TMX Group meets short-term objectives while continuing to provide shareholder value over the longer term.

The shareholder advisory vote gives you as a TMX Group shareholder the opportunity to indicate your acceptance of our approach to executive compensation. **The TMX Group Board recommends that TMX Group shareholders vote "For" of the following advisory resolution:**

BE IT RESOLVED THAT:

On an advisory basis and not to diminish the role and responsibilities of the Directors, that the TMX Group shareholders accept the approach to executive compensation disclosed in our Circular delivered in advance of the Meeting.

Since your vote is advisory, it will not be binding on the TMX Group Board. However, the TMX Group Board and the Human Resources Committee will take into account the outcome of the vote when considering our future approach to executive compensation. For information on TMX Group's approach to executive compensation see Compensation Discussion and Analysis ("CD&A") beginning on page 26 of this Circular.

Statement of Executive Compensation and Other Information

Human Resources Committee

The Human Resources Committee ensures that we have high caliber executive management in place and a total compensation plan that is aligned with our performance, as well as being competitive, motivating and rewarding for participants. The Human Resources Committee reviews and makes recommendations to the TMX Group Board for the appointment of our executive officers, including the Chief Executive Officer, makes recommendations to the TMX Group Board for the compensation of the Chief Executive Officer and approves the compensation of our executive officers, and makes recommendations to the TMX Group Board regarding the establishment of, and any material changes to, executive compensation programs (including the general compensation philosophy and guidelines, incentive plan design taking into account compensation risk and other remuneration and any adjustments to that compensation (salary, incentives, benefits or other perquisites)), including that of the Chief Executive Officer. 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. The committee approves and reports to the TMX Group Board on management succession plans, including Chief Executive Officer succession plans. 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 Code of Conduct. It is also responsible for overseeing our employee benefits plans, including the design and administrative management of our pension plans.

The Human Resources Committee of the TMX Group Board is composed of five Directors: Tullio Cedraschi (Chair), Raymond Chan, Wayne C. Fox, John A. Hagg and Gerri B. Sinclair. They are all independent Directors. The Human Resources Committee's complete Charter is available on our website at www.tmx.com.

Human Resources Committee Experience

The members of the Human Resources Committee are independent in accordance with National Instrument 52-110 – Audit Committees, National Policy 58-201 – Corporate Governance Guidelines, the TMX Group Board Independence Standards and our Recognition Order. The members of the Human Resources Committee have direct experience that is relevant to their responsibilities in executive compensation and the skills and experience necessary to enable them to assess and determine TMX Group's compensation policies with due regard to risk. These skills were acquired through their significant experience as senior executives of complex organizations and through their prior and current membership on the Human Resources Committee and the Finance and Audit Committee. One member of the Human Resources Committee is also a member of the Finance and Audit Committee. Please see "Election of Directors" on page 5 of this Circular for more detailed biographical information of Messrs. Cedraschi, Chan, Fox and Hagg and Ms. Sinclair.

Human Resources Committee Report on Executive Compensation

The Human Resources Committee's role is to ensure that we attract, motivate and retain a capable executive team which will enhance our growth and profitability. We believe that effective compensation principles and practices are fundamental to achieving this objective.

The Human Resources Committee oversees the compensation policies and programs for executives. The TMX Group Board has final approval on the compensation philosophy, guidelines and plans for compensating executives. The philosophy and its application for 2011 are contained in the CD&A section of this Circular.

One of the Human Resources Committee's principal responsibilities is to review and recommend to the TMX Group Board the Chief Executive Officer's annual compensation, and to review and approve the executive management committee's ("Exco") annual compensation.

In determining our executive compensation levels, the Human Resources Committee considers market competitiveness to assist in the design and review of pay programs. By using competitive pay information and assessing executive performance, the Human Resources Committee is able to evaluate the appropriateness of executive compensation each year. Our independent advisor, Towers Watson, supports the Human Resources Committee in determining the appropriate comparator markets and competitive pay. Our discussion of the comparative markets can be found on page 30.

Year in Review

In an exceptionally active year with considerable corporate development activity, TMX Group continued to deliver results on numerous fronts.

In our issuer services, according to data as at December 31, 2011 from the World Federation of Exchanges, we ranked sixth in the world in total financings amongst our exchange peers, up from eighth in 2010. In 2011, for the third year in a row, we listed more new issuers than any other exchange group in the world. In addition, the number of graduates from TSX Venture Exchange to Toronto Stock Exchange was up 18% in 2011 compared to 2010. Also in 2011, TMX Group and QuoteMedia, Inc. launched TSX InfoSuite, a new market data and shareholder solution designed to enhance the suite of services for Toronto Stock Exchange and TSX Venture Exchange listed issuers.

In our cash equities trading business, we successfully launched TMX Select, an equities alternative trading system, and introduced new on-book Dark Order types on both the Toronto Stock Exchange and TSX Venture Exchange. And in 2011, our combined monthly average share of volume traded was 67%.

In our derivatives trading business, with increased volatility in global capital markets and expanded product marketing capabilities, we experienced increased volumes in our derivatives business as market participants took advantage of our risk management products. Montréal Exchange Inc. ("MX") established several new records in 2011 and total volume was up 40% over 2010, reflecting a surge in trading across all major products. In 2011, MX re-launched the Two-Year and Five-Year Government of Canada Bond futures contracts, as well as "Red" (two years to expiration) and "Green" (three years to expiration) Three-Month Canadian Bankers' Acceptance Futures contracts. MX also introduced a new S&P/TSX 60 Mini Futures Contract. Volume traded on our U.S. operated equity options market, Boston Options Exchange Group, LLC ("BOX"), was up 52% compared with 2010 and BOX's overall market share in the ultra competitive U.S. equity options market increased from 2.5% in 2010 to 3.3% in 2011.

In December 2009, Canadian Derivatives Clearing Corporation ("CDCC") was awarded the mandate to develop the infrastructure for central-counterparty services for the Canadian fixed income market by the Investment Industry Association of Canada. Extensive work on the development of this platform was completed in 2011. On February 21, 2012, we launched the first phase of our fixed income central counterparty services which is the clearing of repurchase ("repo") agreements.

In our energy business at Natural Gas Exchange Inc. ("NGX"), market conditions impacted us in 2011 as lower natural gas prices and lower price volatility in the market resulted in lower volumes for NGX in 2011 compared with 2010. In 2011, NGX physical crude markets products began trading on the IntercontinentalExchange, Inc. ("ICE") platform and NGX expanded its natural gas U.S. clearing operation, adding new hubs bringing the U.S. total to 40 as at December 31, 2011.

In our information services business, TMX Datalinx implemented its ultra-low latency network, TMXnet North America (“NA”), between Toronto, New York and Chicago and entered into a bi-lateral agreement with NASDAQ OMX® Global Data Products to make each marketplace’s market data available in their respective co-location facilities. TMX Datalinx continued to diversify its customer offerings when in July 2011, we acquired Atrium Networks (rebranded TMX Atrium), a leading provider of low-latency infrastructure solutions for the North American and European financial communities. The acquisition accelerates the expansion of TMX Group’s data network into Europe and the U.S.

Our technology team worked continually to anticipate and meet evolving market needs. In November 2011, we announced the successful completion of the second phase of our Enterprise Expansion project. In February 2012, we announced the timing for implementation of our next generation equity trading technology, TMX Quantum XA, which will provide our trading clients with dramatically enhanced speed and capacity. Also in 2011, Turquoise Derivatives, the pan-European derivatives market of London Stock Exchange Group plc (“LSEG”), was successfully migrated to the SOLA trading system, and we announced a takeover bid for Razor Risk Technologies Limited (“Razor”), a business that provides us with a point of entry into the risk management technology sector. Razor was acquired in February 2012.

Throughout 2011, corporate development activity continued to be a focal point for TMX Group, starting with our February 9, 2011 announcement of an agreement with LSEG to combine our businesses in an all-share merger of equals. Although a majority of TMX Group shareholder votes cast supported the LSEG Merger; it was clear that the two-thirds threshold required to approve the merger would not have been achieved, and so on June 29, 2011, TMX Group and LSEG agreed to terminate that agreement. In July 2011, the TMX Group Board authorized our management team and advisors to hold discussions with Maple, which had initially made an unsolicited non-binding written proposal to acquire TMX Group in May 2011 and, on June 13, 2011 a formal offer to acquire TMX Group which was subsequently varied on June 24, 2011 to increase the consideration payable to TMX Group shareholders. On October 30, 2011, following careful examination of the Maple offer, its value to shareholders and its potential benefits to the company and the Canadian capital markets, TMX Group signed the Support Agreement, and announced that the TMX Group Board unanimously recommends that TMX Group shareholders accept the Maple offer. In addition to a number of changes and enhancements to Maple’s original offer, Maple agreed to pay TMX Group a reverse termination fee of \$39 million if the Maple Transaction is not completed because required regulatory approvals are not obtained. Since the end of October 2011, we have been working closely with Maple to secure the necessary regulatory approvals. The Maple offer was recently extended to April 30, 2012.

As a result of these two significant corporate development transactions, the Human Resources Committee focused extensively on retention-based compensation in 2011.

In connection with the announcement of the merger agreement with LSEG in February 2011, retention of executives and senior management became a priority. In early 2011, the Human Resources Committee reviewed and approved retention arrangements for certain key executives (the “LSEG Retention Arrangements”), a special retention restricted share unit (“TMX Group Special Retention RSU”) award for our broader management team, and a special retention TMX Group DSU (TMX Group Special Retention DSU”) award for the Chief Executive Officer. Details of the special retention awards can be found on pages 55 and 61, respectively. These awards were identified in the TMX Group Management Information Circular dated May 25, 2011. Following the termination of the merger agreement with LSEG, the LSEG Retention Arrangements (which were previously disclosed in TMX Group’s Management Information Circular dated May 25, 2011) were cancelled (with the exception of a forgivable loan described on page 68). The special retention awards remain in place.

In respect of the Maple Transaction, the Human Resources Committee approved a separate set of retention arrangements for certain key executives in August 2011. Details of these arrangements can be found starting on page 66.

As part of the regular 2011 compensation process, the Human Resources Committee reviewed and approved updates to our short and long term incentive programs, approved the 2011 performance targets for our corporate balanced scorecard and set individual Named Executive Officer (“NEO”) performance objectives and assessed the 2011 year end performance and compensation awards for Exco, including the NEOs. Also in 2011, following the Canadian Securities Administrators’ amendments to executive and director compensation disclosure regulations, the Human Resources Committee initiated a compensation risk assessment and retained our independent advisor, Towers Watson, to report on the results of the compensation risk assessment. Additional information can be found starting on page 27.

For the annual long term incentive plan (“LTIP”) awards that would normally have been granted in February 2012, the Human Resources Committee approved the compensation value of each participant’s LTIP award. However, because of the status of the Maple Transaction at that time, a limited trading blackout period was in effect under our Timely Disclosure, Confidentiality and Insider Trading Policy (the “Timely Disclosure Policy”) and therefore we did not determine the applicable grant or exercise prices or grant the awards at that time. Instead, the Share Options and restricted share units (“TMX Group RSUs”) that comprise the LTIP grants for 2012, and TMX Group DSUs arising from officers converting all or part of their annual bonus into TMX Group DSUs will be granted in the next trading window where there is no trading blackout period in effect under the Timely Disclosure Policy. In addition to approving the applicable compensation values, the Human Resources Committee also approved adjustments to the grants to account for these special circumstances. Additional details can be found on page 57.

The following table outlines the key activities and decisions of the Human Resources Committee for 2011 and early 2012.

Mergers and Acquisitions	• In connection with the LSEG Merger, the Human Resources Committee reviewed, and at a joint Human Resources Committee and TMX Group Board meeting, approved retention arrangements for select executives. In addition, the Human Resources Committee approved TMX Group Special Retention RSU awards for director-level and above employees who received 2010 LTIP to recognize their importance in continuing to drive business results during the post LSEG Merger announcement period, and a TMX Group Special Retention DSU award for the Chief Executive Officer. These awards were granted in 2011. Following the termination of the merger agreement with LSEG, the LSEG Retention Arrangements (which were previously disclosed in TMX Group’s Management Information Circular dated May 25, 2011) were cancelled (with the exception of a forgivable loan described on page 68). The TMX Group Special Retention RSU and TMX Group Special Retention DSU awards remain in place. • In connection with the Maple Transaction, the Human Resources Committee reviewed and approved retention arrangements for select executives who are critical to the successful completion of the Maple Transaction.
Annual Performance Measures and Short Term Incentive	• The Human Resources Committee reviewed and approved the 2011 individual performance objectives and measures for Exco members. • The Human Resources Committee reviewed and approved the performance measures, weights and leverage used in the 2011 corporate balanced scorecard. • The Human Resources Committee approved the targets for the 2011 corporate

	balanced scorecard. At year end, the Human Resources Committee approved the final bonus accruals based on these measures and targets.
Long Term Incentive Plans	- The Human Resources Committee reviewed and approved management's recommended changes to the performance criteria and thresholds for the TMX Group RSU plan in early 2011. - The Human Resources Committee approved the TMX Group Special Retention RSU plan for the awards made to director-level and above employees in early 2011. - At year end, the Human Resources Committee approved the compensation value of all LTIP amounts for each participant in the program. - In early 2012, the Human Resources Committee approved minor adjustments to the treatment of the 2012 LTIP grants given the special circumstances of these grants.
Executive Compensation	- The Human Resources Committee reviewed and approved the 2011 year end compensation awards, ensuring appropriate pay for performance. See page 41 for more detail on compensation awards for our NEOs. - The Human Resources Committee reviewed and recommended to the TMX Group Board certain changes to select executive employment agreements which will amend and supersede current employment agreements upon successful completion of the Maple Transaction.
Chief Executive Officer Compensation	- The Human Resources Committee, as part of our compensation review process and in consultation with Towers Watson, reviewed updated market data for the Chief Executive Officer. - In connection with the LSEG Merger, the Human Resources Committee approved a TMX Group Special Retention DSU award (granted in 2011) for the Chief Executive Officer. - The Human Resources Committee reviewed and recommended to the TMX Group Board certain changes to the Chief Executive Officer's employment agreement which will amend and supersede his current employment agreement upon successful completion of the Maple Transaction. - The Human Resources Committee recommended to the TMX Group Board the 2011 year end compensation award for the Chief Executive Officer, considering appropriate pay for performance. See page 40 for more detail.
Succession Planning	- On an annual basis, the Human Resources Committee reviews, approves and reports to the Board, the management succession plans for the Chief Executive Officer and executive officers including those of the NEOs. - Succession planning at TMX Group is a formalized assessment of current and future leaders in terms of their potential, performance, development needs and career objectives. - All executives, directors and high potential and high performing employees are assessed as part of this review. - A complete picture of current and future leadership is developed, talent gaps and recruitment needs identified, and career development and action plans put in place.

	• Succession was mapped for our key executive positions including for the Chief Executive Officer, however given the Maple Transaction, the Human Resources Committee deferred a full review of the 2011 succession plan work until it has been confirmed the Maple Transaction will be completed. The Human Resources Committee reviewed a summary report of the 2011 succession planning exercise, which specifically outlined the succession status for the Chief Executive Officer.
Other 2011 Business	• The Human Resources Committee reviewed the Employee Code of Conduct. No changes were made. • The Human Resources Committee reviewed the Human Resources Committee's Charter. No changes were made in 2011. • The Human Resources Committee reviewed highlights of the 2011 Employee Opinion survey. • The Human Resources Committee, jointly with the Finance and Audit Committee, completed the annual review and assessment of pension plan oversight and governance reporting.
Compensation Risk Assessment	• The Human Resources Committee reviewed the results of the Towers Watson Compensation Risk Review. See page 27 for additional details.
2012 Compensation Design	• The Human Resources Committee approved the measures and targets for the 2012 corporate balanced scorecard. • In light of the pending Maple Transaction, no changes were made to the overall design of our compensation programs or policies for 2012.

The Human Resources Committee has reviewed and discussed with management the CD&A. Based on this review, the Human Resources Committee has recommended to the TMX Group Board that the CD&A be included in this Circular.

Submitted by the Human Resources Committee:

Tullio Cedraschi (Chair), Raymond Chan, Wayne Fox, John A. Hagg and Gerri Sinclair.

Compensation Discussion and Analysis

Executive Compensation Philosophy

TMX Group is a diversified exchange group which owns and operates cash and derivatives markets and clearing houses for multiple asset classes including equities, fixed income and energy. In order to meet the challenges of growing, expanding and diversifying our business, the Human Resources Committee has adopted an executive compensation philosophy designed to attract, motivate and retain a highly qualified executive team and directly link their pay to both our corporate performance and their individual performance. This program is designed to:

- Provide competitive pay when corporate and individual performance meet annually established objectives;
- Provide significant upside opportunity for superior performance;
- Align executives' interests with those of our shareholders;
- Reflect high standards of good governance;
- Align with the risk profile of TMX Group; and

- Be easily understood by shareholders.

Executive Compensation Process

Our executive compensation review process is outlined below:

At the beginning of the year, the Human Resources Committee:

- Reviews and recommends to the TMX Group Board for approval the compensation philosophy and guidelines for the Chief Executive Officer and Exco;
- Reviews and recommends to the TMX Group Board the Chief Executive Officer's performance objectives for the year;
- Approves the annual performance objectives for each Exco member;
- Approves the annual balanced scorecard for our short term incentive plan; and
- Approves the target incentive accrual for our short term incentive plan based on competitive levels of pay in the market.

During the year, the Human Resources Committee:

- Monitors interim results against scorecard targets; and
- Approves appointments to designated positions and any related compensation changes.

At the end of the year, the Human Resources Committee:

- Approves the short term incentive plan accrual based on achievement of annual balanced scorecard targets;
- Reviews the Chief Executive Officer's assessment of Exco members' individual performance, based on approved targets;
- Approves and reports to the TMX Group Board on the annual compensation awards for Exco, including any changes to base salary, short and long-term incentive awards and any changes to benefits and other perquisites, if applicable; and
- Reviews and recommends to the TMX Group Board the annual compensation awards of the Chief Executive Officer.

Managing Compensation Risk

We have a balanced approach to compensation risk management. TMX Group recognizes that an acceptable level of risk is a necessary component of our business strategy. However, to encourage behaviour that is in the best interests of TMX Group and its shareholders, all inherent risks and residual risks are regularly identified, reviewed and managed through formalized policies and oversight roles.

From a business perspective, risk management is integrated in all policies and internal controls within TMX Group. From a governance perspective, the Finance and Audit Committee, on behalf of the TMX Group Board, has oversight responsibility for all activities related to risk management. Each year, the Finance and Audit Committee reviews, assesses and reports to the TMX Group Board, the adequacy of TMX Group's risk management policies with regard to identification of principal risks, and the implementation of appropriate systems to mitigate and manage the corporate risk exposure identified. The Finance and Audit Committee is supported by the Risk Management Committee (comprised of Exco members and select senior management). The Risk Management Committee provides support to the Finance and Audit Committee by overseeing the development and implementation of risk management policies and process.

The Chief Risk Officer assists the Risk Management Committee with developing and implementing risk management policy across the organization. The Chief Risk Officer oversees activities related to risk identification, risk measurement and regularly monitors and reports results.

From a compensation perspective, all compensation, benefits and other human resources policy design is centralized in Human Resources and the Human Resources Committee, on behalf of the TMX Group Board, is responsible for reviewing and recommending to the TMX Group Board for approval all compensation and benefits programs for the organization, and for the approval of Exco compensation (other than the Chief Executive Officer's compensation). The Chief Executive Officer's compensation is reviewed and approved by the TMX Group Board upon recommendation from the Human Resources Committee.

In 2011, the Human Resources Committee retained Towers Watson to conduct a formal assessment of the features of TMX Group's compensation programs to determine if TMX Group's compensation programs and practices are likely to have a material adverse effect on the company. The Compensation Risk Review (the "review") was undertaken independently for the Human Resources Committee.

The objectives of the review were to:

- Document the extent of the TMX Group Board's and Human Resources Committee's role in risk management oversight of compensation policies and practices;
- Review existing compensation programs to identify policies and practices that could encourage inappropriate excessive risk by an employee group or individual; and
- Identify any risks arising from the existing compensation policies and practices, incentive goals, and variable pay plans that are likely to have a material adverse effect on the organization.

Based on Towers Watson's review, we have concluded that there are no significant risks arising from our compensation programs and practices that are likely to have a material adverse effect on the company. Responsible risk management is integral to our business, operations and financial performance and we regularly identify and prioritize our principal business risks to consider the likelihood and potential impact of each risk exposure. Each year, management and the Human Resources Committee review the designs of, and sets appropriate performance measures and targets aligned with the business plan, for all incentive plans to ensure continued relevance and applicability.

Key risk-mitigating features in our compensation governance process and compensation structures include:

- *Compensation principles:* Formalized principles are used to guide compensation decisions and incentive design across the organization.
- *Balanced scorecard design:*
 - The short term incentive plan accrual uses a balanced scorecard of measures related to the annual business plan approved by the TMX Group Board and includes measures that are intended to promote longer term results.
 - The balanced scorecard is approved by the Human Resources Committee and formal reporting of the forecasted balanced scorecard accrual is made to the Human Resources Committee quarterly.
 - Balanced scorecard performance measures have a maximum cap. There is a performance modifier incorporated in the balanced scorecard design which may be used by the Human Resources Committee to increase or decrease the short term incentive accrual based on an assessment of items not directly measured in the balanced scorecard.

- Individual payments have a maximum cap (as a multiple of target), although discretion can be used to exceed for exceptional performance.
- *Discretionary component of sales-based and commission-based pay plans:* Majority of sales-based and commission-based incentive plans are designed to provide a significant portion of the annual award based on a discretionary component, in order to reduce a payment if certain non-financial objectives are not met.
- *Regular tracking and reporting of potential compensation payouts:* TMX Group's management regularly review, track and report on potential payouts to effectively monitor performance and manage any inherent risks.
- *External advisor:* On a regular basis, management and the Human Resources Committee retain the services of Towers Watson to provide an external perspective of marketplace changes and best practices related to compensation design, governance and compensation risk management.
- *Variable compensation mix:* For director-level and above employees, a significant portion of total compensation is delivered through long-term incentives. This mix of pay mitigates the risk of encouraging achievement of short-term goals at the expense of long-term sustainability and shareholder value.
- *Share ownership guidelines:* Senior executives are required to maintain a defined value of ownership to align their interests with the long-term performance of the organization.
- *Prohibition on monetization of Share Options:* As part of TMX Group's Timely Disclosure Policy, executives are prohibited from monetizing unvested Share Options.

Independent Compensation Advisor

In determining our executive compensation levels, the Human Resources Committee works with external consultants to provide competitive benchmark information and to assist in the design and review of pay programs. By using competitive pay information and assessing executive performance, the Human Resources Committee is able to evaluate the appropriateness of executive compensation each year.

