KPMG LLP
Chartered Professional Accountants
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto ON M5H 2S5

Telephone (416) 777-8500
Fax (416) 777-8818

INDEPENDENT AUDITORS' REPORT

To the Shareholders of TMX Group Limited:

We have audited the accompanying consolidated financial statements of TMX Group Limited (the "Company"), which comprise the consolidated balance sheets as at December 31, 2015 and 2014, the consolidated income statements, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of TMX Group Limited as at December 31, 2015 and 2014, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

February 11, 2016
Toronto, Canada

TMX GROUP LIMITED
Consolidated Balance Sheets

(in millions of Canadian dollars)	*Note*	**December 31, 2015**	December 31, 2014
Assets			
Current assets:			
Cash and cash equivalents	*8*	**$ 154.1**	$ 214.0
Restricted cash and cash equivalents	*8*	**75.4**	75.6
Marketable securities	*8*	**71.2**	59.7
Trade and other receivables	*9*	**79.3**	91.3
Energy contracts receivable	*10*	**418.4**	696.5
Fair value of open energy contracts	*10*	**81.2**	201.3
Balances with Clearing Members and Participants	*10*	**11,551.2**	8,807.2
Other current assets	*14*	**18.8**	14.7
		12,449.6	10,160.3
Non-current assets:			
Fair value of open energy contracts	*10*	**18.3**	12.5
Goodwill and intangible assets	*11*	**4,399.7**	4,650.3
Other non-current assets	*14*	**118.7**	123.1
Deferred income tax assets	*21*	**31.1**	17.9
Total Assets		**$ 17,017.4**	$ 14,964.1
Liabilities and Equity			
Current liabilities:			
Trade and other payables	*12*	**$ 80.2**	$ 77.1
Participants' tax withholdings	*8*	**75.4**	75.6
Energy contracts payable	*10*	**418.4**	696.5
Fair value of open energy contracts	*10*	**81.2**	201.3
Balances with Clearing Members and Participants	*10*	**11,551.2**	8,807.2
Debt	*13*	**424.0**	233.9
Liquidity facilities drawn	*13*	**0.2**	2.2
Other current liabilities	*14*	**32.5**	34.9
		12,663.1	10,128.7
Non-current liabilities:			
Fair value of open energy contracts	*10*	**18.3**	12.5
Debt	*13*	**648.2**	997.2
Other non-current liabilities	*14*	**42.7**	52.6
Deferred income tax liabilities	*21*	**826.8**	827.2
Total Liabilities		**14,199.1**	12,018.2
Equity:			
Share capital	*22*	**2,861.7**	2,858.3
Contributed surplus	*23*	**11.0**	7.2
Retained earnings (deficit)		**(106.6)**	34.0
Accumulated other comprehensive income		**21.9**	9.3
Total Equity attributable to equity holders of the Company		**2,788.0**	2,908.8
Non-controlling interests		**30.3**	37.1
Total Equity		**2,818.3**	2,945.9
Commitments and contingent liabilities	*19 & 20*		
Total Liabilities and Equity		**$ 17,017.4**	$ 14,964.1

See accompanying notes which form an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors on February 11, 2016:

/s/ Charles Winograd Chair /s/ Denyse Chicoyne Director

TMX GROUP LIMITED
Consolidated Income (Loss) Statements

(In millions of Canadian dollars, except per share amounts)	*Note*	For the year ended December 31, 2015	2014
Revenue	*3*	$ 717.0	$ 717.3
REPO interest:			
Interest income		46.2	77.1
Interest expense		(46.2)	(77.1)
Net REPO interest		—	—
Total revenue		717.0	717.3
Compensation and benefits		219.2	206.8
Information and trading systems		77.2	70.0
Selling, general and administration		84.2	91.6
Depreciation and amortization		69.0	70.3
Total operating expenses before strategic re-alignment expenses		449.6	438.7
Income from operations before strategic re-alignment expenses		267.4	278.6
Strategic re-alignment expenses	*4*	22.7	—
Income from operations		244.7	278.6
Net income from equity accounted investees	*15*	2.8	3.0
Impairment charges	*11*	(221.7)	(136.1)
Maple transaction and integration costs		—	(6.7)
Finance income (costs):			
Finance income	*6*	2.9	4.2
Finance costs	*6*	(40.2)	(43.2)
Credit facility refinancing expenses		—	(3.6)
Net finance costs		(37.3)	(42.6)
(Loss) income before income taxes		(11.5)	96.2
Income tax expense	*21*	57.0	41.6
Net (loss) income		$ (68.5)	$ 54.6
Net (loss) income attributable to:			
Equity holders of the Company		$ (52.3)	$ 100.5
Non-controlling interests		(16.2)	(45.9)
		$ (68.5)	$ 54.6
(Loss) earnings per share (attributable to equity holders of the Company):	*7*		
Basic		$ (0.96)	$ 1.85
Diluted		$ (0.96)	$ 1.85

See accompanying notes which form an integral part of these consolidated financial statements.

