APPLICATION

This code of conduct (the “Board Code”) applies to you if you are a member of the board of directors (each a “Board”) of any of the following entities (each a “Corporation” and collectively the “Corporations”):

- TMX Group Limited,
- TSX Inc.,
- Bourse de Montréal Inc. (“MX”),
- TSX Venture Exchange Inc., and
- Alpha Exchange Inc.

GUIDING PRINCIPLES

Each Corporation’s essential objective is to uphold ethical standards in all of its corporate activities. The purpose of the Board Code is to foster a climate of honesty, truthfulness and integrity. No code, however, can replace the thoughtful behaviour of an ethical director.

The Governance and Regulatory Oversight Committee of TMX Group Limited (the “Governance and Regulatory Oversight Committee”) is responsible for setting the standards of business conduct contained in the Board Code. It recommends to the Board of each Corporation updates to these standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to each Corporation, the business practices within each Corporation’s industry, each Corporation’s own business practices, and the prevailing ethical standards of the communities in which the Corporations operate. It is each director’s individual responsibility to comply with the Board Code.

OBLIGATIONS

1. Every director of a Corporation in exercising his or her powers and in discharging his or her duties shall comply with all applicable laws, rules and regulations in all matters, and shall, including in accordance with the applicable provisions of the Canada Business Corporations Act, the Business Corporations Act (Ontario) or the Business Corporations Act (Alberta) and the common law, or the Business Corporations Act (Québec) and the Civil Code of Québec, as the case may be:

   (a) act honestly and in good faith with a view to the best interests of the Corporation;
(b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;

(c) exercise his or her director’s powers for the purpose for which they were intended;

(d) ensure that the director’s personal interest and his or her duty to the Corporation are not brought into conflict;

(e) ensure that the director does not obtain or receive, directly or indirectly, a personal profit, gain or benefit as a result of his or her relationship with the Corporation; and

(f) exercise his or her director’s powers having regard to the regulatory and public interest mandate of a recognized exchange.

2. Every director shall endeavour to deal fairly with each Corporation’s security holders, customers, suppliers, competitors and employees. No director shall take unfair advantage of any such person through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair or unlawful dealing practice.

3. Every director has a duty to preserve and protect confidential information of each Corporation and its subsidiaries. This duty of confidentiality continues even after the director no longer serves on the board of the Corporation. Confidential information of a Corporation and its subsidiaries includes all information about the Corporation’s and its subsidiaries’ business, including marketing plans, agreements, customer lists, databases, trade secrets, intellectual property as well as information about competitive and strategic matters, and undisclosed material information.

4. Directors must take all reasonable steps to protect confidential information, including the following:

(a) controlling access to confidential information;

(b) discussing confidential information with others only in the necessary course of business (and then with due care);

(c) not discussing confidential information in public places, such as airplanes, elevators and restaurants;

(d) keeping documents containing confidential information secure so they cannot be lost, stolen or viewed by individuals without a need to know, and taking steps to secure sensitive information when it is unattended;

(e) safeguarding documents being taken away from the Corporation’s premises;
(f) determining whether documents containing confidential information should be shredded or otherwise destroyed prior to disposal; and

(g) not sharing confidential information about the Corporation with companies that are, or may be, seeking to provide products or services to the Corporation, except as required in any bidding process after authorization from the Corporation.

5. Each director must take all reasonable steps to ensure that confidential information regarding marketplace\(^1\) operations, regulation functions, a marketplace participant\(^2\) of any marketplace owned or operated by TMX Group Limited or TMX Group Limited’s affiliated entities (a “TMX Marketplace”) or a person or company whose securities are listed on a TMX Marketplace that is obtained by such director through his or her involvement in the management or oversight of marketplace operations or regulation functions of a TMX Marketplace:

(a) be kept separate and confidential from the business or other operations of such director, his or her employer, his or her business or any TMX Group Limited shareholder of which such director is a partner, director, officer or employee, except with respect to information regarding marketplace operations where disclosure is necessary to carry out such director’s responsibilities for the management or oversight of marketplace operations and such director can and does exercise due care in his or her disclosure of the information; and

(b) not be used to provide an advantage to such director, his or her employer, his or her business or any TMX Group Limited shareholder of which such director is a partner, director, officer or employee, or any of their affiliated entities.