The Human Resources Committee retains Towers Watson as the independent advisor to the Human Resources Committee. Towers Watson has been the independent advisor since October of 2009. The advisor's mandate includes, but is not limited to, the following:

- Competitive pay reviews;
- General audit of compensation programs including long-term incentive and retirement programs;
- Incentive plan design;
- Advice in relation to corporate transactions and governance trends; and
- Other ongoing executive compensation consulting services to the Human Resources Committee including trend analysis, technical support and meeting attendance.

Towers Watson worked directly with the Human Resources Committee on the 2011 annual compensation program. In addition, Towers Watson conducted the Compensation Risk Review described above.

Towers Watson - Executive & Director Related Compensation Fees:

Towers Watson's total fees for 2011 were \$193,237, including \$26,824 for general executive compensation consulting, \$6,051 for director compensation review, \$20,900 for the Compensation Risk Review and \$139,462 for compensation issues related to merger and acquisitions.

For 2010, Towers Watson's total fees were \$177,973, including \$102,479 for general executive compensation consulting, \$19,485 for director compensation review and \$56,009 for compensation issues related to merger and acquisitions.

Towers Watson - All Other Fees:

Towers Watson's fees for 2011 and 2010 were and \$12,550 and \$17,165, respectively for broader-based pay advice on regulatory and benefit matters.

The Chair of the Human Resources Committee must pre-approve all services provided by Towers Watson to TMX Group at the request of management.

Other Advisor Fees:

Mercer (Canada) Limited ("Mercer") provides TMX Group with consulting and administrative services related to our pension plans. Total fees paid to Mercer were \$216,233 in 2011 and \$301,435 in 2010.

The Comparative Market

The Human Resources Committee retains Towers Watson to provide specialized competitive pay information, including pay levels and structures, for a number of market reference groups.

The last major competitive pay review for the NEOs was completed in early 2010. At that time, it was established that there was no comparator group for TMX Group that could encompass industry, geography and size. The review therefore utilized multiple peer groups to provide the Human Resources Committee an understanding of pay levels among a variety of market references. Peer groups included large Canadian banks and broader financial services companies, international exchanges and professional firms. Where data was available, particular focus was placed on comparisons against Canadian-based organizations. For specialized disciplines (e.g., legal and information technology), market pay information was collected for peer groups comprised of broader general industry organizations which reflected the competitive market for each executive position. In all cases, the Human Resources Committee considered the relative size of TMX Group position versus that of the peer companies (including market capital, revenue and EBITDA).

For 2011, the Human Resources Committee requested an update of the competitive pay information for the international exchanges peer group for the Chief Executive Officer position. The compensation arrangements of comparable Chief Executive Officer roles, as well as senior operating executives and business units heads, were reviewed. This information was used as a market reference only and did not directly drive compensation recommendations.

The Human Resources Committee, with input from the Chief Executive Officer and Towers Watson, has developed a compensation structure that aims to pay both competitively and responsibly. In setting our compensation structures a considerable amount of judgment is used. No one source of information was used for comparative purposes. Rather, the Human Resources Committee takes a broad approach with respect to the comparative market references and applies its business judgment in making compensation decisions. The Human Resources Committee also considers each executive's

background, skill set and relative contribution to the organization in setting the individual's final pay level.

See Schedule B for the list of comparators for the 2011 Chief Executive Officer competitive pay update, as well as for the 2010 executive pay review.

Components of Compensation

The components of compensation for executives, including our NEOs, are base salary, short-term incentive (cash bonus) and long-term incentive (performance-based TMX Group RSUs and Share Options) as further described in the table below. These are the key elements of the total annual compensation opportunity. Pension, benefits and perquisites are the remaining compensation components and comprise a small portion of the total annual compensation opportunity. The following table excludes any special awards or one-time payments that are not part of annual compensation design.

Element		Form	Period	Program Objectives
Base Salary		Cash	Annual	Reflect executives' scope of responsibility, capability, knowledge, experience, performance and maturity in role.
Variable Compensation	Short-Term Incentive	Cash	Annual	Reward executives for achievement of annual corporate and individual performance goals.
	Long-Term Incentive	Share Options	3 & 4 year vesting; 7 & 10 year term	- Align interests of executives and shareholders. - Motivate and reward executives for creating long-term shareholder value. - Retain key talent.
		Performance-based Restricted Share Units	3 year cliff vesting	- Align interests of executives and shareholders. - Motivate and reward executives for creating increased shareholder value. - Retain key talent.

Other elements of compensation			
Element	Form	Period	Program Objectives
Benefits	Group health, dental and insurance benefits	Ongoing	Provide competitive health programs that protect the health and well being of executives.
Pension	Defined Benefit Plan (closed to new entrants in 2009)	2 year vesting (or according to provincial legislation)	Provide retirement programs that are designed to retain executives.
	Executive Defined Contribution Plan		
Perquisites	Cash Allowance	Annual	Consistent with market practice, provide an allowance that is directed by the executive.

Base Salary

Base salaries are established by the Human Resources Committee to reflect the executive's scope of responsibility and individual performance. To emphasize performance-based pay, each executive's base salary is set at a level that ensures a significant amount of total direct compensation (annual short-term and long term incentive compensation) remains at risk.

Variable Compensation

Variable compensation levels are established by the Human Resources Committee, with consideration given to variable pay levels, selected comparator groups and data sources. The actual opportunity to achieve higher total compensation relative to our target competitive market is provided through our variable compensation plans (short-term and long-term incentive) if corporate and individual performance exceed pre-determined goals.

Short Term Incentive Plan

The short term incentive plan (“STIP”) is designed to reward our executives for achieving or exceeding annual performance goals and is a cash program. The Human Resources Committee uses a balanced scorecard approach to accrue funding for potential payouts under the annual STIP for the majority of our employees. The scorecard provides objective and comprehensive performance measures which enable the Human Resources Committee to evaluate performance and progress with respect to our critical goals. If the balanced scorecard’s results exceed target, the STIP accrual will be greater than target. If the balanced scorecard’s results are below target, the STIP accrual will be below target. If performance falls below predetermined thresholds on all measures, the balanced scorecard will not generate an accrual. In this way, we align compensation with measured success towards achieving short-term financial performance and long-term strategic goals.

As discussed in the Executive Compensation Process on page 27, the Human Resources Committee approves the scorecard objectives at the beginning of the financial year, and reviews the interim results on a quarterly basis. At the end of the year, the Human Resources Committee approves final scorecard results and may use its discretion to increase or decrease the accrual if there are unique circumstances impacting business and scorecard results.

Incentive Targets

For 2011, the following target percentages were used for our NEOs:

<u>Level/NEO</u>	<u>Target as a % of Salary</u>
Chief Executive Officer (Mr. Kloet)	100%
Senior Vice President (Mr. Cowan, Ms. Hoffman)	70%
Senior Vice President (Mr. Ptasznik, Ms. Pel)	60%

Performance Measures used for 2011 STIP Accruals

Our balanced scorecard is used to generate funding for our STIP program. Integral to the design of the program are links to pay for performance and ensuring the program does not encourage excessive risk taking, while still providing the ability to reward corporate and individual performance. The key design principles are:

- balance quantitative current results with projects we must complete to position TMX Group for future success;
- provide for consideration of opportunities or challenges that arose from the environment as the year progressed;
- allow for the exercise of judgment related to desired outcomes that may be hard to measure quantitatively; and

- ensure plan elements had minimums and maximums attributable to a target measure with appropriate scaling.

2011 Balanced Scorecard Design:

The balanced scorecard for 2011 had a 50% weight on financial objectives and a 50% weight on key corporate objectives that supported our strategic direction.

Financial Objectives (50%)		Corporate Objectives (50%)		Annual STIP accrual
1. Income from operations (less minority interest in BOX, a non-wholly owned subsidiary of MX)	+	Six key objectives aimed at diversifying and growing revenue, and improving technology and operational efficiency 1. Diversify revenue 2. Diversify product base through acquisition 3. Improve throughput of equity trading technology 4. Maintain equity trading market share 5. Increase cleared volume in energy products 6. Retain employees	=	

2011 Balanced Scorecard Results

2011 Performance Objectives	Objective Weight	2011 Results and Funding Impact	
<i>Financial Objectives:</i>			
• Achieve or exceed target income from operations	50%	Exceeded target	• The 2011 target income from operations was \$336.6 million. Our actual income from operations was \$365.8 million, generating funding in excess of target.
<i>Corporate Objectives:</i>			
• Diversify revenue away from core business (defined as total revenue less equity trading revenue, initial, additional and sustaining fees, TSX and TSXV subscriber fees and minority interest in BOX.)	10%	Met target	• Our results in 2011 were \$266.3 million, generating funding at target.
• Diversify product base through acquisition by adding to our earnings per share (excluding amortization of intangibles and one time costs) over a 13 to 24 month period post close.	10%	Partially met	• TMX Atrium, a leading provider of low-latency infrastructure solutions for the global financial community, was acquired in July 2011. Although the acquisition allowed us to partially meet our target, funding generated was below target. ⁽¹⁾
• Improve throughput of equity trading technology by achieving peak throughput of messages per second (“mps”).	10%	Significantly exceeded target	• The 2011 target throughput of mps was 40,000. The second phase of the Enterprise Expansion project accommodates higher throughput and capacity at 55,000 mps, more than

				doubling existing capabilities, generating funding at the maximum.
Maintain equity trading market share by executing strategy designed to deliver superior performance, new products and competitive pricing for our equity markets.	10%	Exceeded target	Our combined monthly average share of volume was 67%, generating funding in excess of target. ⁽¹⁾	
Increase cleared volume in energy products without materially changing the risk profile.	5%	Partially met	The 2011 target for cleared volume was 1,400 Petajoules (“PJ”) per month.⁽²⁾ Our results were 1,287 PJ per month, generating funding below target.	
Measure annual voluntary turnover against internal and external expectations in order to assess employee retention.	5%	Partially met	Our 2011 results were 7% turnover, generating funding below target.	

- (1) Target measures used to fund the balanced scorecard have been derived from our corporate strategy and are reflected in our annual business plan. The balanced scorecard is only used to create an accrual of funding, and is not a direct driver of the STIP paid to any NEO. Disclosure of certain specific performance target values (representing 25% of the balanced scorecard accrual) would seriously prejudice our ability to execute our business plan and effectively compete in our industry. In addition, achievement of these undisclosed performance target values by TMX Group has a significant component that is market-driven, rather than being directly linked to performance of the NEOs.
- (2) NGX transaction fees are based on volumes of energy traded. A Joule is the International System unit of electrical, mechanical, and thermal energy; 1 Terajoule (TJ) = 10¹² Joules; 1 Petajoule (PJ) = 1,000 Terajoules. A PJ (Petajoule) is an energy unit for trading CAD natgas contracts, similar in size to an MMBTU. US natgas contracts trade and are measured in BBTU, electricity in GWh and crude oil in barrels. For ease of comparison, we have converted all energy volumes to PJ on the following basis: The energy volumes will be computed as 10 TJ/Gwh for power, 1.055 TJ/BBtu for U.S. Natgas and 6 TJ/Bbl for oil.

In combination, the above 2011 balanced scorecard results against plan for TMX Group provided for final scores that exceeded target and drove funding for a total STIP accrual that exceeded target.

Target measures were established for each objective as were detailed descriptions of the threshold and stretch values to be used to determine final scorecard values. In determining the final accrual for 2011, the Human Resources Committee had the option to exercise its discretion to increase or decrease the accrual based on an assessment of items not directly measured in the scorecard such as risk management, achievement of earnings (within the appropriate risk parameters), execution of key initiatives, effectiveness of management’s response to emerging challenges and opportunities and other items it deemed appropriate. For 2011, the Human Resources Committee did not adjust the accrual generated by the balanced scorecard.

In some of our specialized businesses where we employ highly targeted sales teams, we replace the balanced scorecard with sales incentive plans that are specific to the business drivers of that business. These sales incentive plans mirror the competitive market practice for these businesses. These unique plans apply to less than 5% of our employees.

The actual distribution of the STIP accrual involves business judgment and discretion. For NEOs and other executives, the Human Resources Committee, with input from the Chief Executive Officer, will refer to market-based target levels for each role and then consider team and individual contribution in determining individual STIP awards.

For all other employees, the Chief Executive Officer, with approval of the Human Resources Committee, distributes the STIP accrual to the various divisions and departments based on objectives and results specific to each area. Management, guided by target ranges for each employee level, considers individual performance against objectives in determining individual STIP awards.

Please see the “Process for Evaluating Performance and Determining Total Compensation” and the “Summary Compensation Table” for more detail on the individual awards for our NEOs.

Performance Measures for 2012 Scorecard Accruals

Our balanced scorecard for 2012 was designed using a similar approach to that used in 2011. The 2012 balanced scorecard has a 50% weight on financial objectives and a 50% weight on key corporate objectives that support our strategic direction. Corporate objectives were modified to some extent from 2011. The 2012 balanced scorecard was developed based on “business as usual” and did not anticipate or consider the potential impact of the Maple Transaction.

Financial Objectives (50%)		Corporate Objectives (50%)		Annual STIP accrual
Income from operations (less minority interest in BOX, a non-wholly owned subsidiary of MX)	+	Eight key objectives aimed at diversifying and growing revenue, and improving technology and operational efficiency 1. Diversify revenue 2. Maintain equity trading market share 3. Technical launch of TMX Quantum XA 4. Diversify product base through acquisition 5. Increase energy futures contract equivalents without materially changing the risk profile 6. Launch fixed income central counterparty services and clearing of repo agreements 7. Technology and data feed availability 8. Reduce voluntary employee turnover	=	

Long-Term Incentive Plan

The LTIP is designed to motivate and reward participants for creating mid-and long-term shareholder value. TMX Group employees (and those of designated subsidiaries) at or above the director-level and certain employees below the director-level designated by the Chief Executive Officer are eligible to participate in the LTIP. We grant LTIP awards to recognize an individual’s contribution to the growth, profitability and sustainability of the business over the past financial year, as well as to motivate and retain the individual going forward. The LTIP grant takes the form of Share Options and/or performance-based TMX Group RSUs. The term “TMX Group RSU” refers to the aggregate of performance-based restricted share units, and the additional restricted share units, or fractional restricted share units credited to reflect the notional equivalents of dividends paid on TMX Group Shares.

The LTIP is typically provided in Share Options and TMX Group RSUs (50% of the total dollar value award is converted into Share Options and 50% into TMX Group RSUs). A significant portion of an executive’s total annual compensation is in Share Options and TMX Group RSUs because this is the most direct way to align the executive’s interests with those of our shareholders. The vesting and other design features of these grants, together with our equity ownership requirements, are further motivating tools for executives to create long-term shareholder value.

LTIP awards are made on a retrospective basis reflecting the performance of the recipient in the previous year and recognizing his or her contribution to the growth and the success of the business. In the summary compensation table for the 2009 financial year, we have included the retrospective LTIP awards approved in January 2010, for the 2010 financial year we have included the

retrospective LTIP awards approved in February 2011, and for the 2011 financial year we have included the retrospective LTIP awards approved in February 2012.

In addition to the annual LTIP granting process described above, LTIP awards may also be made when there are internal appointments, promotions, external hires at senior levels, or in consideration of special circumstances or for retention purposes. The LTIP may be provided in Share Options, TMX Group RSUs, or as a combination of both. In 2011, TMX Group Special Retention RSUs, and for the CEO TMX Group Special Retention DSUs, were awarded following the LSEG Merger announcement.

TMX Group option plan and TMX Group RSU plan details are provided starting on page 46 and 52 respectively, of this Circular. For termination provisions of these plans, please refer to Schedule D.

Pension, Benefits and Perquisites

The NEOs, other than Mr. Kloet, participate in the closed non-contributory defined benefit tier of our registered pension plan for employees. For Mr. Kloet, we established a non-contributory supplementary pension plan that provides a similar benefit to the defined benefit plan described for the executives, but is funded separately. We also maintain a non-contributory supplementary retirement plan for certain executives. Details of the pension plans start at page 62.

Executives participate in group benefit plans on the same basis as all other employees.

Our executives also receive an annual taxable cash perquisite allowance. This allowance varies by executive level (Vice Presidents \$12,000; Presidents and Senior Vice Presidents \$21,600; Chief Executive Officer \$24,000). Other perquisites provided in addition to the allowance are: paid parking, an annual medical exam, and home security services where warranted.

For termination provisions of these plans, please refer to Schedule D.

Process for Evaluating Performance and Determining Total Compensation

In establishing the overall award level each year, the Human Resources Committee considers each compensation element separately, and in combination, to determine the appropriate level of total compensation for the year. The Human Resources Committee undertakes a comprehensive review, looking at both objective and subjective measures for each compensation element. The Human Resources Committee considers the Chief Executive Officer's perspective on each executive's individual performance and compensation, including his views on the business' performance, revenue growth, expense control, system availability, service quality, project execution and demonstration of leadership behaviours.

The Human Resources Committee assesses the overall performance of the Chief Executive Officer each year and approves his final performance evaluation. The Human Resources Committee assesses the Chief Executive Officer's accomplishments against the stated objectives, considering financial and non-financial components. The Human Resources Committee considers this assessment when recommending the Chief Executive Officer's salary, short and long-term compensation awards to the TMX Group Board for approval.

The TMX Group Board considers the evaluation of the Human Resources Committee and its compensation recommendations when making year-end compensation decisions. Coupled with independent advice from the Human Resources Committee's external compensation consultant, the TMX Group Board then exercises its discretion and determines the Chief Executive Officer's year-end compensation. The Chief Executive Officer does not participate in these discussions.

The Chief Executive Officer evaluates the performance of his direct reports using each executive's individual performance results against objectives and his or her relative contribution to the corporate scorecard results. The Chief Executive Officer makes a compensation recommendation to the Human Resources Committee based on his assessment in relation to previously agreed to targets. The Human Resources Committee considers these recommendations, receives advice from the Human Resources Committee's external compensation consultant and applies judgment to determine if any adjustments are warranted before approving executives' year-end compensation.

Given the absence of Canadian comparators, both the Human Resources Committee and the TMX Group Board use broad ranging market data, discretion and business judgment to award what the Human Resources Committee and TMX Group Board believe is competitive compensation.

Compensation of Named Executive Officers

Officers Summary Compensation Table

The following tables present information about compensation of our NEOs (determined in accordance with applicable securities legislation), and sets out the total compensation paid, payable, awarded, granted, given or otherwise provided to each of the NEOs for services rendered to us by that individual in all capacities:

Name & Principal Position	Year	Salary (\$)	Share-based awards ⁽⁶⁾⁽⁷⁾⁽⁸⁾ (\$)	Option based awards ⁽⁶⁾⁽⁹⁾ (\$)	Non-equity incentive plan compensation - Annual Incentive Plan (\$)	Pension Value ⁽¹⁰⁾ (\$)	All Other Compensation ⁽¹¹⁾⁽¹²⁾⁽¹³⁾ (\$)	Total compensation (\$)
Thomas A. Kloet Chief Executive Officer, TMX Group ⁽¹⁾	2011	700,000	2,175,000	775,000	850,000	185,429	2,683	4,688,112
	2010	700,000	700,000	700,000	700,000	165,877	2,683	2,968,560
	2009	700,000	450,000	450,000	700,000	166,831	6,354	2,473,185
Michael Ptasznik Senior Vice President, Group Head, Chief Financial Officer ⁽²⁾	2011	380,000	517,500	167,500	470,000	66,289	3,841	1,605,130
	2010	375,000	175,000	175,000	320,000	38,622	3,841	1,087,463
	2009	375,000	150,000	150,000	300,000	150,663	3,987	1,129,650
Kevan Cowan President, TSX Markets, Group Head of Equities ⁽³⁾	2011	365,000	502,500	172,500	350,000	195,140	3,841	1,588,981
	2010	325,000	165,000	165,000	350,000	49,306	3,841	1,058,147
	2009	325,000	162,500	162,500	325,000	99,472	191,277	1,265,749
Brenda Hoffman Senior Vice President, Group Head of Information Technology, Chief Information Officer ⁽⁴⁾	2011	375,000	510,000	170,000	340,000	148,056	381,078	1,924,134
	2010	350,000	170,000	170,000	340,000	48,283	4,378	1,082,661
	2009	350,000	140,000	140,000	367,500	47,730	4,376	1,049,606
Sharon Pel Senior Vice President, Group Head of Legal and Business Affairs ⁽⁵⁾	2011	325,000	450,000	150,000	460,000	99,719	1,341	1,486,060
	2010	315,000	150,000	150,000	310,000	60,497	1,341	986,838
	2009	315,000	140,000	140,000	280,000	58,961	1,487	935,448