TMX GROUP LIMITED
Consolidated Statements of Comprehensive (Loss) Income

(in millions of Canadian dollars)		For the year ended December 31,	
	Note	**2015**	2014
Net (loss) income		**$ (68.5)**	$ 54.6
Other comprehensive income (loss):			
Items that will not be reclassified to the consolidated income statements:			
Actuarial gains (losses) on defined benefit pension and other post-retirement benefit plans (net of tax expense of $1.0, 2014 – tax benefit of $2.5)	*16*	**2.6**	(7.1)
Total items that will not be reclassified to the consolidated income statements		**2.6**	(7.1)
Items that may be reclassified subsequently to the consolidated income statements:			
Unrealized gains on translating financial statements of foreign operations		**19.6**	6.3
Change in fair value of effective portion of interest rate swaps designated as cash flow hedges (net of tax benefit of $0.6, 2014 – tax benefit of $0.1)	*18*	**(1.3)**	(0.2)
Reclassification to net income of losses on interest rate swaps (net of tax expense of $0.4, 2014 – tax expense of $0.2)	*18*	**1.0**	0.5
Total items that may be reclassified subsequently to the consolidated income statements		**19.3**	6.6
Total comprehensive (loss) income		**$ (46.6)**	$ 54.1
Total comprehensive (loss) income attributable to:			
Equity holders of the Company		**$ (37.1)**	$ 96.7
Non-controlling interests		**(9.5)**	(42.6)
		$ (46.6)	$ 54.1

See accompanying notes which form an integral part of these consolidated financial statements.

TMX GROUP LIMITED
Consolidated Statements of Changes in Equity

(in millions of Canadian dollars) **For the year ended December 31, 2015**

		Attributable to equity holders of the Company						
	Note	**Share capital**	**Contributed surplus**	**Accumulated other comprehensive income**	**Retained earnings (deficit)**	**Total attributable to equity holders**	**Non-controlling interests**	**Total equity**
Balance at January 1, 2015		$ 2,858.3	$ 7.2	$ 9.3	$ 34.0	$ 2,908.8	$ 37.1	$ 2,945.9
Net loss		—	—	—	(52.3)	(52.3)	(16.2)	(68.5)
Other comprehensive income (loss):								
Foreign currency translation differences		—	—	12.9	—	12.9	6.7	19.6
Net change in interest rate swaps designated as cash flow hedges, net of taxes	*18*	—	—	(0.3)	—	(0.3)	—	(0.3)
Actuarial gains on defined benefit pension and other post-retirement benefit plans, net of taxes	*16*	—	—	—	2.6	2.6	—	2.6
Total comprehensive income (loss)		—	—	12.6	(49.7)	(37.1)	(9.5)	(46.6)
Dividends to equity holders	*28*	—	—	—	(87.0)	(87.0)	—	(87.0)
Dividend to non-controlling interests		—	—	—	—	—	(1.3)	(1.3)
Changes to BOX Holdings non-controlling interests	*5*	—	1.3	—	(3.9)	(2.6)	4.0	1.4
Proceeds from exercised share options		3.2	—	—	—	3.2	—	3.2
Cost of exercised share options		0.2	(0.2)	—	—	—	—	—
Cost of share option plan	*23*	—	2.7	—	—	2.7	—	2.7
Balance at December 31, 2015		$ 2,861.7	$ 11.0	$ 21.9	$ (106.6)	$ 2,788.0	$ 30.3	$ 2,818.3

See accompanying notes which form an integral part of these consolidated financial statements.