6. If a director accidentally comes into possession of and then discloses or communicates confidential information of the Regulatory Division of MX (the "MX Regulatory Division"), whether or not it is to a third party or to the for-profit services of TMX Group Limited or one of its subsidiaries:

(a) that director must immediately report the breach in writing to the Assistant Corporate Secretary of TMX Group Limited, who will inform the appropriate committee of the TMX Group Limited Board within two days of receiving the report; and

(b) MX and the MX Regulatory Division, in consultation with the appropriate committee of the TMX Group Limited Board, will take the necessary measures to rectify any damages that may have been caused by this accidental disclosure or communication of confidential information.

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\(^1\) For this purpose, “marketplace” has the definition ascribed to it in Appendix A.

\(^2\) For this purpose, “marketplace participant” has the definition ascribed to it in Appendix A.
7. In discharging the general duty of undivided loyalty to a Corporation, every director who is:

(a) a party to a material contract or transaction or proposed material contract or transaction with the Corporation;

(b) a director or officer of any entity who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation; or

(c) a person who has a material interest in any entity which is a party to a material contract or transaction or proposed material contract or transaction with the Corporation,

shall disclose the nature and extent of his or her interest in writing to the Corporation, or request to have that interest entered in the minutes of the meeting of directors at which the contract or transaction is first considered. In addition, such director shall retire from the meeting, if required by the Board of that Corporation, while the discussion on the material contract or transaction or proposed material contract or transaction is taking place and shall refrain from voting on the subject under consideration, but this shall not prevent the Board from calling him or her into the meeting to answer any questions regarding the matter under discussion nor shall it release the director from his or her obligation to inform the Board of what he or she knows of the situation and of any concerns.

However, because it may be impractical for a director or officer who serves as a director or officer of another entity or who has a material interest in another entity to know that the entity is entering into a material contract or transaction with the Corporation (and therefore to give notice of every such material contract or transaction), it is sufficient for the director to deliver a general notice to the directors of the Corporation, declaring that he or she is a director or officer or has a material interest in an entity and is to be regarded as interested in any material contract or transaction made with that entity.

8. Every director who is a partner, director, officer or employee of a TMX Group Limited shareholder shall disclose such relationship in writing to the Corporation and shall, at the request of the Corporation, disclose the beneficial ownership of such shareholder. Such director shall ensure that he or she has no involvement with the oversight or management of the Corporation, except in the capacity of a director on the Board. In addition, such director shall retire from the meeting, if required by the Board of that Corporation, while discussion on a matter involving the management or oversight of the (i) marketplace operations or regulation functions of or a TMX Marketplace or (ii) the operations of The Canadian Depository for Securities Limited and CDS Clearing and Depository Services Inc., and the services and products provided by a TMX Marketplace or The Canadian Depository for Securities Limited and CDS Clearing and Depository Services Inc., as applicable, that would materially affect the specific interests of
the TMX Group Limited shareholder affiliated with such director is taking place and shall refrain from voting on the subject under consideration, but this shall not prevent the Board from calling him or her into the meeting to answer any questions regarding the matter under discussion nor shall it release the director from his or her obligation to inform the Board of what he or she knows of the situation and of any concerns.

9. If any director becomes aware of a situation of real, potential or perceived conflict of interest arising from TMX Group Limited’s interest in TSX Inc., Alpha Exchange Inc., The Canadian Depository for Securities Limited and CDS Clearing and Depository Services Inc.

(a) he or she must immediately report it in writing to the Assistant Corporate Secretary of TMX Group Limited who will inform the appropriate committee of the TMX Group Limited Board within two (2) days of receiving the report; and

(b) TMX Group Limited, in consultation with the appropriate committee of the TMX Group Limited Board, must take the necessary measures to mitigate and rectify any damages that may have been caused by this situation of real, potential or perceived conflict of interest.

10. If any director becomes aware of a situation of real, potential or perceived conflict of interest between any TMX Marketplace and The Canadian Depository for Securities Limited or CDS Clearing and Depository Services Inc. that could adversely affect the clearance and settlement of trades in securities or the effectiveness of The Canadian Depository for Securities Limited or CDS Clearing and Depository Services Inc.’s risk management policies, controls and standards:

(a) he or she must immediately report it in writing to the Assistant Corporate Secretary of TMX Group Limited who will inform the appropriate committee of the TMX Group Limited Board within two (2) days of receiving the report; and

(b) TMX Group Limited, in consultation with the appropriate committee of the TMX Group Limited Board, must take the necessary measures to mitigate and rectify any damages that may have been caused by this situation of real, potential or perceived conflict of interest.