- (1) In 2009, due to an administrative error, a reversal of Mr. Kloet's previously reported 9,400 TMX Group DSUs was required and his \$315,000 2008 bonus was repaid to him in cash, as well as \$3,380 in interest. The interest is included under "All Other Compensation" in 2009. For 2011, Mr. Kloet's "Share-based Award" figure includes an annual TMX Group RSU award of \$700,000, a special award of \$75,000 for his significant corporate development work in 2011, plus a TMX Group Special Retention DSU award of \$1,400,000 granted in connection with the LSEG Merger. The grant price of a TMX Group DSU under the special retention award was the fair market value of our TMX Group Shares, being the weighted average trading price of a TMX Group Share on Toronto Stock Exchange, for the five trading days immediately preceding the effective date of the grant. The grant date was February 17, 2011 and the fair market value was \$41.740. The number of TMX Group DSUs granted was determined by dividing the compensation value of the award by the fair market value. Mr. Kloet's "Option based award" figure includes an annual Share Option award of \$700,000 and a special award of \$75,000 for his significant corporate development work in 2011.
- (2) Mr. Ptasznik's 2011 "Annual Incentive Plan" figure includes an annual STIP award of \$320,000 plus a special bonus of \$150,000 in recognition of significant corporate development work in 2011. For 2011, Mr. Ptasznik's "Share-based Award" figure includes an annual TMX Group RSU award of \$167,500 plus a TMX Group Special Retention RSU award of \$350,000 granted in connection with the LSEG Merger.
- (3) In 2009, Mr. Cowan was re-located from Calgary to Toronto. As part of his relocation agreement, he was indemnified against any loss on the sale of his Calgary home, up to \$200,000. In total, we paid \$187,290 to Mr. Cowan with respect to this indemnification. This amount is included under "All Other Compensation". For 2011, Mr. Cowan's "Share-based Award" figure includes an annual TMX Group RSU award of \$172,500 plus a TMX Group Special Retention RSU award of \$330,000 granted in connection to the LSEG Merger.
- (4) Ms. Hoffman's 2009 "Annual Incentive Plan" figure includes an annual STIP award of \$280,000 plus a special bonus of \$87,500 for the successful implementation of the TSX Quantum Gateway. For 2011, Ms. Hoffman's "Share-based Award" figure includes an annual TMX Group RSU award of \$170,000 plus a TMX Group Special Retention RSU award of \$340,000 granted in connection with the LSEG Merger. Also in 2011, Ms. Hoffman was provided with a forgivable loan in the amount of \$376,700 in connection with the LSEG Merger. This amount is included under "All Other Compensation" for 2011.
- (5) Ms. Pel's 2011 "Annual Incentive Plan" figure includes an annual STIP award of \$310,000 plus a special bonus of \$150,000 in recognition of significant corporate development work in 2011. For 2011, Ms. Pel's "Share-based Award" figure includes an annual TMX Group RSU award of \$150,000 plus a TMX Group Special Retention RSU award of \$300,000 granted in connection with the LSEG Merger.
- (6) LTIP awards granted in January or February are included in the previous year's total compensation calculation. In the summary compensation table for the 2011, 2010 and 2009 financial years, we have included the retrospective LTIP awards approved in February 2012, February 2011, and January 2010, respectively.
- (7) Our share-based awards are comprised of:
 - TMX Group RSUs granted in 2010 and 2011: For 2010 and 2011 annual awards, the grant price of a TMX Group RSU was the closing price of one of our TMX Group Shares on Toronto Stock Exchange at the close of business on December 31 or the last trading day of the previous year. To calculate the number of TMX Group RSUs to be granted we divide the compensation value of the TMX Group RSU award by 91.5% of the grant price. This discount reflects the assessment of risk and vesting (the TMX Group RSUs will not vest until December 31st of the second calendar year following the grant date). The closing price on December 31, 2010 was \$36.96 and the number of TMX Group RSUs granted in 2011 was determined by dividing the compensation value of the TMX Group RSU award by the discounted value of \$33.818. The closing price on December 31, 2009 was \$33.13 and the number of TMX Group RSUs granted in 2010 was determined by dividing the compensation value of the TMX Group RSU award by the discounted value of \$30.314.
 - TMX Group Special Retention RSUs granted in 2011: The grant price of a TMX Group Special Retention RSU was the fair market value of our TMX Group Shares, being the weighted average trading price of a TMX Group Share on Toronto Stock Exchange, for the five trading days immediately preceding the effective date of the grant. The grant date was February 17, 2011 and the fair market value was \$41.740. The number of TMX Group Special Retention RSUs granted was determined by dividing the compensation value of the award by the fair market value.
 - TMX Group Special Retention DSUs granted in 2011 (Chief Executive Officer only): The grant price of a TMX Group DSU under the special retention award was the fair market value of our TMX Group Shares, being the weighted average trading price of a TMX Group Share on Toronto Stock Exchange, for the five trading days immediately preceding the effective date of the grant. The grant date was February 17, 2011 and the fair market value was \$41.740. The number of TMX Group DSUs granted was determined by dividing the compensation value of the award by the fair market value.
 - TMX Group RSUs to be granted in 2012: The Human Resources Committee approved the compensation value of each participant's LTIP awards. However, because of the status of the Maple Transaction at that time, we did not determine the applicable grant or exercise prices as a limited blackout period was in effect under our Timely Disclosure Policy. The TMX Group RSUs for 2012 will be granted in the next trading window where there is no blackout period in effect under the Timely Disclosure Policy. For the 2012 annual awards, the grant price of a TMX Group RSU will be the closing price of one of our TMX Group Shares on Toronto Stock Exchange at the close of business on the fifth trading day following the opening of the next trading window where there is no blackout period in effect. To calculate the number of TMX Group RSUs to be granted we will divide the compensation value of the TMX Group RSU award by 91.5% of the grant price. This discount reflects the assessment of risk and vesting. Please see page 57 for additional details, including adjustments to the performance condition.
- (8) The 2009 TMX Group RSUs vested on December 31, 2011 and were paid on January 13, 2012. The target number of units were granted at \$25.190. The TMX Group RSUs were valued on December 31 using the fair market value of \$41.545, determined on the basis of a five day weighted average. As our total shareholder return over the period exceeded 70% over the three year period, the maximum multiplier of 180% was applied. These amounts are not included in the summary compensation table.

Name	2009 TMX Group RSU Payment
Thomas A. Kloet	\$1,302,758

Michael Ptasznik	\$585,769
Kevan Cowan	\$512,012
Brenda Hoffman	\$502,578
Sharon Pel	\$530,023

- (9) The Black Scholes valuation methodology is used to value the Share Options as it is the predominant methodology in the Canadian marketplace. Our compensation consultant, Towers Watson, provides us with the Black Scholes calculations.
- For Share Options granted in 2010, the Black Scholes value of \$7.37 was used to determine the present value of the Share Options, which represents a value ratio of 22.2% using the December 31, 2009 TMX Group Share closing price of \$33.13. The number of Share Options granted was determined by dividing the value of the option award by \$7.37.
 - For Share Options granted in 2011, the Black Scholes value of \$7.68 was used to determine the present value of the Share Options, which represents a value ratio of 20.8% using the December 31, 2010 TMX Group Share closing price of \$36.96. The number of Share Options granted was determined by dividing the value of the option award by \$7.68.
 - For Share Options to be granted in 2012, the actual grant of these Share Options will be deferred until the next trading window where there is no blackout period in effect under the Timely Disclosure Policy. The Black Scholes value will be determined at that time and the grant price will be based on the five day fair market value following the opening of the trading window where there is no blackout period in effect. The number of Share Options granted will be determined by dividing the value of the option award by the Black Scholes value.
 - For all grants, the exercise price of a Share Option will not be less than the fair market value of the TMX Group Shares, being the weighted-average trading price of the TMX Group Shares on Toronto Stock Exchange, for the five trading days immediately preceding the effective date of the grant.
- (10) Pension value is the compensatory change that is provided in the table on page 63.
- (11) For 2011, “All Other Compensation” includes premiums for term life insurance maintained for the benefit of the NEO and employer contributions to the Employee Share Purchase Plan (“ESPP”), and other compensation where applicable.

Name	Life Insurance/ Medical Coverage/ Contribution to ESPP	Other Compensation
Thomas A. Kloet	\$2,683	—
Michael Ptasznik	\$3,841	—
Kevan Cowan	\$3,841	—
Brenda Hoffman ^(a)	\$4,378	\$376,700
Sharon Pel	\$1,341	—

- a. Ms. Hoffman received a forgivable loan in the amount of \$376,700 in connection with the LSEG Merger. Additional detail can be found on page 68.

- (12) For 2010, “All Other Compensation” includes premiums for term life insurance maintained for the benefit of the NEO and employer contributions to the ESPP.

Name	Life Insurance/ Medical Coverage/ Contribution to ESPP
Thomas A. Kloet	\$2,683
Michael Ptasznik	\$3,841
Kevan Cowan	\$3,841
Brenda Hoffman	\$4,378
Sharon Pel	\$1,341

- (13) For 2009, “All Other Compensation” includes premiums for term life insurance maintained for the benefit of the NEO, employer contributions to the ESPP, other compensation and relocation where applicable.

Name	Life Insurance/ Medical Coverage/ Contribution to ESPP	Other Compensation	Relocation
Thomas A. Kloet ^(a)	\$2,974	\$3,380	—
Michael Ptasznik	\$3,987	—	—

Name	Life Insurance/ Medical Coverage/ Contribution to ESPP	Other Compensation	Relocation
Kevan Cowan ^(b)	\$3,987	—	\$187,290
Brenda Hoffman	\$4,376	—	—
Sharon Pel	\$1,487	—	—

- a. Due to an administrative error, a reversal of Mr. Kloet's previously reported 9,400 TMX Group DSUs was required and his \$315,000 2008 bonus was repaid to him in cash, as well as \$3,380 in interest.
- b. Mr. Cowan was re-located from Calgary to Toronto in 2009. As part of his relocation agreement, he was indemnified against any loss on the sale of his Calgary home up to \$200,000. In total, we paid \$187,290 to Mr. Cowan with respect to this indemnification.

2011 Chief Executive Officer Compensation

Thomas A. Kloet, Chief Executive Officer, TMX Group

The table below summarizes Mr. Kloet's total direct compensation for 2011:

NEO	Base Salary	STIP	LTIP (50% TMX Group RSUs/ 50% Share Options)	TMX Group Special Retention DSUs	Total Direct Compensation	Pay at Risk (excluding TMX Group Special Retention DSUs)
Thomas A. Kloet	\$700,000	\$850,000	\$1,550,000	\$1,400,000	\$4,500,000	77.4%

The Human Resources Committee assesses the overall performance of the Chief Executive Officer each year. The Human Resources Committee conducts its review of the Chief Executive Officer's contribution, considering financial and non-financial components. The Human Resources Committee then considers this assessment when recommending the Chief Executive Officer's salary and short- and long-term compensation awards to the TMX Group Board for approval.

In 2011, corporate development activity continued to be a priority for Mr. Kloet, with multiple initiatives being presented and assessed, the largest of which were the LSEG Merger and the Maple Transaction. Significant effort was required from Mr. Kloet and his team to evaluate and respond to the two initiatives, in particular the numerous legal and regulatory approvals for each. In February 2011, LSEG and TMX Group announced an agreement to combine in an all-share merger of equals. In May 2011, Maple made a competing proposal to acquire TMX Group which was followed by the commencement of a formal offer in June 2011. In June 2011, LSEG and TMX Group agreed to terminate the LSEG Merger agreement. In October 2011, TMX Group and Maple announced that they had entered into a Support Agreement in respect of Maple's proposed acquisition. Additional corporate development activity was also proposed and completed. In July of 2011, TMX Group acquired Atrium Networks (re-branded TMX Atrium) and in November of 2011, TMX Group announced a takeover bid for Razor, which was acquired in February of 2012.

In a year with significant corporate development, Mr. Kloet continued to deliver on the annual business plan. Under Mr. Kloet's leadership, TMX Group achieved annual revenues of \$673.5 million in 2011, up \$47.9 million or 8% compared with 2010. The full year 2011 diluted EPS was \$3.17 compared with \$3.19 in 2010. Adjusted diluted EPS⁽¹⁾ was \$3.57 compared with \$3.21 in 2010, up 11% compared to 2010. Cash flow from operating activities was \$303.5 million in 2011, up 9% over 2010. 2011 trading volumes were strong. TMX Group maintained equity trading market share at approximately 67% in 2011 in the face of intense competition. Other 2011 successes include:

⁽¹⁾ These adjustments relate to costs related to the LSEG Merger, the Maple Transaction and a commodity tax adjustment as disclosed in the notes to our 2011 annual audited financial statements.

- In issuer services, our equity exchanges on a combined basis, ranked first in the world for the number of new listings, with 533 entities going public or graduating on our two equity exchanges. This is the third straight year that TMX Group's equity exchanges have led global exchanges in the number of new listings.
- TMX Group and QuoteMedia, Inc. launched TSX InfoSuite, a new market data and shareholder solution designed to enhance the suite of services for Toronto Stock Exchange and TSX Venture Exchange listed issuers.
- In our cash equities trading business, we successfully launched TMX Select, an equities alternative trading system, and we introduced new on-book Dark Order types on both the Toronto Stock Exchange and TSX Venture Exchange.
- In technology, we successfully completed the second phase of equity Enterprise Expansion project designed to provide customers with significantly improved trading technology and performance across the TSX Quantum trading enterprise and in early 2012, announced the planned production implementation of our next generation equity trading technology called TMX Quantum XA that will provide TMX Group equity trading participants with enhanced speed and capacity and more efficient processing.
- In our derivatives trading and clearing businesses, MX established several new records, including record total volume of contracts traded, surpassing the previous record set in 2010 and our U.S.-operated equity options market, BOX, showed exceptional resilience in 2011 with increased volumes and revenue and improved market share. BOX also announced receipt of a patent related to price improvement auctions for electronic trading of financial instruments.
- In our energy business, NGX physical crude markets products began trading on the ICE platform, and NGX expanded its U.S. natural gas clearing operation, adding new hubs bringing the U.S. total to 40 as at December 31, 2011.
- In our information services business, TMX Datalinx implemented its ultra-low latency network, TMXnet North America (NA), between Toronto, New York and Chicago and entered into a bi-lateral agreement with NASDAQ OMX® Global Data Products to make each marketplace's market data available in their respective co-location facilities.
- In our technology services, LSEG's pan-European derivatives market, Turquoise derivatives, was successfully migrated to the SOLA trading system.

For 2011, Mr. Kloet's base salary remained \$700,000. The TMX Group Board assessed Mr. Kloet's performance during the year based on the performance noted above and awarded him \$850,000 in annual STIP and \$1,400,000 in annual LTIP to recognize the overall success of the business under his leadership. In addition, he was awarded \$150,000 in LTIP to recognize his leadership on the LSEG Merger and Maple Transaction.

Mr. Kloet also received a TMX Group Special Retention DSU award of \$1,400,000 in connection with the LSEG Merger in early 2011. The award value was based on the aggregate LTIP awarded for 2010. Additional detail can be found on page 61.

The awards for the Chief Executive Officer were recommended by the Human Resources Committee and were approved by the TMX Group Board based on its assessment of Mr. Kloet's achievement of the scorecard measures as well as the achievement of the approved 2011 Chief Executive Officer performance objectives.

2011 Other NEO Compensation

The other NEO awards were recommended by the Chief Executive Officer and reviewed and approved by the Human Resources Committee. The Chief Executive Officer's recommendation is based on his evaluation of each NEO's individual performance against objectives set for the NEO at the beginning of the year, each NEO's individual performance in contributing to scorecard measures,

and each NEO's performance relative to our business plan. The following summarizes key considerations which supported compensation decisions made for the remaining NEOs:

Michael Ptasznik, Senior Vice President and Group Head, Chief Financial Officer

The table below summarizes Mr. Ptasznik's total direct compensation for 2011:

NEO	Base Salary	STIP	LTIP (50% TMX Group RSUs/ 50% Share Options)	TMX Group Special Retention RSUs	Total Direct Compensation	Pay at Risk (excluding Special Retention RSUs)
Michael Ptasznik	\$380,000	\$470,000	\$335,000	\$350,000	\$1,535,000	67.9%

Mr. Ptasznik is responsible for several strategic functions, including strategic and financial planning and reporting, corporate development, risk management, corporate communications and investor relations. Mr. Ptasznik leads the organization's strategic planning process and in 2011 his team successfully led the development of TMX Group's strategy and business plan. Mr. Ptasznik provided financial support to multiple new initiatives across new and existing business lines, and provided significant marketing and communications support to the organization. Mr. Ptasznik continues to be responsible for identifying and advancing multiple potential corporate development initiatives. In addition to managing the day to day operations of the finance and communications departments, Mr. Ptasznik has been extensively involved in all facets of the planning and negotiation of both the proposed LSEG Merger and the Maple Transaction, in particular by providing leadership on the financial, investor relations and communications side of the transactions.

For 2011, Mr. Ptasznik's salary was increased from \$375,000 to \$380,000.

The Human Resources Committee considered his performance evaluation and the recommendation of the Chief Executive Officer. His 2011 annual bonus of \$320,000 and his LTIP award of \$335,000 reflect his accomplishments relative to his 2011 objectives. In addition, he received a special recognition cash bonus of \$150,000 for his corporate development work during the year.

In addition, Mr. Ptasznik received a TMX Group Special Retention RSU Award of \$350,000 in connection with the LSEG Merger in early 2011. The award value was based on the aggregate LTIP awarded in 2010. Additional detail can be found on page 55.

Kevan Cowan, President, TSX Markets, Group Head of Equities

The table below summarizes Mr. Cowan's total direct compensation for 2011:

NEO	Base Salary	STIP	LTIP (50% TMX Group RSUs/ 50% Share Options)	TMX Group Special Retention RSUs	Total Direct Compensation	Pay at Risk (excluding Special Retention RSUs)
Kevan Cowan	\$365,000	\$350,000	\$345,000	\$330,000	\$1,390,000	65.6%

Mr. Cowan is responsible for equity trading, listings and other issuer services offered by both TSX and TSX Venture Exchange. He and his team made a number of significant contributions to TMX Group's success in 2011. In issuer services, TMX Group equity exchanges ranked first in the world for the number of new listings, with 533 entities going public or graduating on our two equity exchanges. This is the third straight year that TMX Group's equity exchanges have led global exchanges in the number of new listings. TMX Group and QuoteMedia, Inc. launched TSX InfoSuite, a new market data and shareholder solution designed to enhance the suite of services for Toronto Stock Exchange and TSX Venture Exchange listed issuers. In our cash equities trading business, Mr. Cowan oversaw

the successful launch of TMX Select, an equities alternative trading system, and introduced new on-book Dark Order types on both the Toronto Stock Exchange and TSX Venture Exchange. TMX Group maintained equity trading market share at approximately 67% in 2011, in the face of intense competition.

For 2011, Mr. Cowan's salary was increased from \$325,000 to \$365,000.

The Human Resources Committee considered Mr. Cowan's performance evaluation and the recommendation of the Chief Executive Officer. For 2011, his annual bonus of \$350,000 and his LTIP award of \$345,000 reflect the achievement of his objectives in 2011.

In addition, Mr. Cowan received a TMX Group Special Retention RSU award of \$330,000 in connection with the LSEG Merger in early 2011. The award value was based on the aggregate LTIP awarded in 2010. Additional detail can be found on page 55.

Brenda Hoffman, Senior Vice President and Group Head of Information Technology, Chief Information Officer

The table below summarizes Ms. Hoffman's total direct compensation for 2011:

NEO	Base Salary	STIP	LTIP (50% TMX Group RSUs/ 50% Share Options)	TMX Group Special Retention RSUs	Total Direct Compensation	Pay at Risk (excluding Special Retention RSUs)	Forgivable Loan (granted in connection with LSEG Merger)	Total Direct Compensation + Forgivable Loan
Brenda Hoffman	\$375,000	\$340,000	\$340,000	\$340,000	\$1,395,000	64.5%	\$ 376,700	\$1,771,700

Ms. Hoffman leads the technology team that supports all facets of the TMX Group business and is accountable for numerous projects, working in collaboration with the business lines to ensure strategies can be designed, developed and delivered. In 2011, these projects included the development and launch of dark order types which required modification and enhancements to be made to the TMX Quantum enterprise, including the trading engine, data feeds and all associated downstream systems. Ms. Hoffman and her team developed and successfully launched TMX Select, and also completed the second phase of the equity Enterprise Expansion project. Ms. Hoffman and her team migrated LSEG's Turquoise derivatives market to the SOLA trading system and launched on MX the SXM Mini Futures contract on the S&P/TSX 60 Index. In 2011, work continued to develop the infrastructure for central-counterparty services for the Canadian fixed income market. The clearing of OTC fixed income repurchase agreements was successfully launched at CDCC in February 2012. Ms. Hoffman is also responsible for identifying target acquisitions that facilitate entrance into the technology services space, and in 2011, the Razor takeover was announced and completed in early 2012.

For 2011, Ms. Hoffman's salary was increased from \$350,000 to \$375,000.

The Human Resources Committee considered Ms. Hoffman's performance evaluation and the recommendations of the Chief Executive Officer. For 2011, her annual bonus of \$340,000 and her LTIP award of \$340,000 reflect her accomplishments relative to her 2011 objectives.

In addition, Ms. Hoffman received a TMX Group Special Retention RSU award of \$340,000 in connection with the LSEG Merger in early 2011. The award value was based on the aggregate LTIP awarded in 2010. Additional detail can be found on page 55.

Also in connection with the LSEG Merger, a forgivable loan in the amount of \$376,700 was made by TMX Group to Ms. Hoffman. The loan is forgivable in full on the earliest of: (i) the date Ms.

Hoffman is terminated (excluding a with cause termination or resignation); or (ii) on August 9, 2012, the eighteen month anniversary of the execution of the LSEG Merger agreement.

Sharon Pel, Senior Vice President, Group Head of Legal and Business Affairs

The table below summarizes Ms. Pel's total direct compensation for 2011:

NEO	Base Salary	STIP	LTIP (50% TMX Group RSUs/ 50% Share Options)	TMX Group Special Retention RSUs	Total Direct Compensation	Pay at Risk (excluding Special Retention RSUs)
Sharon Pel	\$325,000	\$460,000	\$300,000	\$300,000	\$1,385,000	70.1%

Ms. Pel is responsible for all legal and regulatory issues that arise out of the organization's operations and business initiatives, including merger and acquisition activity and supervising TMX Group's governance and reporting obligations. Ms. Pel and her team comprised part of the negotiating team providing advice and support on all 2011 merger and acquisition related initiatives, including the acquisitions of Razor, TMX Atrium and TMX Group's investment in the Bermuda Stock Exchange. Ms. Pel was also extensively involved in all facets of the planning and negotiation of both the proposed LSEG Merger and the Maple Transaction, taking a leading role in negotiating the key agreements and in obtaining all necessary regulatory and corporate approvals. Also in 2011, Ms. Pel and her team advised management and the TMX Group Board on numerous other initiatives during the year including the CDCC repo project, the launch of TMX Select and implementing enhanced regulatory oversight and compliance as required under the Dodd-Frank Act. She also acted as the TMX Group representative (as controlling shareholder) with BOX in completing BOX's application to become a self-regulatory organization status under SEC rules.

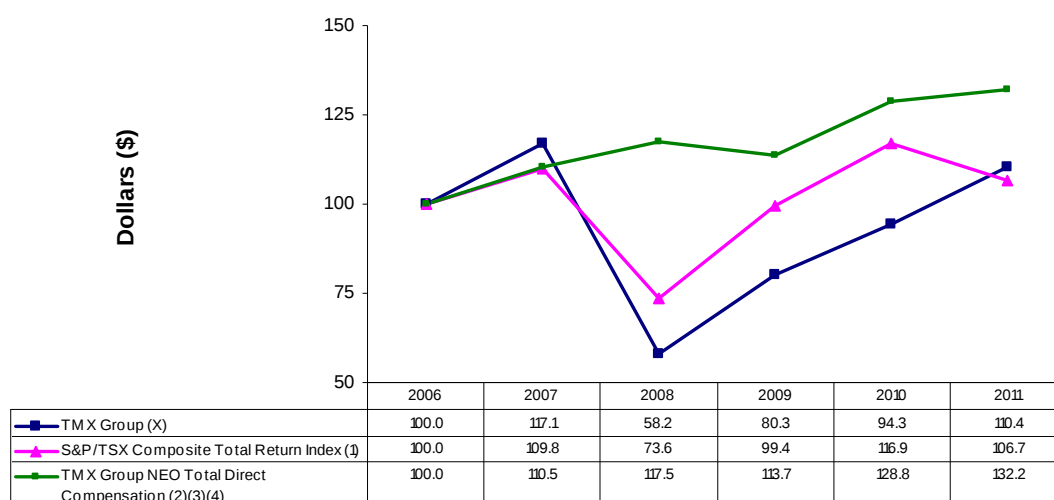
For 2011, Ms. Pel's salary was increased from \$ 315,000 to \$325,000.

The Human Resources Committee considered her performance evaluation and the recommendation of the Chief Executive Officer. Her 2011 annual bonus of \$310,000 and her LTIP award of \$300,000 reflect her accomplishments relative to her 2011 objectives. In addition, she received a special recognition cash bonus of \$150,000 for her corporate development work during the year.

In addition, Ms. Pel received a TMX Group Special Retention RSU award of \$300,000 in connection with the LSEG Merger in early 2011. The award value was based on the aggregate LTIP awarded in 2010. Additional detail can be found on page 55.

Performance Graph

This graph compares the total cumulative shareholder return for \$100 invested in TMX Group Shares on December 31, 2006 with the cumulative total return, including dividend reinvestment, of the S&P/TSX Composite Total Return Index for the period from December 31, 2006 through to and including December 31, 2011. Also shown for comparison purposes is the total direct compensation for NEOs indexed at \$100 for 2006. Total direct compensation includes annualized base salary, short-term incentive and long-term incentive. One-time or special awards have not been included.



- (1) "S&P" is a trade-mark of Standard & Poor's and "TSX" is a trade-mark of TSX Inc.
- (2) For comparability year over year, we have included the active Chief Executive Officer and Chief Financial Officer as at December 31 of the applicable year and the three most highly compensated NEOs as at December 31 of the applicable year.
- (3) Total direct compensation includes annualized base salary, short-term incentive and long-term incentive for the applicable year. Pension values, non-recurring payments and special one-time awards (STIP or LTIP) have been excluded from the trend line.
- (4) LTIP prior to 2007 has been included on a prospective basis reflecting information provided in previously published circulars.

The change in actual payout positions of the executives generally aligned with the trend of TMX Group's total shareholder return shown in the above graph. The payouts from the performance-based TMX Group RSUs were directly aligned to the TMX Group total shareholder return graph above as their value per unit moved in direct proportion to the TMX Group total shareholder return line provided above. Moreover, the actual payouts from the TMX Group RSUs for the periods ending 2007, 2008, 2009, 2010 and 2011 were adjusted by a multiple of 180%, 25%, 25%, 25% and 180% respectively. The executives' in-the-money share option position (including realized gains) increased significantly in 2007, followed by a significant reduction or elimination of the executives' in-the-money positions in 2008, 2009 and 2010. In 2011, the executives started to realize a return to an in-the-money position for certain share option grants. As described on page 61, executives are subject to equity ownership requirements while they are employed by TMX Group. The values of TMX Group Shares owned by executives have changed directly in proportion to the change in the total shareholder return graph above.

Aggregate Compensation for the NEOs

	2011	2010 ⁽⁵⁾	2009
Total Aggregate NEO Compensation ⁽¹⁾	\$8.2 million ⁽²⁾	\$7.3 million ⁽³⁾	\$6.8 million ⁽⁴⁾
As a percentage of Total Revenue	1.2%	1.2%	1.2%
As a percentage of Net Income reported	3.4%	3.1%	6.5%

- (1) For comparability year over year, we have included the active Chief Executive Officer and Chief Financial Officer as at December 31 of the applicable year and the three most highly compensated NEOs as at December 31 of the applicable year. 2011 includes the compensation for Mr. Kloet, Mr. Ptasznik, Mr. Cowan, Ms. Hoffman and Ms. Pel. 2010 includes the compensation for Mr. Kloet, Mr. Ptasznik, Mr. Cowan, Ms. Hoffman and Mr. Eric Sinclair (President, TMX Datalinx and Group Head of Information Services). 2009 includes the compensation for Mr. Kloet, Mr. Ptasznik, Mr. Cowan, Ms. Hoffman and Mr. Alain Miquelon (President and CEO, MX).
- (2) Total aggregate NEO compensation for 2011 includes select non-recurring special awards for Mr. Kloet, Mr. Ptasznik and Ms. Pel. Total aggregate NEO compensation is the sum of the salaries, share-based awards, option-based awards, STIP, pension values and all other compensation, less the 2011 TMX Group Special Retention RSU and TMX Group Special Retention DSU awards and Ms. Hoffman's forgivable loan. Total aggregate NEO compensation including all non-recurring payments is \$11.3 million or 1.7% of total revenue and 4.6% of net income reported.
- (3) Total aggregate NEO compensation for 2010 is the sum of the salaries, share-based awards, option-based awards, STIP, pension values and all other compensation.
- (4) 2009 total aggregate NEO compensation includes certain non-recurring payments and special awards. Total aggregate NEO compensation for 2009 is the sum of salaries, share-based awards, option-based awards, STIP, pension values and all other compensation, less the relocation related costs for Mr. Cowan (\$187,290). Total aggregate NEO compensation including the non-recurring payment is \$7.0 million or 1.3% of total revenue and 6.7% of net income reported.
- (5) 2010 percentages have been re-stated following adoption of International Financial Reporting Standards in 2011.

Description of Long-Term Incentive Plans

TMX Group Option Plan

Our TMX Group option plan is designed to motivate participants to focus on creating shareholder value. Employees or officers (and those of our designated subsidiaries) at or above the director-level, and certain employees below the director-level designated by the Chief Executive Officer, are eligible to be granted Share Options under the TMX Group option plan.

We have reserved 3,683,333 TMX Group Shares for issuance upon exercise of Share Options granted under the TMX Group option plan, representing approximately 4.9% of our outstanding TMX Group Shares. The exercise price of a Share Option will not be less than the fair market value of our TMX Group Shares, being the weighted-average trading price of our TMX Group Shares on Toronto Stock Exchange, for the five trading days immediately preceding the effective date of the grant (the grant fair market value). The Human Resources Committee determines the vesting schedule and term of Share Options subject to a maximum 10-year term. The aggregate number of TMX Group Shares issuable to our insiders at any time, and issued to our insiders within any one year period, is limited. Such number of TMX Group Shares cannot exceed 10% of our issued and outstanding TMX Group Shares. Under no circumstances may any one person's Share Options and all other share compensation arrangements exceed 5% of the outstanding TMX Group Shares.

Under our Timely Disclosure Policy, employees who are granted Share Options are prohibited from 'monetizing' unvested Share Options. Anyone who is subject to the Timely Disclosure Policy (including NEOs) must not at any time, sell securities of TMX Group short or buy or sell call or put options for TMX Group Shares. Also, we do not currently provide financial assistance to facilitate the purchase of TMX Group Shares under the TMX Group option plan.

Our TMX Group option plan does not provide for automatic accelerated vesting of Share Options in cases where employment is terminated, upon retirement, or if there is a change of control of TMX Group.

As at March 5, 2012, the total number of (a) TMX Group Shares issued on the exercise of Share Options granted under the TMX Group option plan and (b) TMX Group Shares issuable on the exercise of outstanding Share Options granted under the TMX Group option plan, and the respective percentages of our issued and outstanding TMX Group Shares represented by those shares, were as follows:

<u>Program</u>	<u>TMX Group Shares Issued</u>	<u>TMX Group Shares Issuable Under Outstanding Share Options</u>
TMX Group Option Plan	1,916,667 (2.6%)	1,717,679 (2.3%)

The table below summarizes our overhang, dilution and burn rates:

	2012 ⁽¹⁾⁽²⁾	2011 ⁽¹⁾⁽³⁾	2010 ⁽¹⁾⁽³⁾	2009 ⁽¹⁾⁽³⁾
Overhang (Outstanding Share Options plus the Share Options available to grant, divided by the total TMX Group Shares outstanding)	4.9%	5.0%	5.4%	5.5%
Dilution (Outstanding Share Options, divided by the total TMX Group Shares outstanding)	2.3%	2.4%	2.2%	1.8%
Burn Rate (Total Share Options issued during the applicable year, divided by the total TMX Group Shares outstanding)	N/A	0.6%	0.6%	0.9%

- (1) MX Replacement Options have not been considered when calculating outstanding Share Options, Share Options available to grant or total Share Options issued during the year.
- (2) Overhang, dilution and burn rates are calculated as at March 5, 2012. This excludes the 2012 Share Options that cannot be granted until there is a trading window where no trading blackout period is in effect under our Timely Disclosure Policy. The approximate compensation value of the Share Option portion of the annual LTIP award is \$3.71 million. Using a Black Scholes option value of \$7.09 (based on our December 30, 2011 closing price), the number of Share Options granted would be estimated at 523,237.
- (3) Overhang, dilution and burn rates are calculated as at December 31 for each of the applicable years.

Share Option Grant History

The following table sets forth the number of Share Options granted, date of grant, grant price, vesting schedule and term, since the first grant in January 2003.

Grant Date	Securities under Share Options Granted (#)	Outstanding Share Options (#)	Exercise Price (\$/security)	Vesting Schedule ⁽⁶⁾	Term of Grant
2012 ⁽¹⁾	N/A	N/A	N/A	Vesting will be in three equal tranches beginning with the first tranche on February 15, 2013 and the remaining two tranches on February 15, 2014 and 2015, respectively	7 year term from February 15, 2012
February 17, 2011	476,394	463,063	\$41.740	Regular schedule	7 year term
February 22, 2010	447,782	372,193	\$29.519		
February 22, 2010 ⁽²⁾	10,000	10,000	\$29.519	3 year cliff vest	
August 10, 2009 ⁽²⁾	10,000	10,000	\$34.236	3 year cliff vest	
May 8, 2009 ⁽³⁾	15,000	15,000	\$31.714	3 year cliff vest	
February 6, 2009	610,717	341,859	\$31.589	Regular schedule	
August 11, 2008 ⁽⁴⁾	150,000	100,000	\$36.464	3 year cliff vest	
May 9, 2008 ⁽²⁾	47,341	22,784	\$46.625	Regular schedule	
February 22, 2008	166,693	110,751	\$45.226		
August 3, 2007 ⁽²⁾	6,464	4,623	\$42.803		
May 4, 2007 ⁽²⁾	6,013	4,622	\$43.681		
February 9, 2007	207,471	100,580	\$53.037		
November 3, 2006 ⁽²⁾	4,188	2,928	\$48.391		
May 5, 2006 ⁽²⁾	9,670	2,520	\$47.304		
February 10, 2006	180,404	82,422	\$49.635		
May 5, 2005 ⁽²⁾	6,796	3,088	\$31.113		
February 2, 2005	100,000	—	\$29.636	3 year cliff vest	
February 2, 2005	277,686	23,946	\$29.636	Regular Schedule	
March 31, 2004 ⁽²⁾	27,200	—	\$26.447		
January 28, 2004	423,600	—	\$22.403		
July 2, 2003 ⁽²⁾⁽⁵⁾	50,000	—	\$14.167	25% on each of the first four anniversaries of the date of grant	10 year term
January 30, 2003 ⁽²⁾⁽⁵⁾	40,000	18,000	\$11.102		
January 2, 2003 ⁽⁵⁾	1,450,000	29,300	\$10.529		
Total:	4,723,419	1,717,679			

(1) The 2012 Share Option grant has been deferred until there is a trading window with no trading blackout period in effect under our Timely Disclosure Policy. The approximate compensation value of the Share Option portion of the annual LTIP award is \$3.71 million. Using a Black Scholes option value of \$7.09 (based on our December 30, 2011 closing price), the number of Share Options granted would be estimated at 523,237. The actual number of Share Options to be granted will be based on the Black Scholes value at the time of grant.

(2) Additional Share Options granted to employees who joined, or were promoted, outside of the annual grant process.

(3) Special award granted to Mr. Alain Miquelon, President and CEO, MX (previous year NEO). The grant will vest 100% on the third anniversary of the date of grant which was May 8, 2009.

(4) Special awards granted to Mr. Kloet, Mr. Ptaszniak and Mr. Luc Bertrand (former Deputy CEO, TMX Group and former President and CEO, MX). Upon Mr. Bertrand's departure on June 30, 2009, his grant was forfeited in its entirety. The remaining grants vested 100% on the third anniversary of the date of grant which was August 11, 2008.

- (5) On December 31, 2003, we paid a special dividend of \$2.50 per TMX Group Share on all our outstanding TMX Group Shares. To address the significant decrease in value of Share Options as a result of this special dividend, the TMX Group Board approved special deferred bonus payments to holders of Share Options. For each Share Option granted in 2003, we paid to each Share Option holder who was employed on the applicable payment date a cash amount of \$2.50 per Share Option payable in four equal installments ending December 2006, essentially in line with the period over which the Share Options vested.
- (6) Regular vesting schedule is 33.3% on each of the first three anniversaries of the date of grant.

Amendment Provisions for Share Options

The Human Resources Committee administers the TMX Group option plan in compliance with applicable laws and the requirements of Toronto Stock Exchange on which our TMX Group Shares are listed. Certain types of amendments cannot be made by the TMX Group Board or Human Resources Committee without shareholder approval, while other types of amendments can be made by the TMX Group Board or the Human Resources Committee.

Shareholder approval will be required, in each instance, for the following amendments to the TMX Group option plan:

- (a) to increase the number of our TMX Group Shares reserved for issuance under the TMX Group option plan;
- (b) to reduce the exercise price of a Share Option (including a cancelling and then reissuing of a Share Option at a reduced exercise price to the same participant);
- (c) to expand the category of eligible persons that can participate in the TMX Group option plan;
- (d) except as contemplated by the TMX Group option plan, to extend the term of a Share Option granted beyond the original expiry date; and
- (e) to allow for the issuance of TMX Group DSUs or TMX Group RSUs or any other provision which results in participants receiving TMX Group Shares while no cash consideration is received by TMX Group.

The TMX Group option plan provides that no Share Option may be exercised after the expiry date, except where a Share Option expires during a blackout period. If the Share Option expires during a blackout period, the expiry date for the Share Option will be extended for 10 business days after the end of the last day of the blackout period. Also, if the Share Option expires within 10 business days after the end of the blackout period, the expiry date will be extended to allow for a total of 10 business days after the blackout period. For example, if the Share Option expires four business days after the blackout period, the Share Option's expiry date will be extended an additional six business days.

Notwithstanding the above, shareholder approval will not be required for any adjustments that may be made to the issuable shares or the exercise of outstanding Share Options pursuant to the section of the TMX Group option plan that provides for appropriate adjustments under certain events. Such events include share splits, share dividends, combinations or exchanges of shares, mergers, consolidations, spin-offs or other distributions (other than normal cash dividends) of our assets to shareholders, or any other alteration of our share capital affecting TMX Group Shares.

The TMX Group Board or the Human Resources Committee may continue to make all other amendments without shareholder approval, subject to any required regulatory review or approval, to our TMX Group option plan on matters including but not limited to, the vesting provisions applicable to any outstanding grant of Share Options; the termination of our TMX Group option plan; adding or amending any form of financial assistance provisions to the TMX Group option plan; amendments designed to comply with applicable laws or regulatory requirements; and "housekeeping" and administrative changes.

Acquisition Amendments to Share Options

The vesting and payment provisions of outstanding Share Options will not be accelerated in connection with the Maple Transaction. In the Support Agreement, Maple and TMX Group agreed that the Share Options will be exchanged for options to acquire Maple shares if the Maple Transaction is completed as described on page 19 of TMX Group's Notice of Change to Directors' Circular dated November 8, 2011 (the "Notice of Change") which section is incorporated here by reference.

No further Share Options will be granted under the TMX Group option plan following completion of the Maple Transaction.

MX Replacement Options

As a result of the business combination with MX on May 1, 2008 ("MX Combination"), unexercised options held by MX option holders were cancelled. We granted to the MX optionees replacement options using an exchange ratio of 0.7784 (for every one MX option, we provided 0.7784 of a Share Option) (the "MX Replacement Options"). In total, 162,194 Share Options were granted. Original grant prices were also adjusted using the same exchange ratio of 0.7784.

The MX Replacement Options are governed by a separate plan (the "MX Replacement Option plan"). Upon conversion, each employee signed an individual agreement. Termination provisions and vesting schedules for these MX Replacement Options are different from the TMX Group option plan discussed above.

Half of the un-vested options automatically time vest as described in the table below. The remaining half are subject to performance vesting. At the beginning of each year, the Human Resources Committee determines the performance vesting criteria for the upcoming tranche. For options that vested on December 31, 2008, it was decided that the options would time vest as MX was in transition. For options eligible to vest on December 31, 2009, the overall score of the balanced scorecard (specific to the MX business) was used to determine the percentage of MX Replacement Options that would vest. If the MX business met objectives (100 score on the balanced scorecard) 100% would vest. For a score of 75, only 50% would vest. Vesting was to be pro-rated for a score between 100 and 75. The 2009 MX balanced scorecard was above 100%, therefore 100% of the options eligible to vest on December 31, 2009 vested.

For options that were eligible to vest on December 31, 2010, MX operating profit was used to determine the percentage of MX Replacement Options that would vest. If MX's operating profit met or exceeded target, 100% of eligible options would vest. For 75% of target, 50% of eligible options would vest. Below 75% of target, 0% of eligible options would vest. Vesting was pro-rated for an operating profit between 75% of target, and target. For 2010, results were below target, therefore 81.8% of the options eligible to vest on December 31, 2010 vested, and the remainder forfeited. For options that were eligible to vest on December 31, 2011, the same measure and percentages described for 2010 were applied. For 2011, results were above target and therefore 100% of the options eligible to vest on December 31, 2011, vested. All MX Replacement Option tranches are now vested.

We have a separate reserve of 162,194 TMX Group Shares for issuance upon exercise of MX Replacement Options, being the number of MX Replacement Options issued on May 1, 2008 and representing approximately 0.22% of our outstanding TMX Group Shares. There will be no future grants under the MX Replacement Option plan. Forfeited options do not go back into the reserve.

As at March 5, 2012, the total number of (a) TMX Group Shares issued on the exercise of MX Replacement Options granted under the MX Replacement Option plan and (b) TMX Group Shares issuable on the exercise of outstanding MX Replacement Options granted under the MX

Replacement Option plan, and the respective percentages of our issued and outstanding TMX Group Shares represented by those shares, was as follows:

Program	TMX Group Shares Issued	TMX Group Shares Issuable Under Outstanding MX Replacement Options
MX Replacement Options	2,335 (0.003%)	58,335 (0.08%)

MX Replacement Option Grant History

Original Grant Date (converted on May 1, 2008)	Securities under MX Replacement Options Granted⁽¹⁾ (#)	Outstanding MX Replacement Options (#)	Exercise Price⁽¹⁾ (\$/security)	Vesting Schedule⁽²⁾	Term of Grant
December 31, 2002	2,335	—	\$2.21	100% vested on date of conversion	10 year term
May 7, 2007	116,270	27,908	\$54.50	20% on December 31, 2007; 25% on each of December 31, 2008 and December 31, 2009; and 30% on December 31, 2010 ⁽³⁾	
August 14, 2007	16,346	15,974	\$43.53	25% on each of December 31, 2008; December 31, 2009; December 31, 2010 and December 31, 2011 ⁽³⁾	7 year term
February 13, 2008	27,243	14,453	\$46.26		
Total:	162,194	58,335			

(1) MX options converted to Share Options on May 1, 2008 at conversion rate of 0.7784. Exercise price was converted using the same rate.

(2) 50% of unvested options are subject to performance criteria. 50% are subject to an automatic time vesting.

(3) Half of the December 31, 2007 tranche vested prior to the effective date of the MX Combination and half were forfeited as the performance criteria was not met. All of the December 31, 2008 tranche vested. All of the December 31, 2009 tranche vested. Half of the December 31, 2010 tranche time vested. For the other half subject to performance criteria, 81.8% of the options vested and the balance were forfeited. Half of the December 31, 2011 tranche time vested. For the other half subject to performance criteria, 100% of the options vested.

Amendment Provisions for MX Replacement Options

TMX Group Board, shareholder and requisite regulatory approvals will be required for the following amendments to the MX Replacement Option plan:

- (a) to permit the transfer or assignment of an MX Replacement Option granted other than by will or under succession laws (estate settlement);
- (b) to add a cashless exercise feature which does not provide for a full deduction of the number of underlying securities from the plan reserve;
- (c) to reduce the exercise price of an MX Replacement Option (including a cancelling and then reissuing of an MX Replacement Option at a reduced exercise price to the same participant);
- (d) to extend the term of an MX Replacement Option granted beyond the original expiry date, except as contemplated by the plan;

- (e) to the method of determining the exercise price of each MX Replacement Option; and
- (f) to add any form of financial assistance and any amendment to a financial assistance provision which is more favourable to eligible persons that can participate in the plan or holders of MX Replacement Options.

Notwithstanding the above, the TMX Group Board and Human Resources Committee, subject to any required regulatory review or approval may make any amendments: (i) of a “housekeeping” or clerical nature, as well as any amendment clarifying any provision of the plan; (ii) to change the vesting provisions of an MX Replacement Option; (iii) to change the termination provisions of an MX Replacement Option or the MX Replacement Option plan which does not entail an extension beyond the original expiry date; (iv) that result in an adjustment to the issuable shares or outstanding MX Replacement Options under certain events. These events would include, among others, a share split, share dividends re-capitalization, merger, arrangement, or consolidation of activities or shares, or exchange of shares; and (v) to discontinue the plan.

The MX Replacement Option plan provides that no MX Replacement Option may be exercised after the expiry date, except where an MX Replacement Option expires during a blackout period, in which case the expiry date will be extended for a period ending seven business days from the end of the blackout period.

Acquisition Amendments to MX Replacement Options

MX Replacement Options are subject to the same conditions and will be exchanged for Maple Replacement Options (as defined in the Support Agreement) if the Maple Transaction is completed in exactly the same manner as the Share Options as described on page 50. No further MX Replacement Options will be granted under the MX Replacement Option plan following completion of the Maple Transaction.

TMX Group RSU Plan

The TMX Group RSU plan is designed to further align management’s interests with those of our shareholders. TMX Group employees (or those of our designated subsidiaries) at or above the director-level, and certain employees below the director-level designated by the Chief Executive Officer, are eligible to be granted restricted share units under the restricted share unit plan.

A TMX Group RSU is a bookkeeping entry that is credited to an account maintained by TMX Group for the individual entitled to the TMX Group RSU. For 2010 and 2011 awards, the grant price of a TMX Group RSU was the closing price of one of our TMX Group Shares on Toronto Stock Exchange as of the close of business on December 31 or the last trading day of the year if December 31 is not a trading day. As noted previously, because of the status of the Maple Transaction in early 2012, a limited trading blackout period was in effect under our Timely Disclosure Policy, and therefore we did not determine the applicable grant price for our annual TMX Group RSU awards for 2012, or grant the awards. Instead, the Human Resources Committee determined that the grant price of a TMX Group RSU will be determined based on the closing price of one of our TMX Group Shares on Toronto Stock Exchange as of the close of business on the fifth trading day of the next trading window where no trading blackout period is in effect and the TMX Group RSUs will be granted at that time. The Human Resources Committee also approved adjustments to the grants to account for these special circumstances, as described on page 57 below.