11. If any director becomes aware of a situation of real, potential or apparent conflict of interest involving a Corporation and the MX Regulatory Division,

(a) he or she must immediately report it in writing to the Assistant Corporate Secretary of TMX Group Limited who will inform the appropriate committee of the TMX Group Limited Board within two (2) days of receiving the report; and
(b) MX and the MX Regulatory Division, in consultation with the appropriate committee of the TMX Group Limited Board, must take the necessary measures to mitigate and rectify any damages that may have been caused by this situation of real, potential or apparent conflict of interest.

12. Every director of TMX Group Limited shall comply in all respects with TMX Group Limited’s Timely Disclosure, Confidentiality and Insider Trading Policy (the “Policy”), as same may be amended, updated or replaced from time to time. The Policy is hereby incorporated by reference and forms a part of this Board Code, so that a breach of the Policy shall constitute a breach of the Board Code.

13. To ensure the independence of the MX Regulatory Division and that of its employees, MX has established strict partition measures to ensure that there is no conflict of interest with the other activities of MX, and that confidential information currently or potentially held by the MX Regulatory Division concerning its functions, activities or files remain confidential and is not communicated, disclosed or exchanged inappropriately to the for-profit services of MX or third parties. These measures are detailed in the TMX Group Limited Employee Code of Conduct approved by the Boards of Directors of the Corporations.

14. Every director is required to provide, in writing, an annual declaration of conflict(s) of interest or potential conflict(s), to the Assistant Corporate Secretary.

15. Every director who becomes aware of a breach or possible breach of any of the terms and conditions of a recognition order of a Canadian securities regulatory authority applicable to TMX Group Limited or its subsidiaries, as amended from time to time, will, within two business days of becoming aware of the breach or possible breach, notify the Governance and Regulatory Oversight Committee of the breach or possible breach. The director shall provide to the Governance and Regulatory Oversight Committee details as to the nature, date and effect (actual and anticipated) of the breach or possible breach.

16. The Corporation (other than MX) shall review, at least annually, compliance with the policies and procedures established under paragraphs 5, 8 and 9 and shall document each review and any deficiencies and how those deficiencies were remedied. A report detailing the review conducted in respect of TMX Group Limited, TSX Inc. and Alpha Exchange Inc. shall be provided to the Ontario Securities Commission on an annual basis.

A report detailing the review conducted in respect of the compliance of TMX Group Limited with the policies and procedures established under paragraphs 8 and 9 with respect to The Canadian Depository for Securities Limited and CDS Clearing and Depository Services Inc. shall be provided to the Autorité des marchés financiers on an annual basis.
WAIVERS

Any waiver from compliance with any of the terms of the Board Code or the Policy will be disclosed in TMX Group Limited’s next quarterly report and shall, in the case of TMX Group Limited, require the prior approval of the Governance and Regulatory Oversight Committee, and in the case of any other Corporation, require the prior approval of the Chair of the Board of that Corporation, on recommendation of the Governance and Regulatory Oversight Committee.

VIOLATIONS

Every director shall report, in person or in writing, any known or suspected violation of the Board Code or the Policy, including illegal or unethical behaviour, to the Assistant Corporate Secretary of TMX Group Limited, who will inform the Governance and Regulatory Oversight Committee within two days of receiving the report. No Corporation shall allow any retaliation against a director who acts in good faith in reporting any such violations.

The Governance and Regulatory Oversight Committee shall cause an investigation of any reported violations. In the case of TMX Group Limited, it shall also oversee an appropriate response, including corrective action and preventative measures. In the case of any other Corporation, the Governance and Regulatory Oversight Committee shall make recommendations on corrective action to the Chair of the Board of that Corporation, who shall make any required decision and oversee an appropriate response. Any director who violates the Board Code shall face appropriate, case specific, disciplinary action.

AFFIRMATION

Every director is expected to read and become familiar with the Board Code and the Policy and will be required on an annual basis to affirm in writing his or her compliance with the Board Code and the Policy.
Appendix A

“marketplace” means any of the following, but does not include an inter-dealer bond broker:

1. An exchange.
2. A quotation and trade reporting system.
3. A person or company not included in paragraph 1 or 2 that,
   i. constitutes, maintains or provides a market or facility for bringing together buyers and sellers of securities or derivatives,
   ii. brings together the orders for securities or derivatives of multiple buyers and sellers, and
   iii. uses established non-discretionary methods under which the orders interact with each other, and the buyers and sellers entering the orders agree to the terms of a trade.
4. With respect to securities, a dealer who executes a trade of an exchange-traded security outside a marketplace described in paragraph 1, 2 or 3;

“marketplace participant” means a member of an exchange, a user of a quotation and trade reporting system, or a subscriber of an alternative trading system.