We credit additional TMX Group RSUs, or fractional TMX Group RSUs, to an individual’s account to reflect notional equivalents of dividends paid on our TMX Group Shares.

TMX Group RSUs vest on December 31 of the second calendar year following the year in which the TMX Group RSUs were granted. Upon vesting, TMX Group RSUs are redeemed as described below, and a lump sum cash payment is made to the participant (net of any applicable withholdings).

The number of TMX Group RSUs to be redeemed is subject to a total shareholder return performance factor ("TSR"). TSR represents the share price appreciation on our TMX Group Shares plus the value of the dividends paid over the term of the TMX Group RSUs. Upon redemption, the TSR is calculated along with a corresponding performance multiplier. The performance multiplier is used to determine the final number of TMX Group RSUs to be redeemed.

For TMX Group RSUs granted prior to 2011, the target TSR is 40%. If target TSR is achieved, the accumulated TMX Group RSUs are redeemed using a multiplier of 100%, which is our target multiplier. If target TSR is exceeded, the number of TMX Group RSUs will be adjusted upwards. For TMX Group RSUs granted prior to 2011, the maximum multiplier is 180% for a TSR of 70% or greater. If target TSR is not achieved, the number of TMX Group RSUs will be adjusted downward. In any event, 25% of the number of accumulated TMX Group RSUs will be redeemed.

In 2010, we evaluated our TMX Group RSU plan and determined that the risk parameters, performance criteria and multipliers linked to our TMX Group RSUs were not market competitive and did not reflect the shareholder experience. For TMX Group RSUs granted in 2011 (for 2010 performance), we have increased the minimum threshold payment allowable, but have also decreased the maximum payment allowable under the plan. Starting with TMX Group RSUs granted in 2011, the target TSR is 26%. If target TSR is achieved, the accumulated TMX Group RSUs are redeemed using a multiplier of 100%, which is our target multiplier. If target TSR is exceeded, the number of TMX Group RSUs will be adjusted upwards. The maximum multiplier is 125% for a TSR of 32.5% or greater. If target TSR is not achieved, the number of TMX Group RSUs will be adjusted downward. In any event, 75% of the number of accumulated TMX Group RSUs will be redeemed. Upon redemption of the 2012 TMX Group RSUs, we will adjust the performance multiplier scale and pro rate the TSR on which the performance multiplier is based to reflect the actual grant date and the corresponding shorter time period over which the return must be earned.

TMX Group RSUs are valued using the fair market value per TMX Group Share determined as at the date of redemption. The number of TMX Group RSUs to be redeemed is multiplied by the fair market value.

For TMX Group RSUs granted prior to 2010, the fair market value is calculated using the weighted average trading price of our TMX Group Shares of Toronto Stock Exchange for the five trading days immediately preceding the redemption date. Starting with TMX Group RSUs granted in 2010, the fair market value per TMX Group Share calculation upon redemption will be the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange for the thirty trading days immediately preceding the redemption date.

TMX Group RSU Grant and Redemption History - Annual Grant

The following table sets out the compensation value of TMX Group RSU awards, the number of TMX Group RSUs granted, TMX Group RSU grant value, vesting and redemption date, TMX Group RSU minimum and maximum estimates and actual redemption value for TMX Group RSUs that vested on December 31, 2011.

Year of Grant	TMX Group RSUs - Compensation Value of Award (\$)	TMX Group RSUs Granted ⁽¹⁾ Target # of Units (#)	Vesting and Redemption Date	Grant Value per Unit ⁽²⁾ (\$)	TMX Group RSU Minimum and Maximum Estimates		Redemption Value (\$)
					Minimum # of Units ⁽⁴⁾ (#)	Maximum # of Units ⁽⁴⁾ (#)	
2012 ⁽³⁾	\$3.71 million	N/A	December 31, 2014	N/A	N/A	N/A	—
2011	\$3.66 million	108,170	December 31, 2013	\$36.960 December 31, 2010	81,127	135,213	—
2010	\$3.32 million	109,650	December 31, 2012	\$33.130 December 31, 2009	27,413	197,370	—
2009 ⁽⁵⁾⁽⁶⁾	\$3.62 million	157,210	December 31, 2011	\$25.190 December 31, 2008	39,303	282,978	\$10,231,666

- (1) We credit additional TMX Group RSUs, or fractional TMX Group RSUs, to an individual's account to reflect notional equivalents of dividends paid on our TMX Group Shares.
- (2) For awards granted in 2009, 2010 and 2011, the grant price of a TMX Group RSU is the closing price of one of our TMX Group Shares on Toronto Stock Exchange at the close of business on December 31 or the last trading day of the previous year. To calculate the number of TMX Group RSUs granted, we divide the compensation value of the TMX Group RSU award by 91.5% of the closing price. This discount reflects the assessment of risk and vesting (the TMX Group RSUs will not vest until December 31st of the second calendar year following the grant date).
- (3) For the annual awards that normally would have been granted in 2012, we did not determine the applicable grant price or grant the awards because of a limited trading blackout period that was in effect under our Timely Disclosure Policy (given the status of the Maple Transaction). The Human Resources Committee determined that the grant price of a TMX Group RSU will be determined based on the closing price of one of our TMX Group Shares on Toronto Stock Exchange as of the close of business on the fifth trading day of the next trading window where no trading blackout period is in effect and the TMX Group RSUs will be granted at that time. To calculate the number of TMX Group RSUs to be granted we will divide the compensation value of the TMX Group RSU award by 91.5% of the grant price.
- (4) For awards granted prior to 2011, the minimum (25%) and maximum (180%) estimated number of TMX Group RSUs does not include additional TMX Group RSUs or fractional TMX Group RSUs that would be credited to reflect notional equivalents of dividends paid during the TMX Group RSU term. For awards granted in 2011, the minimum (75%) and maximum (125%) does not include additional TMX Group RSUs or fractional TMX Group RSUs that would be credited to reflect notional equivalents of dividends paid during the TMX Group RSU term.
- (5) The 2009 TMX Group RSUs vested on December 31, 2011 and were paid on January 13, 2012. The target number of units was granted at \$25.190. The TMX Group RSUs were valued on December 31 using the fair market value of \$41.545, determined on the basis of a five day weighted average. As our TSR over the period exceeded the 70% maximum over the three year period, the maximum multiplier of 180% was applied.
- (6) The actual number of units on which the 2009 payout was based was less than the 282,978 maximum estimated due to the forfeiture of TMX Group RSUs upon employee resignation or termination prior to the vesting and redemption date.

TMX Group's RSUs are not transferable or assignable other than by will or the laws of descent and distribution. If the employee has resigned or employment is terminated for cause prior to the vesting date of the TMX Group RSUs, the employee forfeits all right, title and interest with respect to the TMX Group RSUs. If employment has ceased prior to the vesting date for any reason other than resignation or termination for cause, the number of TMX Group RSUs is pro-rated for time elapsed from grant date to termination date and the TSR is calculated as at the termination date. The lump sum cash payment is equal to the performance-adjusted number of TMX Group RSUs multiplied by the fair market value per TMX Group Share determined as at the date of such termination (net of any applicable withholdings). For TMX Group RSUs granted prior to 2010, the fair market value is calculated using the weighted average trading price of our TMX Group Shares of Toronto Stock Exchange for the five trading days immediately preceding the redemption date. Starting with TMX Group RSUs granted in 2010, the fair market value per TMX Group Share calculation upon redemption will be the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange for the thirty trading days immediately preceding the redemption date.

The TMX Group RSU plan does not provide for automatic accelerated vesting of TMX Group RSUs in cases where employment is terminated, upon retirement, or if there is a change of control of TMX Group.

Under the TMX Group RSU plan, the Human Resources Committee may, at any time, subject to any required regulatory approval or shareholder approval, amend, suspend or terminate the TMX Group RSU plan in whole or in part.

TMX Group Special Retention RSU Plan — 2011 Grant

In connection with the LSEG Merger, in 2011 TMX Group Special Retention RSUs were awarded to director-level and above employees who received 2010 LTIP (excluding the Chief Executive Officer). This group of employees played a critical role in driving business results and ensuring that focus was maintained on creating value for our issuers, customers and shareholders during the post LSEG Merger announcement period.

The compensation value of the award was equal to the LTIP compensation value awarded for 2010 performance under the annual program. The TMX Group Special Retention RSUs were granted at the same time as the LTIP awards for 2010 performance, however, under a separate plan.

The grant price of TMX Group Special Retention RSUs was the fair market value of our TMX Group Shares, being the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange, for the five trading days immediately preceding the effective date of the grant, which was February 17, 2011.

The TMX Group Special Retention RSUs cliff vest on the third anniversary of the grant date. There are no performance conditions or multipliers applied to this grant.

The TMX Group Special Retention RSUs will be valued using the fair market value per TMX Group Share determined as at the date of redemption, which is February 17, 2014. The number of TMX Group Special Retention RSUs to be redeemed will be multiplied by the fair market value of our TMX Group Shares, being the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange for the thirty trading days immediately preceding the redemption date.

If an employee resigns, retires or is terminated for any reason prior to the vesting date, such employee's TMX Group Special Retention RSUs will be forfeited.

Year of Grant	TMX Group Special Retention RSUs - Compensation Value of Award (\$)	TMX Group Special Retention RSUs Granted⁽¹⁾⁽³⁾ (#)	Vesting and Redemption Date	Grant Value per Unit⁽²⁾ (\$)	
2011	\$5.94 million	142,357	February 17, 2014	\$41.740	February 17, 2011

(1) We credit additional TMX Group RSUs, or fractional TMX Group RSUs, to an individual's account to reflect notional equivalents of dividends paid on our TMX Group Shares.

(2) The grant price of a TMX Group Special Retention RSU was the fair market value of our TMX Group Shares, being the weighted average trading price of a TMX Group Share on Toronto Stock Exchange, for the five trading days immediately preceding the effective date of the grant. The grant date was February 17, 2011 and the fair market value was \$41.740. The number of TMX Group Special Retention RSUs granted was determined by dividing the compensation value of the award by the fair market value.

(3) For the TMX Group Special Retention RSUs, there are no performance conditions or multipliers applied at redemption.

The TMX Group Special Retention RSUs are not transferable or assignable other than by will or the laws of descent and distribution. The TMX Group Special Retention RSU plan does not provide for automatic accelerated vesting of TMX Group Special Retention RSUs in cases where employment is terminated, upon retirement, or if there is a change of control of TMX Group.

Under the TMX Group Special Retention RSU plan, the Human Resources Committee may, at any time, subject to any required regulatory approval or shareholder approval, amend, suspend or terminate the plan in whole or in part.

Proposed Changes to the TMX Group RSU Plan and TMX Group Special Retention RSU Plan under the Acquisition

TMX Group and Maple have agreed to amend each RSU Plan such that, following this amendment, each TMX Group RSU will be referred to as a “Maple RSU” either upon take-up and payment for TMX Group Shares under the Maple Transaction at the end of the Deposit Extension Period or at the effective time of the Subsequent Arrangement, as defined in and described on page 19 of the Notice of Change.

No further TMX Group RSUs or TMX Group Special Retention RSUs will be granted under the TMX Group RSU plan or the TMX Group Special Retention RSU plan following completion of the Maple Transaction.

NEO Incentive Plan Awards

Outstanding Share-Based Awards and Option Based-Awards

The following table sets out the awards outstanding as at December 31, 2011.

Name	Option-based Awards					Share-based Awards ⁽⁵⁾			
	Grant Date	Number of securities underlying unexercised options (#)	Share Option exercise price (\$)	Share Option Expiration Date	Value of unexercised in-the-money Share Options (\$) ⁽⁴⁾	Grant Date	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
Thomas A. Kloet ⁽¹⁾	11-Aug-08	50,000	36.464	10-Aug-15	261,300	2009	Paid Jan 13, 2012	-	1,302,758
	06-Feb-09	64,317	31.589	05-Feb-16	649,666	2010	16,232	175,588	
	22-Feb-10	61,077	29.519	21-Feb-17	743,368	2011	21,506	697,951	
	17-Feb-11	91,142	41.740	16-Feb-18	—	2011 ⁽⁶⁾	34,848	1,507,042	
Michael Ptasznik ⁽²⁾	10-Feb-06	7,762	49.635	09-Feb-13	—				
	09-Feb-07	8,529	53.037	08-Feb-14	—				
	22-Feb-08	10,983	45.226	21-Feb-15	—	2009	Paid Jan 13, 2012	-	585,769
	11-Aug-08	50,000	36.464	10-Aug-15	261,300	2010	5,414	58,569	
	06-Feb-09	28,966	31.589	05-Feb-16	292,586	2011	5,371	174,319	
	22-Feb-10	20,345	29.519	21-Feb-17	247,619	2011 ⁽⁶⁾	8,712	376,961	
Kevan Cowan	17-Feb-11	22,807	41.740	16-Feb-18	—				
	10-Feb-06	4,631	49.635	09-Feb-13	—				
	09-Feb-07	6,913	53.037	08-Feb-14	—				
	22-Feb-08	8,795	45.226	21-Feb-15	—	2009	Paid Jan 13, 2012	-	512,012
	06-Feb-09	25,257	31.589	05-Feb-16	255,121	2010	5,863	63,420	
Brenda Hoffman ⁽³⁾	22-Feb-10	22,051	29.519	21-Feb-17	268,383	2011	5,070	164,541	
	17-Feb-11	21,480	41.740	16-Feb-18	—	2011 ⁽⁶⁾	8,214	355,427	
	10-Feb-06	7,354	49.635	09-Feb-13	—				
	09-Feb-07	8,078	53.037	08-Feb-14	—				
	04-May-07	4,622	43.681	03-May-14	—				
	22-Feb-08	10,983	45.226	21-Feb-15	—	2009	Paid Jan 13, 2012	-	502,578
	06-Feb-09	9,804	31.589	05-Feb-16	99,030	2010	5,053	54,664	
	22-Feb-10	15,989	29.519	21-Feb-17	194,602	2011	5,226	169,599	
Sharon Pel	17-Feb-11	22,122	41.740	16-Feb-18	—	2011 ⁽⁶⁾	8,463	366,216	
	10-Feb-06	7,762	49.635	09-Feb-13	—				
	09-Feb-07	8,529	53.037	08-Feb-14	—				
	22-Feb-08	9,889	45.226	21-Feb-15	—	2009	Paid Jan 13, 2012	-	530,023
	06-Feb-09	8,735	31.589	05-Feb-16	88,232	2010	5,053	54,664	
	22-Feb-10	12,659	29.519	21-Feb-17	154,073	2011	4,613	149,705	
	17-Feb-11	19,511	41.740	16-Feb-18	—	2011 ⁽⁶⁾	7,467	323,103	

- (1) Mr. Kloet received a Share Option signing bonus upon hire (granted August 11, 2008).
- (2) Mr. Ptasznik was awarded an off-cycle long-term incentive award in 2008 (granted August 11, 2008) to recognize the skill and experience required to transition the new Chief Executive Officer, and also as a means of retention.
- (3) Ms. Hoffman was awarded an off-cycle long-term incentive award in 2007 (granted May 4, 2007) in recognition of her appointment to Senior Vice President and Chief Information Officer.
- (4) The value of unexercised in-the-money Share Options at December 31, 2011 is the difference between the exercise price of the Share Options and the closing price of our TMX Group Shares on Toronto Stock Exchange on December 30, 2011, which was \$41.69 per TMX Group Share.

- (5) The 2009 TMX Group RSUs vested on December 31, 2011 and were paid January 13, 2012 using the fair market value of \$41.545 and the maximum multiplier of 180%. For the 2010, 2011 and 2011 TMX Group Special Retention RSU minimum payouts, no assumptions were made for future dividend TMX Group RSU credits, and no assumptions were made for the TSR performance based multiplier. As outlined under “TMX Group RSU Plan”, upon redemption, we adjust the number of TMX Group RSUs by the TSR performance factor. If target TSR is achieved 100% of TMX Group RSUs will vest. If target TSR is exceeded, the number of TMX Group RSUs will be adjusted upwards to a maximum of 180% for awards granted prior to 2011, and 125% 2011 onwards. If target TSR is not achieved, the number of TMX Group RSUs will be adjusted downward, to a minimum multiplier of 25% for awards granted prior to 2011 and to 75% 2011 onwards (the performance multiplier does not apply to the TMX Group Special Retention RSUs and 100% of TMX Group Special Retention RSUs will be paid). A 30 day fair market value of \$43.271 was used to calculate the minimum payouts.
- (6) Includes TMX Group Special Retention RSUs, and for the Chief Executive Officer TMX Group Special Retention DSUs, granted in 2011 in connection with the LSEG Merger. A 30 day fair market value of \$43.271 was used to calculate the estimated value.

NEO Share Options Exercised

Our NEOs did not exercise any Share Options in 2010 or 2009. 2011 exercises are presented in the table below.

	2011		2010		2009	
Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)
Thomas Kloet	0	0	0	0	0	0
Michael Ptasznik	9,726	120,823	0	0	0	0
Kevan Cowan	2,160	23,463	0	0	0	0
Brenda Hoffman	27,084	308,182	0	0	0	0
Sharon Pel	27,478	301,060	0	0	0	0

NEO Value Vested or Earned During 2011

The following table sets out the financial year-end incentive plan awards for NEOs where the value has vested or was earned during 2011.

Name	Option-based-awards — value vested during the year (\$) ⁽¹⁾	Share-based-awards — value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation — value earned during the year (\$) ⁽³⁾
Thomas A. Kloet	749,080	1,302,758	850,000
Michael Ptasznik	491,027	585,769	470,000
Kevan Cowan	156,920	512,012	350,000
Brenda Hoffman	143,731	502,578	340,000
Sharon Pel	147,673	530,023	460,000

- (1) The value of Share Option holdings was estimated using the closing price on the vesting date or the previous trading day if the Share Options vested on a weekend.
- (2) 2009 performance TMX Group RSUs vested on December 31, 2011. These were paid on January 13, 2012 using the maximum multiplier of 180% and a fair market value of \$41.545.
- (3) Under non-equity incentive plan compensation, all figures are annual bonuses and for Mr. Ptasznik and Ms. Pel also include a special cash award of \$150,000 each, in recognition of significant corporate development work in 2011.

NEO Share Options and TMX Group RSUs (to be granted in 2012 for 2011 financial and performance year)

For the annual Share Option and TMX Group RSU awards that would normally have been granted in February 2012, the Human Resources Committee approved the compensation value of each

participant's LTIP award. However, because of the status of the Maple Transaction at that time, a limited trading blackout period was in effect under our Timely Disclosure Policy and therefore we did not determine the applicable grant prices or grant the awards at that time. The Share Options and TMX Group RSUs that comprise the LTIP grants for 2012 will be granted in the next trading window where there is no trading blackout period in effect under the Timely Disclosure Policy. In addition to approving the applicable compensation values, the Human Resources Committee also approved the following adjustments to our 2012 grant process to account for these special circumstances:

Share Options:

TMX Group's Share Option plan provides that the Share Options may not be granted until there is a trading window where no trading blackout period is in effect for five trading days. The Share Option plan also provides that the strike price is determined based on the weighted average trading price for the five trading days after the trading window is opened where there is no trading blackout period in effect, and the Share Option grant will not be effective until that date. The Human Resources Committee determined that the number of Share Options to be granted will be equal to 50% of the relevant participant's approved LTIP compensation value divided by the Black Scholes value of an option at the grant date, and that the Share Options will vest in three equal tranches beginning with the first tranche on February 15, 2013, and the remaining two tranches on February 15, 2014 and 2015, respectively. By defining this schedule, the 2012 Share Options will vest in accordance with the normal vesting cycle notwithstanding the delay in the grant date.

TMX Group RSUs:

The Human Resources Committee determined that the TMX Group RSUs will be granted at the same time as the Share Options. The grant price will be the closing price on the fifth trading day within the next open trading window where there is no trading blackout period in effect. The TMX Group RSUs will cliff vest at the usual time on December 31, 2014 notwithstanding the delay in the grant date. The Human Resources Committee also determined to adjust the performance multiplier scale used upon redemption of the 2012 TMX Group RSUs to pro rate the TSR on which the performance multiplier is based to reflect the actual grant date and the corresponding shorter time period over which the return must be earned.

The following table provides the compensation value in Share Options and TMX Group RSUs to be granted to our NEOs for performance during the 2011 financial year (to be granted as described above).

Name	Share Options – Compensation Value Awarded (\$) ⁽¹⁾	TMX Group RSUs – Compensation Value Awarded (\$) ⁽²⁾⁽³⁾	Total LTIP Awarded (\$)	% of Total LTIP Granted to Employees
Thomas A. Kloet	\$775,000	\$775,000	\$1,550,000	20.9%
Michael Ptasznik	\$167,500	\$167,500	\$335,000	4.5%
Kevan Cowan	\$172,500	\$172,500	\$345,000	4.6%
Brenda Hoffman	\$170,000	\$170,000	\$340,000	4.6%
Sharon Pel	\$150,000	\$150,000	\$300,000	4.0%

- (1) The exercise price of a Share Option will not be less than the fair market value of our TMX Group Shares, being the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange, for the five trading days immediately preceding the effective date of the grant.
- (2) For the annual LTIP awards that would normally have been granted in 2012, the grant price of a TMX Group RSU will be the closing price of one of our TMX Group Shares on Toronto Stock Exchange at the close of business on the fifth trading day following the opening of the next trading window where no blackout period is in effect.
- (3) As outlined under "TMX Group RSU Plan", upon redemption, we adjust the number of TMX Group RSUs by the TSR performance factor. If target TSR is achieved 100% of TMX Group RSUs will vest. For TMX Group RSUs awarded in 2012, if target TSR is exceeded, the number of TMX Group RSUs will be adjusted upwards to a maximum multiplier of 125%. If target TSR is not achieved, the number of TMX Group RSUs will be adjusted downward, to a minimum multiplier of 75%.

For the 2012 grant, the performance multiplier scale will be pro-rated for the shorter time period over which the return must be earned.

Securities Authorized for Issuance under Equity Compensation Plans

The following table shows, as of December 31, 2011, compensation plans under which our equity securities are authorized to be issued from treasury both for plans previously approved by shareholders and plans not previously approved by shareholders.

The numbers shown under “Equity compensation plans approved by security holders” relate to our TMX Group option plan. The numbers shown under “Equity compensation plans not approved by security holders” relate to the MX Replacement Options. Please refer to the description of the TMX Group option plan and the MX Replacement Options under Long-Term Incentive Plans in this Circular.

Plan category	Number of securities to be issued upon exercise of outstanding Share Options (a)	Weighted average exercise price of outstanding Share Options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,768,394	\$36.71	1,965,654
Equity compensation plans not approved by security holders ⁽¹⁾	58,335	\$49.45	0
Total	1,826,729	\$37.12	1,965,654

(1) MX Replacement Options under the MX Replacement Option plan have a separate reserve equal to 162,194, being the number of MX Replacement Options issued on May 1, 2008. There will be no future grants under this plan. Forfeited options do not go back into the reserve.

TMX Group Executive DSU Plan

For the years 2001 and 2002, we awarded grants to officers and director-level employees under the interim bonus plan which we introduced in lieu of a long-term compensation plan for those years. The interim bonus plan provided eligible employees with a deferred award based on our annual financial performance. For officers we converted the deferred awards into deferred share units. A deferred share unit is a bookkeeping entry that is credited to an account maintained by TMX Group for the individual entitled to the deferred share unit. The fair market value of a deferred share unit is based on the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange for the five trading days before the applicable conversion date. We credit additional deferred share units or fractional deferred share units to an individual’s account to reflect notional equivalents of dividends paid on our TMX Group Shares. The term “TMX Group DSU” will refer to the aggregate of deferred share units and additional deferred share units, or fractional deferred share units, credited to reflect notional equivalents of dividends paid on our TMX Group Shares.

We converted the awards for 2001 at our IPO share price of \$9.00, and for 2002 at the share price of \$10.566, the weighted average price for the five trading days before December 31, 2002. The terms governing the TMX Group DSUs granted under the interim bonus plan are otherwise identical to the terms set out below. All TMX Group DSUs granted under the interim bonus plan are now fully vested.

In addition, to assist our officers to meet their equity ownership requirements, we give our officers the opportunity to convert all or part of their STIP award into TMX Group DSUs. See equity ownership requirements on page 61 for a description of our executives’ requirements. We limit this

opportunity to those officers who have not yet achieved their required level of equity ownership. Our officers converted the following short-term incentive amounts into TMX Group DSUs:

Year of Deferral	Short-term Incentive Elected for Deferral ⁽¹⁾ (\$)	Fair Market Value per TMX Group DSU (\$)	Number of TMX Group DSUs (#)
2012	175,623	N/A ⁽⁴⁾	N/A ⁽⁴⁾
2011 ⁽²⁾	300,000	40.779	7,357
2010	—	—	—
2009 ⁽³⁾	233,500	33.509	6,968
2008	202,500	45.515	4,449
2007	29,375	52.205	563
2006	275,000	49.126	5,598
2005	117,200	29.638	3,954
2004	290,000	24.798	11,694

- (1) Represents the previous year's short-term incentive total dollar amount elected for conversion to TMX Group DSUs.
- (2) Mr. Kloet elected in 2009 to defer \$300,000 of his 2010 bonus into TMX Group DSUs, effective February 25, 2011.
- (3) Due to an administrative error, a reversal of Mr. Kloet's previously reported 9,400 TMX Group DSUs was required and his \$315,000 2008 bonus was repaid to him in cash, as well as \$3,380 in interest.
- (4) For the 2012 TSX Group DSUs, the fair market value of a DSU will be determined in the next trading window where there is no trading blackout period in effect, based on a five day weighted-average fair market value.

To reflect our changing employee demographics, the TMX Group Executive DSU plan has been amended to facilitate participation by employees who are United States persons ("U.S. employees"). TMX Group DSUs are not transferable or assignable other than by will or the laws of descent and distribution. If a Canadian employee retires or otherwise ceases to be an employee (other than for reason of death), the employee must file a notice of redemption on or before December 15 of the first calendar year which commences after the date of retirement or termination. If a U.S. employee retires or otherwise ceases to be an employee (other than for reason of death), the employee's TMX Group DSUs will be redeemed on the date the employee ceases to be an employee ("Redemption Date"). We will then pay the employee a lump sum cash payment (net of any applicable withholdings) equal to the number of TMX Group DSUs as of the filing date (for Canadian employees) or the Redemption Date (for U.S. employees) multiplied by the fair market value per TMX Group Share determined as at the date of filing the notice of redemption or the Redemption Date, as applicable. If an employee dies while employed (or after ceasing to hold all positions but before filing a notice of redemption), then within 90 days (in the case of a Canadian employee) or 30 days (in the case of a U.S. employee) of the employee's death, we must redeem all of the employee's TMX Group DSUs and make a lump sum cash payment to or for the benefit of the legal representative of the employee. The lump sum payment will be equal to the number of TMX Group DSUs as of the date of the employee's death multiplied by the fair market value per TMX Group Share determined as of the date of the employee's death.

For TMX Group DSUs granted prior to 2010, the fair market value upon redemption is calculated by reference to the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange for the five trading days immediately preceding the date of retirement, termination or death. Starting with TMX Group DSUs issued in 2010, the fair market value upon redemption will be calculated by reference to the weighted average trading price of our TMX Group Shares on Toronto Stock Exchange for the thirty trading days immediately preceding such date.

Under the TMX Group Executive DSU plan, the Human Resources Committee may, at any time, subject to any required regulatory approval or shareholder approval, amend, suspend or terminate the TMX Group Executive DSU plan in whole or in part.

TMX Group Special Retention DSU Award (award granted in 2011 to Chief Executive Officer)

In connection with the LSEG Merger, the Chief Executive Officer was awarded a TMX Group Special Retention DSU award with a compensation value of \$1,400,000. The award value was based on the aggregate LTIP awarded for 2010 performance.

The TMX Group Special Retention DSUs are subject to the terms and conditions of the regular TMX Group DSU plan with the following exceptions:

- The TMX Group Special Retention DSUs are not immediately vested. 100% of the TMX Group Special Retention DSUs will vest on the third anniversary of the effective date of the grant.
- 100% of the TMX Group Special Retention DSUs will be forfeited without compensation if (1) the Chief Executive Officer triggers termination of employment with TMX Group prior to the date on which the TMX Group Special Retention DSUs vest; (2) TMX Group terminates the Chief Executive Officer's employment for any reason prior to the date on which the TMX Group Special Retention DSUs vest; (3) the Chief Executive Officer's employment with TMX Group is terminated with cause; or (4) the Chief Executive Officer ceases to be employed by TMX Group due to retirement or due to death.

Proposed Changes to the TMX Group DSU Plans Under the Maple Transaction

TMX Group and Maple have also agreed to amend the TMX Group DSU plans, such that, following this amendment, each TMX Group DSU will be referred to as a "Maple DSU" either at the end of the Deposit Extension Period or the effective time of the Subsequent Arrangement, as described on page 19 of the Notice of Change.

No further TMX Group DSUs will be granted under the TMX Group DSU plan following completion of the Maple Transaction.

Equity Ownership Requirements

To further align the interests of our officers with those of our shareholders we mandate minimum equity ownership for each of our officers, including the NEOs.

We require officers to achieve a level of equity ownership that is a multiple of one to three times base salary depending on job level as follows:

Chief Executive Officer	three times salary
Presidents/Senior Vice Presidents	two times salary
Vice Presidents	one times salary

The officers must meet the minimum level of ownership over a four-year period (prior to January 2009 for Presidents/Senior Vice Presidents and Vice Presidents and prior to February 2010 for the Chief Executive Officer, the period to achieve the minimum ownership requirement was three years). Since January 2009, once equity ownership levels have been attained, we do not require additional shares to be purchased to offset subsequent decreases in market value.

In addition to TMX Group Shares, we include TMX Group DSUs and additional TMX Group DSUs, or fractional TMX Group DSUs, credited to reflect notional equivalents of dividends paid on our TMX Group Shares for purposes of satisfying an officer's equity ownership requirement.

Officers who have not yet met their equity ownership requirements have the option to convert all or part of their STIP award into TMX Group DSUs. This option is only available until equity ownership levels are reached.

The Chief Executive Officer is required to pre-disclose to the public the intention to sell or purchase TMX Group Shares, including the exercise of Share Options. The disclosure must occur no less than two business days prior to the transaction.

The following table sets forth the equity ownership information for the NEOs as at March 5, 2012.

Name	TMX Group Shares		TMX Group DSUs		Total Equity Ownership	Multiple of Salary
	(#)	\$(⁽¹⁾)	(#)	\$(⁽²⁾)	(\$)	
Thomas A. Kloet ⁽³⁾	17,500	\$753,200	42,491	\$1,825,363	\$2,578,563	3.7
Michael Ptasznik	12,286	\$528,800	28,115	\$1,207,793	\$1,736,594	4.5
Kevan Cowan	13,872	\$597,057	14,381	\$617,777	\$1,214,835	3.1
Brenda Hoffman	3,897	\$167,715	43,154	\$1,853,839	\$2,021,554	5.3
Sharon Pel	18,032	\$776,097	5,390	\$231,569	\$1,007,666	3.1

- (1) To calculate ownership levels, we used the greater of book value or the closing price for our TMX Group Shares on Toronto Stock Exchange on March 5, 2012. The closing price of our TMX Group Shares on March 5, 2012 was \$43.040.
- (2) To calculate ownership levels, we used the greater of the original TMX Group DSU grant or conversion value, or the value based on the fair market value of a TMX Group DSU on March 5, 2012. The fair market value of a TMX Group DSU on March 5, 2012 was \$42.959, the weighted-average trading price of our TMX Group Shares on Toronto Stock Exchange for the five trading days immediately preceding the effective date.
- (3) Due to an administrative error, a reversal of Mr. Kloet's previously reported 9,400 TMX Group DSUs was required and his \$315,000 2008 bonus was repaid to him in cash, as well as \$3,380 in interest. Mr. Kloet opted to defer \$300,000 of his 2010 bonus to TMX Group DSUs in 2011. In addition, he was awarded 33,541 TMX Group Special Retention DSUs in 2011.

Pension Plan

Effective April 28, 2009, the TMX Group pension plan was amended to close the defined benefit component to new executive members and a new defined contribution component was created for executive members who are hired or promoted to executive positions on or after April 28, 2009.

The NEOs, with the exception of Mr. Kloet, participate as non-contributory members in the defined benefit component of our registered pension plan for employees. The pension benefit under the registered pension plan will be limited to the maximum amount prescribed under the Income Tax Act (Canada). TMX Group also maintains a non-contributory supplementary retirement plan for executive officers and other members of senior management. The supplementary retirement plan provides the portion of the pension benefits that exceed the maximum permitted under the defined benefits tier of the registered pension plan. Benefits provided by the supplementary retirement plan are securely funded through a Registered Compensation Agreement.

If an NEO (with the exception of Mr. Kloet) retires on the normal retirement date, the amount of annual pension from the registered pension plan and supplementary retirement plan combined will be 2% of the average of the best three consecutive years of pensionable earnings multiplied by credited years of service, subject to a maximum annual pension of 100% of final salary. Pensionable earnings refers to base salary plus short term incentive bonus, with the amount of bonus being capped at 50% of salary for the NEOs, commencing in 2006.

All NEOs (with the exception of Mr. Kloet) may take early retirement on or after the first day of the month after their 55th birthday, in which case they will be entitled to receive a reduced pension. The amount of pension that is payable will be reduced by ¼% for each month between such early retirement date and the earlier of age 60 or when age plus service equals 85. All NEOs who have not

retired and are over the age of 55 may retire with full pension at the earlier of age 60 or when age plus service equals 85. The pension benefit is payable for life, with 120 monthly payments guaranteed if there is no surviving spouse or 60% continuance for a surviving spouse. In addition, NEOs are guaranteed the greater of the commuted value of their accrued pension benefit and the amount equivalent to 10% of their pensionable earnings accumulated each year with interest while a member of the supplementary retirement plan.

Mr. Kloet participates in a non-contributory supplementary pension plan that is funded through a retirement compensation arrangement. The total pension payable from the supplementary retirement plan will be 2% of the average of the best three consecutive years of pensionable earnings multiplied by credited years of service, subject to a maximum annual pension of 100% of final salary. Pensionable earnings refer to base salary plus short term incentive bonus, with the amount of bonus being capped at 50% of salary.

Mr. Kloet may take early retirement on or after the first day of the month after his 55th birthday, in which case he will be entitled to receive a reduced pension. The amount of pension that is payable will be reduced by $\frac{1}{4}\%$ for each month between such early retirement date and the earlier of age 60 or when age plus service equals 85. If Mr. Kloet has not retired and is over the age of 55 he may retire with full pension at the earlier of age 60 or when his age plus service equals 85. The pension benefit is payable in a lump sum equal to the commuted value of the annual pension determined in respect of the member. Mr. Kloet is guaranteed the greater of the commuted value of his accrued pension benefit and the amount equivalent to 10% of his pensionable earnings accumulated each year with interest while a member of the supplementary retirement plan.

The following table shows the annual retirement benefits payable to the NEOs upon retirement at age 65 based on the above described pension formulae (exclusive of the amounts paid under the Canada Pension Plan or the Quebec Pension Plan):

Name	Number of Years Credited Service(#)	Annual Benefits Payable (\$)		Opening Present Value of Defined Benefit Obligation (\$) ⁽¹⁾	Compensatory Change (\$) ⁽²⁾	Non-Compensatory Change (\$) ⁽³⁾	Closing Present Value of Defined Benefit Obligation (\$) ⁽⁴⁾
		At Year End	At Age 65				
Thomas A. Kloet	3.5	72,782	312,526	573,295	185,429	240,996	999,720
Michael Ptaszniak	13.2	148,784	380,434	1,342,825	66,289	175,390	1,584,504
Kevan Cowan	10.0	101,500	247,830	934,150	195,140	104,364	1,233,654
Brenda Hoffman	10.9	118,466	295,841	1,087,189	148,056	128,543	1,363,788
Sharon Pel ⁽⁵⁾	8.5	81,467	176,171	821,047	99,719	87,634	1,008,400

- (1) Opening Present Value of Defined Benefit Obligation is the value of the projected pension earned for service up to December 31, 2010 determined using the same actuarial methods and assumptions used to calculate the pension plan obligations at December 31, 2010, as disclosed in the notes to the 2010 financial statements.
- (2) The values shown under the column headed Compensatory Change include the value of the projected pension earned for service in the year using the same actuarial methods and assumptions used to calculate the current service cost for the 2011 pension expense disclosed in the 2011 financial statements plus the increase or decrease in the accrued obligation due to the difference between actual compensation in the year and the actuarial assumptions for the year that were assumed at the end of the prior year.
- (3) The values shown under the column headed Non-Compensatory Change include amounts attributable to interest accruing on the beginning-of-year obligation, experience gains and losses other than those associated with compensation levels and changes in actuarial assumptions.
- (4) Closing Present Value of Defined Benefit Obligation is the value of the projected pension earned for service up to December 31, 2011 determined using the same actuarial methods and assumptions used to calculate the pension plan obligations at December 31, 2011, as disclosed in the notes to the 2011 financial statements.
- (5) Ms. Pel also participates in a supplemental executive retirement arrangement that will provide an additional \$77,700 per annum upon retirement at age 65.

Employment Contracts and Severance Arrangements

We have an employment agreement with Mr. Kloet. The following table summarizes the terms of the current agreement.

Effective Date	Entered into arrangement on June 9, 2008, with an employment start date of July 14, 2008.
Signing Bonus and Compensatory Payment	Received a signing bonus in August 2008 of 50,000 Share Options (which cliff vested three years from the date of grant). The value of this award using the Black Scholes methodology was \$568,500. In addition, to compensate for the forfeited bonus opportunity at his previous employer he was paid a cash lump sum payment of \$300,000.
Base Salary	\$700,000 (reviewed on an annual basis and may be increased upon recommendation by the TMX Group Board, in their sole discretion).
Variable Compensation (STIP and LTIP)	Performance will be assessed against achievement of annual financial and non-financial goals, using performance measures upon which the incumbent and the TMX Group Board have agreed. Short-term incentive/bonus target is 75% of base salary with a maximum award of 150% of base salary. Effective for the 2011 performance year, short-term incentive target is 100% of base salary. Notwithstanding the foregoing, for the 2008 year, the STIP award was guaranteed to be not less than target (75% of Base Salary or \$525,000). Eligible to participate in the TMX Group LTIP. LTIP awards are granted at the sole discretion of the TMX Group Board, typically at the beginning of the calendar year.
Pension	Participates in a non-contributory supplementary pension plan, as described on page 62.
Relocation and Tax/ Legal Advice	As required to relocate to the vicinity of Toronto, eligible for relocation assistance in accordance with TMX Group's Relocation Assistance program to a maximum of \$25,000. In addition, to assist in the relocation, TMX Group would pay the cost of renting temporary accommodation in, and travel to, Toronto for up to six months, to a maximum of \$10,000 per month. To assist in the evaluation of the job offer, and in preparation of his first year's Canadian and U.S. tax returns, provided a one-time payment of up to \$35,000 for tax and/or legal advice. See also Termination without Cause and Resignation for additional relocation allowance.
Termination without Cause	In the event of termination without cause, entitled to a lump sum payment equal to one times total cash remuneration (current Base Salary and STIP at target) plus any earned unpaid STIP at target year to date. Continuation of coverage and TMX Group payment of healthcare, dental, vision care and emergency travel accident insurance benefits for 12 months. If terminated prior to the vesting of the Share Option signing bonus, will receive a cash payment equal to the in-the-money value of the signing bonus based on the fair market value of our TMX Group Shares on the effective

	date of termination. In addition, if Mr. Kloet's employment is terminated without cause within three years of employment date, he is eligible to receive up to \$25,000 to assist in relocating out of Canada.
Resignation	Has option to terminate employment by providing thirty (30) days written notice. No special termination payment under this scenario other than salary and vacation unpaid by the date of termination. In addition, if Mr. Kloet resigns within three years of employment date, he is eligible to receive up to \$25,000 to assist in relocating out of Canada.
Change of Control	No change of control provisions.
Equity Ownership & Requirement to pre-disclose	Required to achieve a minimum equity ownership level of three times base salary over a four-year period, and to maintain this level of ownership for the duration of employment. As Chief Executive Officer, also required to pre-disclose the intention to sell or purchase TMX Group Shares, including the exercise of Share Options during employment.
Non-Competition and Non-Solicitation	Non-competition and non-solicitation is 12 months in Canada and the United States. Scope includes the operation of businesses and markets across multiple asset classes including a senior equity market, a public venture equity market, energy markets, currency, interest rate, index and equity derivatives markets, equity options markets and businesses or markets in fixed income products, data distribution products, investor relations and environmental products as it exists at the date of executing the agreement or at the date of termination or resignation.

The following table summarizes the estimated severance payment and other related payments Mr. Kloet would receive under his original employment agreement assuming a December 31, 2011 termination date.

Name	Termination Scenario ⁽¹⁾⁽²⁾	Estimated Severance Payment (\$) ⁽³⁾	TMX Group RSU Payment (\$) ⁽⁴⁾	Signing Grant Provision (\$) ⁽⁵⁾	Total payments triggered by termination ⁽⁶⁾⁽⁷⁾⁽⁸⁾ (\$)
Thomas A. Kloet	Termination without Cause	2,100,000	724,467	—	2,824,467
	Resignation	—	—	—	—
	With Cause	—	—	—	—

- (1) Assumes termination date of December 31, 2011 and excludes any costs provided for under the 2011 addendum to his employment agreement. Subject to the successful completion of the Maple Transaction, severance and other related payment calculations shown above would be adjusted, or replaced, to reflect the amended provisions in Mr. Kloet's employment agreement addendum.
- (2) Schedule D provides a summary of how salary, STIP, TMX Group RSUs, Share Options, TMX Group DSUs and other benefits and perquisites would be treated under the various termination scenarios.
- (3) Mr. Kloet's termination without cause estimated severance payment includes:
 - One-times his current base salary (\$700,000) plus target STIP (\$700,000).
 - Earned but unpaid STIP at target (\$700,000).
- (4) A pro-rated TMX Group RSU payment treated in accordance with the plan document. Assuming a December 31, 2011 termination date, Mr. Kloet's pro-rated TMX Group RSU payment would be \$724,467 using the December 31, 2011 30 day fair market value of \$43.271 for his 2010 and 2011 TMX Group RSUs. This excludes his 2009 RSU payment of \$1,302,758, which would have been paid in normal course.
- (5) Mr. Kloet's signing bonus of 50,000 Share Options (August 11, 2008 grant date) vested in 2011 and payment of an in the money value upon termination is now void. He has 90 days to exercise these Share Options upon termination.
- (6) All Share Options would be treated in accordance with the plan document. These amounts are not included in the table above. Assuming a December 31, 2011 termination date:
 - Mr. Kloet would have 90 days to exercise any Share Options that were vested on December 31, 2011:
 - o 2008 signing bonus - 50,000 Share Options are vested with an estimated value of \$254,050 using a five day FMV of \$41.545.

- o 2008 annual grant - 42,878 Share Options are vested with an estimated value of \$426,893 using a five day FMV of \$41.545 (21,439 Share Options would forfeit).
 - o 2009 annual grant - 20,359 Share Options are vested with an estimated value of \$244,837 using a five day FMV of \$41.545 (40,718 Share Options would forfeit).
 - o 2010 annual grant - 91,142 Share Options granted in February 2011 would be forfeited assuming a December 31, 2011 termination date.
- (7) Mr. Kloet's TMX Group Special Retention DSUs do not vest until February 17, 2014 and would therefore forfeit upon a December 31, 2011 termination date.
- (8) Mr. Kloet's coverage of healthcare, dental, vision care and emergency travel accident insurance would continue for 12 months at an estimated cost of \$5,000. This amount is not included in the table above. His perquisites would cease on the date of termination.

In connection with the Maple Transaction, Mr. Kloet entered into an addendum to his employment agreement, which, upon completion of the transaction, amends certain sections of Mr. Kloet's current employment agreement with TMX Group.

As of August 5, 2011, TMX Group amended its employment agreement with Mr. Kloet to include provisions that would take effect if the Maple Transaction is completed.

Effective Date	Unless otherwise stated, is effective upon the closing date of the Maple Transaction.
Company Initiated Termination without Cause / Executive Initiated Termination	Under the terms of the amendment to Mr. Kloet's employment agreement, in the event of a termination of Mr. Kloet's employment without cause (including a resignation by Mr. Kloet after a unilateral and substantial change to the terms of Mr. Kloet's employment, including a change resulting in him not being the senior most executive officer of TMX Group) during the 24 month period following a take up by Maple of TMX Group Shares under the Maple offer, Mr. Kloet will be entitled to receive a lump sum payment equal to his total annual cash remuneration (being his current base salary and short-term incentive plan at target which is 100% of base salary), plus pro-rated short-term incentive awards at target year to date, and continuation of pension service credit under the Supplementary Retirement Plan for Mr. Kloet, benefits coverage and U.S. health insurance for 12 months. However, if Mr. Kloet becomes employed by another employer within 12 months following his termination, coverage under all pension and benefits programs maintained by TMX Group shall immediately cease. In addition, all unvested Share Options and TMX Group RSUs held by Mr. Kloet on his termination date shall be forfeited on that date. Following the termination of Mr. Kloet's employment without cause (including a resignation by Mr. Kloet if there is a unilateral and substantial change to the terms of his employment) Mr. Kloet will receive: a) a cash amount for his unvested Share Options that are forfeited following such termination (or resignation, as the case may be) that were granted prior to take up by Maple of TMX Group Shares under the Maple offer, such cash amount to be equal to the greater of (i) the aggregate value attributed to their Share Options at the time of grant and (ii) an aggregate amount equal to \$50.00 minus the exercise price for each of their Share Options; and b) a cash amount for his unvested TMX Group RSUs that are forfeited following such termination (or resignation, as the case may be) that were

	granted prior to the take up by Maple of TMX Group Shares under the Maple offer, such cash amount equal to the greater of (i) the value of those TMX Group RSUs at the date of grant and (ii) the amount payable under the RSU Plans in respect of the TMX Group RSUs in their respective accounts on the date of take-up, treating \$50.00 as the award maturity value for those TMX Group RSUs, the date of take-up by Maple of TMX Group Shares as the award maturity date and treating all of those TMX Group RSUs as vested under the RSU Plans. In addition, the respective performance multiplier for those TMX Group RSUs will be applied as of the date of take-up by Maple of TMX Group Shares under the Maple offer. No amounts will be payable in respect of the TMX Group Special Retention DSU grant made in 2011.
Non-Competition and Non-Solicitation	Effective from date of acceptance of Addendum, non-compete is 6 months in the European Union (EU) or North America, and non-solicit is 12 months. Scope shall mean the operation of markets or exchanges in the EU or North America, including, without limitation, a senior equity market, public venture equity market, energy market, currency, interest rate, index or equity derivatives market, equity options market and businesses or markets in fixed income products, data distribution products, investor relations and environmental products.

Employment Arrangements Between TMX Group and its Directors and Officers

Maple Transaction:

As of August 2011, TMX Group amended its employment arrangements with Mr. Ptasznik and Ms. Pel (individually an “Executive” and collectively the “Executives”), to include provisions that would take effect if Maple takes up TMX Group Shares under the Maple offer.

Under the terms of the amendment to Mr. Ptasznik’s employment agreement, in the event of a termination of Mr. Ptasznik’s employment without cause (including a resignation by Mr. Ptasznik after a unilateral and substantial change to the terms of Mr. Ptasznik’s employment) during the 24 month period following a take up by Maple of TMX Group Shares under the Maple offer, Mr. Ptasznik will be entitled to receive a payment of \$1,050,000 (payable over 18 months in equal periodic instalments in accordance with normal payroll cycle), plus pro-rated short-term incentive awards at target year to date, and continuation of benefits for 18 months (with the exception of short-term and long-term disability benefits, which will cease upon expiry of the statutory notice period), and continued accrual of credited service under TMX Group’s pension plan and supplementary income plan for executive employees of TMX Group for 18 months.

However, if Mr. Ptasznik becomes employed by another employer within 18 months following his termination, accrual of credited service under the TMX Group pension plan and the supplementary income plan for executive employees shall immediately cease and coverage under all TMX Group benefits programs maintained by TMX Group shall immediately cease and Mr. Ptasznik will be entitled to a lump sum payment equal to the unpaid portion of the 18 month payment referenced above. In addition, all unvested Share Options and TMX Group RSUs held by Mr. Ptasznik on his termination date shall be forfeited on that date.

Under the terms of the amendment to Ms. Pel’s employment agreement, in the event of a termination of Ms. Pel’s employment without cause (including a resignation by Ms. Pel if there is a unilateral and

substantial change to the terms of Ms. Pel's employment) during the 24 month period following a take up by Maple of TMX Group Shares under the Maple offer, Ms. Pel will be entitled to receive a payment of \$1,270,000 (payable over 24 months in equal periodic instalments in accordance with normal payroll cycle), plus pro-rated short-term incentive awards at target year to date, and continuation of benefits for 24 months (with the exception of short-term and long-term disability benefits, which will cease upon expiry of the statutory notice period), and continued accrual of credited service under TMX Group's pension plan and supplementary income plan for executive employees of TMX Group for 24 months. However, if Ms. Pel becomes employed by another employer within 24 months following her termination, accrual of credited service under the TMX Group pension plan and the supplementary income plan for executive employees shall immediately cease and coverage under all TMX Group benefits programs maintained by TMX Group shall immediately cease and Ms. Pel will be entitled to a lump sum payment equal to the unpaid portion of the 24 month payment referenced above. In addition, all unvested Share Options and TMX Group RSUs held by Ms. Pel on her termination date shall be forfeited on that date.

Following the termination of an Executive's employment without cause (including a resignation by that Executive if there is a unilateral and substantial change to the terms of his or her employment) the Executive will receive:

- a cash amount for his or her unvested Share Options that are forfeited following such termination (or resignation, as the case may be) that were granted prior to take up by Maple of TMX Group Shares under the Maple offer, such cash amount to be equal to the greater of (i) the aggregate value attributed to their Share Options at the time of grant and (ii) an aggregate amount equal to \$50.00 minus the exercise price for each of their Share Options; and
- a cash amount for his or her unvested TMX Group RSUs that are forfeited following such termination (or resignation, as the case may be) that were granted prior to the take up by Maple of TMX Group Shares under the Maple offer, such cash amount equal to the greater of (i) the value of those TMX Group RSUs at the date of grant and (ii) the amount payable under the RSU Plans in respect of the TMX Group RSUs in their respective accounts on the date of take-up, treating \$50.00 as the award maturity value for those TMX Group RSUs, the date of take-up by Maple of TMX Group Shares as the award maturity date and treating all of those TMX Group RSUs as vested under the RSU plans. In addition, the respective performance multiplier for those TMX Group RSUs will be applied as of the date of take-up by Maple of TMX Group Shares under the Maple offer. No amounts will be payable in respect of TMX Group Special Retention RSU grants made in 2011.

LSEG Merger:

In connection with the proposed LSEG Merger, TMX Group entered into retention arrangements with certain of its executive officers, including Ms. Hoffman. Following the termination of the merger agreement with LSEG, the retention arrangement previously disclosed for its executive officers including Ms. Hoffman were canceled, with the exception of a forgivable loan made to Ms. Hoffman.

Ms. Hoffman's forgivable loan arrangement provided for the following:

- The granting of a forgivable loan to Ms. Hoffman in the amount of \$376,700.
- The loan is forgivable in full on the earliest of: (i) the date Ms. Hoffman is terminated (excluding a with cause termination or resignation); or (ii) on August 9, 2012, the eighteen month anniversary of the execution of LSEG Merger agreement.

Directors' and Officers' Liability Insurance

Directors, officers, certain of our employees and persons appointed to act on our behalf (the "Insured Group") are covered under Directors' and Officers' Liability Insurance policies. The policies include coverage for wrongful acts claimed against the Insured Group by reason of their serving in those capacities. The aggregate limit of liability applicable to the Insured Group under the insurance policies is \$50 million, including defence costs. If we have to indemnify the Insured Group, we have reimbursement coverage over a deductible of \$500,000 for each loss. The premium for the Directors' and Officers' liability insurance was \$250,975 for the May 1, 2011 to April 30, 2012 policy year.

TMX Group's by-laws also require us to indemnify our Directors and officers, and we have entered into indemnification agreements with our Directors, officers and certain employees which indemnify them from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain limitations.

Indebtedness of Directors and Officers

In connection with the LSEG Merger announcement, Ms Hoffman was granted a forgivable loan in the amount of \$376,700. The loan is forgivable in full on the earliest of: (i) the date Ms. Hoffman is terminated (excluding a with cause termination or resignation); or (ii) on August 9, 2012, the eighteen month anniversary of the execution of the LSEG Merger agreement.

No other Directors or officers were indebted to TMX Group as at December 31, 2011 or at any time during 2011.

Additional Items Available

Documentation

We are a reporting issuer under the securities acts of all of the provinces and territories of Canada and we are therefore required to file consolidated financial statements and information circulars with the various securities commissions. We have filed our annual information form with those securities commissions which, among other things, contained all of the disclosure required by Form 52-110F1 under National Instrument 52-110 — *Audit Committees*. We provide additional financial information in our comparative financial statements for our most recently completed financial year and our management's discussion and analysis, contained in our 2011 Annual Report. The Circular, annual information form, annual consolidated financial statements and the related annual management's discussion and analysis, our 2011 Annual Report and any interim financial statements, along with the related interim management's discussion and analysis filed after the filing of the most recent annual financial statements may be found on SEDAR at www.sedar.com and on our website at www.tmx.com. You may also obtain these documents by contacting our Investor Relations Department by e-mail at shareholder@tmx.com.

Finance and Audit Committee

The Finance and Audit Committee of the TMX Group Board is composed entirely of independent Directors who meet the independence and financial literacy requirements set out in National Instrument 52-110 — *Audit Committees*. The Finance and Audit Committee is composed of five Directors: J. Spencer Lanthier (Chair), Raymond Chan, Denyse Chicoyne, Harry A. Jaako and Kathleen M. O'Neill. The committee's complete Charter is available on our website at www.tmx.com.

The Finance and Audit Committee assists the TMX Group Board in fulfilling its responsibilities to oversee and supervise financial, audit and accounting matters. The committee supervises the adequacy of our internal controls and financial reporting practices and procedures and the quality and integrity of our audited and unaudited financial statements, including through discussions with our external auditor. The committee reviews our business plan and operating and capital budgets and management's reports on pension plan oversight. The committee is responsible for ensuring efficient and effective assessment of risk and its management throughout TMX Group.

Corporate Governance

Under National Instrument 58-101 — Disclosure of Corporate Governance Practices, we are required to disclose information relating to our corporate governance practices. Our disclosure is set out in Schedule C to this Circular and an overview of our corporate governance practices is contained under the heading "Statement of Corporate Governance Practices" in our 2011 Annual Report.

The Charter of the TMX Group Board, which includes the principal responsibilities of the Chair of the TMX Group Board and the Chief Executive Officer is attached as Schedule E to this Circular. The charter for each Committee of the TMX Group Board is available on our website at www.tmx.com under the Investor Relations tab. The Code of Conduct for Directors of TMX Group and the Code of Conduct for Employees of TMX Group are also available in the same location and on SEDAR at www.sedar.com.

Communication with the TMX Group Board

Shareholders who would like to communicate with the TMX Group Board should contact us using email at shareholder@tmx.com. Your communication will be provided to the TMX Group Board for its consideration and response, if required.

TMX Group Board's Approval

The TMX Group Board has approved the contents and sending of this Circular to the shareholders.



Sharon C. Pel

Senior Vice President, Group Head of Legal and Business Affairs

Toronto, Ontario

March 30, 2012

Schedule A

Record of Attendance by Directors in 2011

Each member of the TMX Group Board is expected to attend all regularly scheduled TMX Group Board and Committee meetings and, where practicable, all special meetings, and be, in all cases fully prepared for those meetings.

Attendance by TMX Group Board/Committee					
TMX Group Board/ Committee	Number of Regular Scheduled Meetings	Number of Special Meetings	Total Number of Regular and Special Meetings	Attendance at all Meetings	Attendance at Regularly Scheduled Meetings (1)
TMX Group Board	9	25	34	97%	98%
Finance and Audit Committee	5	1	6	97%	96%
Governance Committee	4		4	100%	100%
Human Resources Committee	4		4	100%	100%
Public Venture Market Committee	4		4	94%	94%

Attendance by Director									
Director	All Meetings							Regularly Scheduled Meetings	
	TMX Group Board	Finance and Audit Committee	Governance Committee	Human Resources Committee	Public Venture Market Committee	Total		Total	
Wayne Fox	34/34		4/4	4/4		42/42	100%	17/17	100%
Tullio Cedraschi	32/34		4/4	4/4		40/42	95%	17/17	100%
Raymond Chan	34/34	6/6		4/4		44/44	100%	18/18	100%
Denyse Chicoyne	34/34	6/6				40/40	100%	14/14	100%
John A. Hagg	32/34			4/4	4/4	40/42	95%	17/17	100%
Harry A. Jaako	33/34	5/6			4/4	42/44	95%	17/18	94%
Thomas A. Kloet	34/34					34/34	100%	9/9	100%
J. Spencer Lanthier	34/34	6/6	4/4			44/44	100%	18/18	100%
Jean Martel	34/34				3/4	37/38	97%	12/13	92%
John P. Mulvihill	33/34		4/4			37/38	97%	12/13	92%
Kathleen M. O'Neill	34/34	6/6	4/4			44/44	100%	18/18	100%
Gerri B. Sinclair	34/34			4/4	4/4	42/42	100%	17/17	100%
Jean Turmel(2)(3)	8/10		2/3			10/13	77%	5/6	83%
Laurent Verreault(3)	19/23			2/2		22/25	88%	6/6	100%

- (1) TMX Group Board and Committee meeting dates are scheduled more than a year in advance. The attendance record for “all meetings” includes special meetings of the TMX Group Board and each Committee while the attendance record for “regularly scheduled meetings” does not.
- (2) Jean Turmel, a member of the TMX Group Board, is also a member of the board of Ontario Teachers' Pension Plan, which is an investor in Maple and, as such, recused himself from the deliberations regarding Maple and therefore did not participate in any board meetings where Maple matters were discussed. His meeting attendance excludes meetings that he was recused from.
- (3) Messrs. Turmel and Verreault retired from the TMX Group Board on June 30, 2011.

Schedule B

List of Comparators

2011 Competitive Update – Chief Executive Officer

International Exchanges	
Australian Stock Exchange Ltd. CBOE Holdings, Inc. CME Group Inc. Deutsche Börse AG IntercontinentalExchange, Inc.	London Stock Exchange Group plc The Nasdaq OMX Group, Inc. NYSE Euronext, Inc. Singapore Exchange Ltd.

2010 Competitive Review – Senior Executives

International Exchanges		
CBOE Holdings, Inc. CME Group Inc. Deutsche Börse AG IntercontinentalExchange, Inc.		The Nasdaq OMX Group, Inc. NYSE Euronext, Inc. Singapore Exchange Ltd.
Canadian Financial Services		
Aon Reed Stenhouse Inc. ATB Financial Aviva Canada Inc. Fiera Capital Inc. Eight Canadian Chartered Banks The Great-West Life Assurance Company		IGM Financial Inc. Intact Financial Corporation Manulife Financial Corporation McLean Budden Limited OPSEU Pension Trust
General Industry		
AGF Management Ltd. Advanced Micro Devices, Inc. Agrium Inc. Air Canada Atco Ltd. Barrick Gold Corporation BCE Inc. Bell Aliant Inc.	Gaz Metropolitain Inc. Gerdau Ameristeel Corporation Husky Energy Inc. IAMGold Corporation Imperial Oil Limited Inter Pipeline Fund Kinross Gold Corporation Maple Leaf Foods Inc.	Power Corporation of Canada Pratt & Whitney Canada Corp. Research In Motion Limited Sears Canada Inc. ShawCor Ltd. Shoppers Drug Mart Corporation SNC- Lavalin Group Inc. Sobeys Inc.

Bombardier Inc.	McCain Foods Ltd.	Stantec Inc.
CAE Inc.	MDS Inc.	Talisman Energy Inc.
Canadian National Railway Company	Methanex Corporation	Teck Cominco Ltd.
Canadian Natural Resources Limited	Molson Coors Canada Inc.	TELUS Corporation
Canadian Oil Sands Limited	Manitoba Telecom Services Inc.	Tembec Inc.
Canadian Pacific Railway Limited	NAL Resources	Terasen Gas Inc.
Canadian Tire Corporation, Limited	Nexen Inc.	TransAlta Corporation
Capital Power Corporation	Nortel Networks Corporation	TransCanada Corporation
Celestica Inc.	NOVA Chemicals Corporation	Transcontinental Inc.
CGI Group Inc.	Open Text Corporation	UAP Inc.
Cogeco Inc.	Pengrowth Energy Trust	Uni-Select Inc.
Domtar Inc.	PepsiCo, Inc.	Vermilion Energy Trust
Enbridge Inc.	Petro-Canada	Vidéotron Ltée
EnCana Corporation	Potash Corporation of Saskatchewan	WestJet Airlines Ltd.
Finning International Inc.		World Colour Press Inc.

Schedule C

Corporate Governance Practices

We believe that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. Our 2011 Annual Report contains an overview of our corporate governance practices. Our corporate governance practices are aligned with National Instrument 58-101 — Disclosure of Corporate Governance Practices (the “National Instrument”) and National Policy 58-201 — Corporate Governance Guidelines. All information is as at March 5, 2012, unless otherwise indicated.

Board of Directors

1. (a) *Disclose the identity of directors who are independent.*

Of our nominees for the TMX Group Board, 11 out of 12 or approximately 92% are independent under the National Instrument, TMX Group’s recognition order issued by the Ontario Securities Commission (the “Recognition Order”) and under the TMX Group Board of Directors Independence Standards. In determining independence, we also consider those independence standards that apply to our subsidiaries, TSX Inc., TSX Venture Exchange Inc. and MX. Our independent nominees for election to the TMX Group Board are: Tullio Cedraschi, Raymond Chan, Denyse Chicoyne, Wayne C. Fox, John A. Hagg, Harry A. Jaako, J. Spencer Lanthier, Jean Martel, John P. Mulvihill, Kathleen M. O’Neill and Gerri B. Sinclair.

(b) *Disclose the identity of directors who are not independent, and describe the basis for that determination.*

A Director is not independent under the Recognition Order and the TMX Group Board of Directors Independence Standards if the Director has a material relationship with TMX Group. A “material relationship” is a relationship, which could, in the view of the TMX Group Board, be reasonably expected to interfere with the exercise of a Director’s independent judgment and includes indirect material relationships. A Director who is an employee, associate (within the meaning outlined in the applicable Board Independence Standards) or executive officer of a Participating Organization or Member of Toronto Stock Exchange or TSX Venture Exchange, or an Approved Participant or Foreign Approved Participant of MX (collectively, “POs”) is considered to have a material relationship with TMX Group. A PO is a broker dealer which is permitted access to the facilities of Toronto Stock Exchange, TSX Venture Exchange or MX for the purpose of trading securities including derivatives contracts on those exchanges. The TMX Group Board has determined that a non-independent Director under the Recognition Order and the TMX Group Board of Directors Independence Standards is to be considered a non-independent Director under the National Instrument. The Recognition Order requires that at least 50% of TMX Group’s Directors be independent. The TMX Group Board of Directors Independence Standards can be found on our website at www.tmx.com.

One nominee for election to the TMX Group Board, Mr. Kloet, is not an independent Director under the National Instrument and the Recognition Order. Mr. Kloet is the Chief Executive Officer of TMX Group.

The Governance Committee, on at least an annual basis, reviews the relationship of each Director with TMX Group to determine which Directors are independent under the National Instrument, the Recognition Order and the TMX Group Board of Directors Independence Standards. A review is also undertaken each time a Director is appointed between annual shareholder meetings. The Governance Committee advises the TMX Group Board of its findings, for consideration by the TMX Group Board.

To assist the Governance Committee and the TMX Group Board with their determinations, all Directors annually complete a detailed questionnaire about their business relationships and shareholdings, and advise us during the course of the year of any material changes to their responses.

- (c) *Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.*

Of the nominees for the TMX Group Board, 11 out of 12 or approximately 92% are independent under the National Instrument, TMX Group's Recognition Order and the TMX Group Board of Directors Independence Standards.

- (d) *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

Certain of TMX Group's Directors are Directors of other reporting issuers. Please refer to the Directors' personal information beginning on page 6 of this Circular for directorships of other reporting issuers for each Director.

- (e) *Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.*

At each TMX Group Board and Committee meeting, the independent Directors hold regularly scheduled meetings at which non-independent Directors and management are not present. During 2011, the TMX Group Board and its Committees held 52 meetings of solely independent Directors as follows:

TMX Group Board	34
Finance and Audit	6
Governance.....	4
Human Resources	4
Public Venture Market	4

- (f) *Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent, nor a lead director that is independent describe what the board does to provide leadership for its independent directors.*

Wayne C. Fox is the Chair of the TMX Group Board and an independent Director. The Chair of the TMX Group Board is selected by the TMX Group Board from the Directors elected by the shareholders. He provides leadership to the TMX Group Board in matters relating to the effective execution of all TMX Group Board responsibilities and works with the Chief Executive Officer to ensure that the organization fulfills its responsibilities to stakeholders including shareholders, employees, customers, regulatory agencies, governments and the public. His responsibilities are set out in the TMX Group Board's Charter which is attached hereto as Schedule E and can also be found on our website at www.tmx.com.

- (g) *Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.*

Please refer to Schedule A — Record of Attendance by Directors in 2011 on page 71 of this Circular.

2. *Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.*

The text of the TMX Group Board's Charter is attached hereto as Schedule E and can also be found on our website at www.tmx.com. The Charter is reviewed at least annually.

3. (a) *Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.*

The TMX Group Board has developed written position descriptions for the Chair of the TMX Group Board and the chair of each TMX Group Board committee. The descriptions are set out in their respective charters. The TMX Group Board Charter is attached hereto as Schedule E. The complete charters of the TMX Group Board, the Finance and Audit Committee, the Governance Committee, the Human Resources Committee, and the Public Venture Market Committee can be found on our website at www.tmx.com. All charters are reviewed at least annually.

- (b) *Disclose whether or not the board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the board and Chief Executive Officer have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the Chief Executive Officer.*

The TMX Group Board's Charter sets out the role and responsibilities of the TMX Group Board, the Chair and the Chief Executive Officer. The TMX Group Board reviews such roles and responsibilities on an annual basis. The TMX Group Board Charter is attached hereto as Schedule E and can also be found on our website at www.tmx.com.

The Human Resources Committee conducts an annual review of the performance of the Chief Executive Officer, as measured against corporate and personal objectives established at the beginning of the year jointly by the Human Resources Committee and Chief Executive Officer and approved by the TMX Group Board. The results of this annual review are communicated to the TMX Group Board which then makes an evaluation of the overall performance of TMX Group and the Chief Executive Officer. The evaluation is used by the Human Resources Committee in making its recommendation to the TMX Group Board concerning the Chief Executive Officer's annual compensation.

Orientation and Continuing Education

4. (a) *Briefly describe what measures the board takes to orient new directors regarding:*
- (i) *the role of the board, its committees and its directors; and*
 - (ii) *the nature and operation of the issuer's business.*

The Governance Committee oversees and makes recommendations to the TMX Group Board regarding the orientation of new Directors. TMX Group maintains orientation and ongoing education programs for Directors, (including new Directors) and regularly reviews these programs. TMX Group provides new Directors with a Directors' Manual, which serves as a corporate reference, as well as with orientation materials describing its business, strategy, objectives and initiatives. This assists new Directors to understand the nature and operation of our businesses and the role of the TMX Group Board and its committees, as well as the contribution individual Directors are expected to make. New Directors also attend at our offices to meet with TMX Group's executive officers, including the Chief Executive Officer and Chief Financial Officer, to discuss the business functions, initiatives, values and strategies of TMX Group and the contribution individual Directors are expected to make. To assist a new Director, the Governance Committee assigns a TMX Group Board member as a mentor to the new Director.

- (b) *Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary for them to meet their obligations as directors.*

Directors receive a comprehensive package of information prior to each TMX Group Board and committee meeting and prior to each strategic planning session. As well, each committee delivers a report to the full TMX Group Board on its work after each committee meeting. Also, the Chief Executive Officer and all non-employee Directors are invited to attend all committee meetings regardless of whether they are sitting members of a committee. Presentations on different aspects of our business are regularly made to the TMX Group Board.

We also provide the TMX Group Board with a variety of materials and presentations on an ad hoc basis, to keep them informed about internal developments as well as developments in, or which affect, our industry, the environment in which we operate, continuous disclosure obligations, accounting issues and best practices in corporate governance. All of these materials and other corporate materials are also accessible by Directors on a permanent, secure extranet.

Directors, with the approval of the Chair, may seek additional professional development education at the expense of TMX Group. As well, all Directors are members, at our expense, of the Institute of Corporate Directors (“ICD”) where Directors have access to ICD events and publications which provide an additional source of relevant information.

Ethical Business Conduct

5. (a) *Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:*
- (i) *disclose how a person or company may obtain a copy of the code;*
 - (ii) *describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and*
 - (iii) *provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.*

The TMX Group Board has approved a Board Code of Conduct for the Directors and an Employee Code of Conduct for officers and employees of TMX Group and its subsidiaries, both of which provide guidance on ethical issues and establish mechanisms to report unethical conduct. The Codes of Conduct may be found on our website at www.tmx.com and may be found on SEDAR at www.sedar.com. The Finance and Audit Committee also reviews with management that appropriate procedures exist for the receipt, retention and treatment of complaints received by TMX Group regarding accounting controls or auditing matters, the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, or any violation of the Codes of Conduct, and for the protection from retaliation of those who report such complaints in good faith.

The Governance Committee monitors compliance by members of the TMX Group Board with the TMX Group Board Code of Conduct and authorizes any waiver granted in connection with the TMX Group Board Code, and oversees the appropriate disclosure of any such waiver. The Governance Committee also reviews the TMX Group Board Code of Conduct at least annually. The Governance Committee has not granted any waivers in connection with the TMX Group Board Code.

The Finance and Audit Committee ensures that adequate and effective systems are in place to enforce compliance with our Employee Code of Conduct. The Human Resources Committee reviews the Employee Code of Conduct at least annually.

Each year, every Director, officer and employee must sign an acknowledgement that he or she has read, understood and complied with the Code of Conduct applicable to him or her. In 2011, each employee was required to watch an approximately 30 minute educational video and to successfully complete a test on the Employee Code of Conduct before being permitted to sign the acknowledgement.

No material change reports have been filed by TMX Group since the beginning of the most recently completed financial year that pertain to any conduct of a Director or executive officer that constitutes a departure from either Code of Conduct.

- (b) *Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.*

Through the annual Director's Questionnaire, Directors are asked to identify if a conflict of interest currently exists or could potentially exist between him or her and TMX Group or any of its subsidiaries or affiliates. This response allows the TMX Group Board and management to identify conflict of interest situations in advance. The TMX Group Board takes appropriate measures to ensure the exercise of independent judgment in considering transactions and agreements in respect of which a Director or executive officer may have a material interest. Where appropriate, Directors remove themselves from portions of TMX Group 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 in issue. The TMX Group Board Code of Conduct and corporate and securities legislation require disclosure of conflicts by individual Directors.

- (c) *Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.*

Each Director is responsible for understanding the roles and responsibilities of the TMX Group Board as a whole and of a Director as set out in the TMX Group Board Charter and in the TMX Group Board's Code of Conduct.

The TMX Group Board satisfies itself, to the extent feasible, as to the integrity of the Chief Executive Officer, other executive officers and individual Directors and that the Chief Executive Officer, other executive officers and individual Directors create a culture of integrity throughout TMX Group. We are also required under our Recognition Order to take reasonable steps to ensure that each officer or Director of TMX Group is a fit and proper person and the past conduct of each officer or Director affords reasonable grounds for belief that the officer or Director will perform his or her duties with integrity. Each officer and Director of TMX Group is required to complete a personal information form and consent to searches being conducted in order that his or her personal information can be verified for TMX Group by third parties.

In this manner the TMX Group Board encourages and ensures that a culture of ethical business conduct is maintained.

Nomination of Directors

6. (a) *Describe the process by which the board identifies new candidates for board nomination.*

The TMX Group Board has constituted a Governance Committee that is responsible for governance issues, including making recommendations to the TMX Group Board with respect to nominees to the TMX Group Board.

On May 1, 2008 we completed our business combination with MX. As a condition to obtaining the necessary approval for the combination, we agreed in the Undertaking to the AMF that 25% of our Directors will be residents of Québec. The Directors who are residents of Quebec are Ms. Chicoyne, Messrs. Cedraschi and Martel.

The TMX Group Board does not have a retirement policy or term limits for its Directors. The Governance Committee reviews on an ongoing basis the composition of the TMX Group Board, including the current strengths, skills and experiences on the TMX Group Board and our strategic direction. The Governance Committee identifies any gaps in the TMX Group Board's composition and seeks to fill those gaps. Qualities such as integrity, good character and high regard in his or her community or professional field will always be a basic criteria for TMX Group Board members. The Governance Committee will also consider independence, professional or board expertise, capital markets experience, public venture market experience, derivatives market experience, energy market experience, clearing experience, technology expertise and regulated company experience. As well, representation from geographic regions relevant to TMX Group's strategic priorities and Quebec residency requirements are taken into consideration. The objective is to ensure the TMX Group Board's composition provides the appropriate mix of skills and experience to guide the strategies and business operations of TMX Group. The Governance Committee generally retains outside consultants to assist in conducting searches for appropriate nominees. In addition, the Governance Committee maintains a list of potential Director candidates for its consideration which is reviewed annually.

Prospective nominees to the TMX Group Board are made aware of their duties, responsibilities and time commitment expectations as a Director.

The complete charter of the Governance Committee is set out on our website at www.tmx.com.

- (b) *Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.*

The Governance Committee acts as the nominating committee of the TMX Group Board, and is composed entirely of independent Directors.

- (c) *If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.*

Our Governance Committee, which acts as our nominating committee, is responsible for providing the TMX Group Board with recommendations relating to corporate governance in general, including (i) all matters relating to the stewardship role of the TMX Group Board in respect of the management of TMX Group, (ii) TMX Group Board size and composition, including the nominee selection process and orientation of new Directors, (iii) TMX Group Board compensation, and (iv) such procedures as may be necessary to allow the TMX Group Board to function independently of management and non-independent Directors.

See the charter of the Governance Committee set out in our website at www.tmx.com for a complete description of the responsibilities, powers and operation of the Governance Committee.

Compensation

7. (a) *Describe the process by which the board determines the compensation for the issuer's directors and officers.*

The Governance Committee at least annually reviews and makes recommendations to the TMX Group Board for its consideration on compensation levels for the Directors. To assist in making such recommendations the Governance Committee relies on external consultants to provide relevant benchmarks.

Non-employee Directors must achieve ownership of \$250,000 of TMX Group Shares (including ownership of TMX Group DSUs issued under the TMX Group Non-Executive Directors DSU Plan) over a five year period. Until the mandated level of ownership is reached, Directors must take at least 50% of their TMX Group Board and Committee compensation in the form of TMX Group DSUs (although Directors are free to elect a higher level of TMX Group DSU participation).

The Human Resources Committee reviews and makes recommendations to the TMX Group Board regarding the annual compensation of our Chief Executive Officer and reviews and approves the annual compensation for our officers and other executives. In addition, the Human Resources Committee is responsible for overseeing the compensation policies and programs for our executives. The TMX Group Board has the final approval on the compensation philosophy, guidelines and plans for compensation of executive officers.

In determining compensation for our executive officers, the Human Resources Committee relies on external consultants to provide relevant benchmark information and to assist in the review and design of pay programs. Please refer to Compensation Discussion and Analysis starting on page 26 of this Circular.

- (b) *Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.*

The Human Resources Committee acts as the compensation committee of the TMX Group Board, and is composed entirely of independent Directors.

- (c) *If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.*

One of the principal responsibilities of the Human Resources Committee is to review and make recommendations to the TMX Group Board regarding the annual compensation of our Chief Executive Officer and to review and approve the annual compensation of our other executives. The Human Resources Committee is also responsible for overseeing the compensation policies and programs for executives and reviewing and recommending to the TMX Group Board for its approval any employee incentive or share plan. In addition, the Human Resources Committee reviews executive succession plans, including that of the Chief Executive Officer. The Human Resources Committee also reviews executive compensation disclosure before it is publicly disclosed.

The TMX Group Board has the final approval on the compensation philosophy, guidelines and plans for compensation of executive officers.

The complete charter of the Human Resources Committee is set out on our website at www.tmx.com.

- (d) *If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.*

Towers Watson's total fees for 2011 were \$193,237, including \$26,824 for general executive compensation consulting, \$6,051 for director compensation review, \$20,900 for the Compensation Risk Review and \$139,462 for compensation issues related to merger and acquisitions.

For 2010, Towers Watson's total fees were \$177,973, including \$102,479 for general executive compensation consulting, \$19,485 for director compensation review and \$56,009 for compensation issues related to merger and acquisitions.

Towers Watson - All Other Fees:

Towers Watson's fees for 2011 and 2010 were and \$12,550 and \$17,165, respectively for broader-based pay advice on regulatory and benefit matters.

The Chair of the Human Resources Committee must pre-approve all services provided by Towers Watson to TMX Group at the request of management.

Mercer provides TMX Group with consulting and administrative services related to our pension plans. Total fees paid to Mercer were \$216,233 in 2011 and \$301,435 in 2010.

The Governance Committee retained the services of Towers Watson to provide the Governance Committee with advice and information in determining TMX Group Board compensation. Fees paid to Towers Watson for TMX Group Board compensation advice were \$6,051 in 2011 and \$19,485 in 2010.

Other Board Committees

8. *If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

TMX Group has in total four standing TMX Group Board committees: the Finance and Audit Committee, the Governance Committee, the Human Resources Committee, and the Public Venture Market Committee. The charters of each of these committees are available on our website at www.tmx.com.

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. with respect to such markets.

Assessments

9. *Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.*

The Governance Committee is responsible for making an annual assessment of the overall performance of the TMX Group Board, its committees and all of the individual Directors. This evaluation is conducted internally by written self-assessment and peer questionnaires and through formal interviews of each Director (other than the Chair) by the Chair of the TMX Group Board and of the Chair by the chair of the Governance Committee. The Chair will share peer feedback with each Director as appropriate. The Chair will discuss the results of the individual evaluations with the Chair of the Governance Committee and report summary findings to both the Governance Committee and to the full TMX Group Board. The results of the assessments are reviewed by the Governance Committee and changes, as required, are then implemented to improve TMX Group Board performance and effectiveness.

Schedule D

Termination Provisions

The following table summarizes the termination provisions for each of our compensation programs.

Plan	Resignation	Without Just Cause	For Just Cause	Retirement	Death
Salary	Ceases on termination date	Treatment of salary is subject to applicable severance provisions	Ceases on termination date	Ceases on retirement date	Ceases on the date of death
STIP	Must be an employee on date of payment otherwise payment is forfeited	Treatment of STIP is subject to applicable severance provisions	Must be an employee on date of payment otherwise payment is forfeited	Pro-rated payment based on time worked during applicable year	Pro-rated payment based on time worked during applicable year
TMX Group RSUs ⁽¹⁾	All TMX Group RSUs are forfeited	Pro-rated payment based on time and performance vesting	All TMX Group RSUs are forfeited	Pro-rated payment based on time and performance vesting	Pro-rated payment based on time and performance vesting
Share Options Further to the termination provisions, no Share Option may be exercised after the Share Option's stated expiration date	Unvested Share Options are forfeited on termination date; 30 days to exercise Share Options that were vested as at the date of termination	Unvested Share Options are forfeited on termination date (does not include any notice period or severance); 90 days to exercise Share Options that were vested as at the date of termination	All unvested and vested Share Options are forfeited on termination date	Unvested Share Options are forfeited on retirement date (does not include any period of notice period or severance); 36 months to exercise Share Options that were vested as at the date of retirement	Unvested Share Options are forfeited on date of death; legal representative(s) has twelve (12) months to exercise Share Options that were vested as at the date of death
MX Replacement Options Further to the termination provisions, no MX Replacement Option may be exercised after the MX Replacement Option's stated expiration date	Unvested MX Replacement Options are forfeited on date employee provides notice of resignation; 30 days to exercise MX Replacement Options that were vested as at the date the employee provides notice of resignation	Unvested MX Replacement Options are forfeited on the date the employee is given notice of termination; 90 days to exercise MX Replacement Options that were vested as at the termination date	All unvested and vested MX Replacement Options are forfeited on the date the employee is given notice of termination	Unvested MX Replacement Options are forfeited on retirement date or date of leave of absence; twelve (12) months to exercise MX Replacement Options that were vested as at the date of retirement	The vesting date of any unexercised Replacement Option shall be accelerated to the date of death, including options with the performance criteria. Legal representative(s) has 180 days to exercise MX Replacement Options
TMX Group DSUs ⁽²⁾	If a Canadian employee retires or otherwise ceases to be an employee (other than for reason of death), the employee must file a notice of redemption on or before December 15 of the first calendar year which commences after the date of retirement or termination. If a U.S. employee retires or otherwise ceases to be an employee (other than for reason of death), the employee's TMX Group DSUs will be redeemed on the date the employee ceases to be an employee.				Within 90 days (in the case of a Canadian employee) or 30 days (in the case of a U.S. employee) of the employee's death, we must redeem all of the employee's TMX Group DSUs and make a lump sum cash payment to or for the benefit of the legal representative of the employee

Plan	Resignation	Without Just Cause	For Just Cause	Retirement	Death
Benefits	Cease on termination date	Continue through severance period	Cease on termination date	Eligible for retiree benefits	Cease on date of death (if applicable, dependent survivor will maintain coverage for 2 years)
Perquisites	Cease on termination date	Continue through severance period	Cease on termination date	Cease on retirement	Cease on date of death

- (1) Termination provisions do not apply to the TMX Group Special Retention RSUs. TMX Group Special Retention RSUs will be forfeited in all instances of resignation, termination for any reason, retirement or death prior to their vesting date of February 17, 2014.
- (2) Termination provisions apply to the TMX Group Special Retention DSUs only after they have vested. TMX Group Special Retention DSUs will be forfeited in all instances of resignation, termination for any reason, retirement or death prior to their vesting date of February 17, 2014.

Schedule E

TMX Group Inc.

Board Charter

1. General

The primary responsibility of the Board of Directors of the Corporation (the “Board”) is to provide governance and stewardship to the Corporation.

The Board will appoint a competent executive management team to run the day-to-day operations of the Corporation and will oversee and supervise the management of the business of the Corporation by that team. The Board will oversee the Corporation’s systems of corporate governance and financial reporting and controls to ensure that the Corporation reports adequate and fair financial information to shareholders and engages in ethical and legal corporate conduct.

The Board will carry out its mandate directly and through the following committees of the Board (and such other committees as it appoints from time to time): the Finance and Audit Committee, the Human Resources Committee, the Governance Committee and the Public Venture Market Committee.

Appointment and Supervision of Management

The Board will:

- Appoint the Chief Executive Officer (“CEO”) and other senior officers comprising the executive officers, provide them with advice and counsel and monitor the performance of the CEO against a set of mutually agreed corporate objectives directed at maximizing shareholder value and approve CEO compensation.
- Establish a process to adequately provide for management succession.
- Establish boundaries between the Board and management responsibilities and establish limits of authority delegated to management.
- Satisfy itself, to the extent feasible, as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Corporation.
- Review and consider for approval all material amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy.

Strategic Planning, Risk Management The Board will:

The Board will:

- Maintain a strategic planning process and review and approve annually a corporate strategic plan and vision which takes into account, among other things, the opportunities and risks of the business on a long-term and short-term basis.
- Review and approve management’s strategic and operational plans to ensure they are consistent with the corporate vision.
- Monitor the Corporation’s performance against both short-term and long-term strategic plans and annual performance objectives.

- Confirm that a management system is in place to identify the principal risks to the Corporation and its business and that appropriate procedures are in place to monitor and mitigate those risks.
- Confirm that management processes are in place to address and comply with applicable regulatory, corporate, securities and other compliance matters.
- Confirm that processes are in place to comply with the Corporation's by-laws, Codes of Conduct, all recognition orders and exemption orders issued in respect of the Corporation by applicable securities regulatory authorities, and all other significant policies and procedures.

Financial Reporting and Management

The Board will:

- Approve the Corporation's financial statements and review and oversee the Corporation's compliance with applicable audit, accounting and financial reporting requirements.
- Approve annual operating and capital budgets.
- Confirm the integrity of the Corporation's internal control and management information systems.
- Review operating and financial performance results relative to established strategy, budgets and objectives.
- Review and assess the adequacy of the Finance and Audit Committee Charter on an annual basis.

Shareholder Communication

The Board will:

- Confirm that management has established a system for effective corporate communications including processes for consistent, transparent, regular and timely public disclosure.
- Approve the adoption of a disclosure policy relating to, among other matters, the confidentiality of the Corporation's business information.
- Report annually to shareholders on the Board's stewardship for the previous year.
- Determine appropriate criteria against which to evaluate corporate performance against shareholder expectations and confirm that the Corporation has a system in place to receive feedback from shareholders.

Corporate Governance

The Board will:

- Establish an appropriate system of corporate governance including practices to permit the Board to function independently of management and non-independent directors.

- Establish committees and approve their respective charters and the limits of authority delegated to each committee.
- As required, establish a CEO Search Committee, or instruct the Governance Committee or the Human Resources Committee, to recommend to the Board for approval a candidate for appointment as CEO.
- Determine Board member qualifications.
- Establish appropriate processes for the regular evaluation of the effectiveness of the Board, its chair, all the committees of the Board and their respective chairs, and all the members of the Board and its committees.
- Review on an annual basis whether any two or more Board members sit on the board of another corporation (other than any of the Corporation's subsidiaries) and whether the composition of the Board needs to be changed to eliminate these interlocks.
- Approve the nomination of directors.
- Review the adequacy and form of directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.
- Meet without management or non-independent directors present.
- Establish a minimum attendance expectation for Board members in respect of Board and committee meetings, keeping in mind the principle that the Board believes that all directors should attend all meetings of the Board and each committee on which he or she sits, and review in advance all the applicable materials for such meetings.

Codes of Conduct

The Board will:

- Adopt a Board Code of Conduct and an Employee Code of Conduct (collectively, the "Codes of Conduct") and monitor compliance with those codes.
- Approve any waivers and ensure disclosure of any waivers of the Codes of Conduct in the Corporation's annual report or management information circular.

The Chair of the Board

The Chair of the Board is selected by the Board from the Directors elected by the shareholders. He/she provides leadership to the Board in matters relating to the effective execution of all Board responsibilities and works with the CEO to ensure that the organization fulfills its responsibilities to stakeholders including shareholders, employees, customers, governments and the public. The Chair of the Board will be a director other than the CEO.

The Chair of the Board will:

- Provide effective leadership so that the Board can function independently of management by ensuring that the Board meets regularly without management and non-independent directors, and that the Board may engage outside advisors as required subject to any approvals determined by the Board.

- Establish procedures to govern the Board's work including:
 - together with the corporate secretary, scheduling meetings of the Board and its committees;
 - chairing all meetings of the Board;
 - encouraging full participation, stimulating debate, facilitating consensus and ensuring clarity regarding decision-making;
 - developing the agenda for Board meetings with input from other Board members and management;
 - together with the corporate secretary, ensuring proper and timely information is delivered to the Board;
 - ensuring that the Board has appropriate administrative support; and
 - addressing complaints, questions and concerns regarding Board matters.
- Ensure the Board fully exercises its responsibilities and duties and complies with applicable governance and other policies.
- Meet or communicate regularly with the CEO regarding corporate governance matters, corporate performance and feedback from Board members.
- Act as a liaison between the Board and management.
- Serve as advisor to the CEO and other officers.
- Together with the Board's Governance Committee, establish appropriate committee structures, including the assignment of Board members and the appointment of committee chairs.
- Ensure that adequate orientation and ongoing training programs are in place for Board members.
- Together with the Board's Governance Committee, establish performance criteria for the Board and for individual Board members and co-ordinate the evaluation of performance and reporting against these criteria.
- Work with the Board or appropriate Board committee to establish performance criteria for the CEO and to facilitate the evaluation of the CEO's performance.
- Work with the Board's Human Resources Committee to establish and manage a succession program for the CEO's position.
- Oversee matters relating to shareholder relations and chair meetings of the shareholders.
- Work with the CEO to represent the Corporation to external stakeholders including shareholders, the investment community, governments and communities.

The Chair of the Board's performance will be measured against the following key metrics:

- The effectiveness with which the Board functions, including satisfaction of Board members regarding the functioning of the Board.
- The extent to which the Corporation carries out its responsibilities to shareholders, employees, customers, governments, and the public.

- The quality of communications between the Board and management, including satisfaction of members of management and Board members regarding this communication.

The Chief Executive Officer

The CEO is accountable to the Board for achieving corporate goals and objectives within specified limitations and in accordance with the CEO's performance objectives determined annually by the Board.

The CEO will:

- Provide worldwide vision and leadership for the Corporation.
- Develop and recommend corporate strategies, and business and financial plans for the approval of the Board.
- Execute the corporate strategy to achieve profitable growth and maximize shareholder value for the Corporation's shareholders.
- Manage the business operations in accordance with the strategic direction approved by the Board and within operational policies as determined by the Board, including, as applicable:
 - Protecting the core business of the Corporation,
 - Extending the Corporation's pre-eminent position in the Canadian exchange space, and
 - Examining selective opportunities to expand outside Canada.
- Challenge management to set and achieve viable annual and long-term strategic and financial goals.
- Recommend appropriate rewards and incentives for management.
- Monitor the performance of management against a set of agreed corporate objectives directed at maximizing shareholder value within reasonable risk parameters.
- Develop and execute effective succession plans that help to minimize succession risk for the Corporation.
- Work with external stakeholders to enhance the competitiveness of Canadian capital markets.
- Report information from management to the Board in a manner and time so that the Board may effectively monitor and evaluate corporate (operational and financial) performance against stated objectives and within executive limitations.
- Report to the Board on relevant trends, anticipated media and analyst coverage, material external or internal changes, and any changes in the assumptions upon which any Board decision or approval has previously been made.
- Advise the Board if, in the CEO's opinion, the Board is not in compliance with its own policies, or legal and/or regulatory requirements.
- Provide the Board with all information and access that the Board may require in order to make fully-informed decisions.
- Report in a timely manner any actual or anticipated non-compliance with any Board approved policy or decision.



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