TMX GROUP LIMITED
Consolidated Statements of Changes in Equity

For the year ended December 31, 2014

(in millions of Canadian dollars)	Attributable to equity holders of the Company						
	Share capital	**Contributed surplus**	**Accumulated other comprehensive income**	**Retained earnings**	**Total attributable to equity holders**	**Non-controlling interests**	**Total equity**
Balance at January 1, 2014	$ 2,849.2	$ 5.2	$ 6.0	$ 27.4	$ 2,887.8	$ 83.0	$ 2,970.8
Net income (loss)	—	—	—	100.5	100.5	(45.9)	54.6
Other comprehensive income (loss):							
Foreign currency translation differences	—	—	3.0	—	3.0	3.3	6.3
Net change in interest rate swaps designated as cash flow hedges, net of taxes	—	—	0.3	—	0.3	—	0.3
Actuarial losses on defined benefit pension and other post-retirement benefit plans, net of taxes	—	—	—	(7.1)	(7.1)	—	(7.1)
Total comprehensive income (loss)	—	—	3.3	93.4	96.7	(42.6)	54.1
Dividends to equity holders	—	—	—	(86.8)	(86.8)	—	(86.8)
Dividend to non-controlling interests	—	—	—	—	—	(3.3)	(3.3)
Proceeds from exercised share options	8.4	—	—	—	8.4	—	8.4
Cost of exercised share options	0.7	(0.7)	—	—	—	—	—
Cost of share option plan	—	2.7	—	—	2.7	—	2.7
Balance at December 31, 2014	$ 2,858.3	$ 7.2	$ 9.3	$ 34.0	$ 2,908.8	$ 37.1	$ 2,945.9

See accompanying notes which form an integral part of these consolidated financial statements.

TMX GROUP LIMITED
Consolidated Statements of Cash Flows

(in millions of Canadian dollars)	*Note*	**For the year ended December 31, 2015**	2014
Cash flows from (used in) operating activities:			
(Loss) income before income taxes		**$ (11.5)**	$ 96.2
Adjustments to determine net cash flows:			
Depreciation and amortization		**69.0**	70.3
Impairment charges	*11*	**221.7**	136.1
Net finance costs	*6*	**37.3**	42.6
Maple transaction and integration costs		**—**	6.7
Maple transaction and integration related cash outlays		**(1.2)**	(6.7)
Net income from equity accounted investees	*15*	**(2.8)**	(3.0)
Cost of share option plan	*23*	**2.7**	2.7
Employee defined benefits expense	*16*	**3.5**	6.8
Unrealized exchange gains		**(2.4)**	(1.4)
Trade and other receivables, and prepaid expenses		**12.2**	(9.9)
Trade and other payables		**4.6**	(28.9)
Provisions		**(1.8)**	(1.4)
Deferred revenue		**0.4**	2.3
Other assets and liabilities		**0.6**	1.4
Cash paid for employee defined benefits	*16*	**(2.0)**	(3.0)
Income taxes paid		**(80.0)**	(56.6)
		250.3	254.2
Cash flows from (used in) financing activities:			
Interest paid		**(33.7)**	(37.3)
Net settlement on derivative instruments	*18*	**(0.6)**	(1.3)
Reduction in obligations under finance leases	*20*	**(2.0)**	(2.5)
Proceeds from exercised options	*23*	**3.2**	8.4
Dividends paid to equity holders	*28*	**(87.0)**	(86.8)
Dividend paid to non-controlling interests		**(1.3)**	(3.3)
BOX Holdings purchase of membership units for cancellation	*5*	**(3.8)**	—
Financing and refinancing fees, expensed		**—**	(0.3)
Net movement of Commercial Paper, net of fees	*13*	**(164.9)**	231.6
Liquidity facilities drawn, net	*13*	**(2.0)**	0.9
Net repayment of loans payable, net of financing costs		**—**	(336.0)
		(292.1)	(226.6)
Cash flows from (used in) investing activities:			
Interest received		**2.3**	3.7
Dividends received		**6.5**	3.9
Additions to premises and equipment and intangible assets, net of grants		**(23.7)**	(27.8)
Acquisitions, net of cash acquired		**—**	(14.7)
Other proceeds		**3.2**	—
Marketable securities		**(11.3)**	7.3
		(23.0)	(27.6)
Decrease in cash and cash equivalents		**(64.8)**	—
Cash and cash equivalents, beginning of the period		**214.0**	212.2
Unrealized foreign exchange gains on cash and cash equivalents held in foreign currencies		**4.9**	1.8
Cash and cash equivalents, end of the period		**$ 154.1**	$ 214.0

See accompanying notes which form an integral part of these consolidated financial statements.

GENERAL INFORMATION

TMX Group Limited (formerly Maple Group Acquisition Corporation ("Maple")) is a company domiciled in Canada and incorporated under the Business Corporations Act (Ontario). The registered office is located at The Exchange Tower, 130 King Street West, Toronto, Ontario, Canada.

TMX Group Limited controls, directly or indirectly, a number of entities which operate exchanges, markets, and clearinghouses primarily for capital markets in Canada and provides select services globally, including:

- TSX Inc. ("TSX"), which operates Toronto Stock Exchange, a national stock exchange serving the senior equities market; TSX Venture Exchange Inc. ("TSX Venture Exchange"), which operates TSX Venture Exchange, a national stock exchange serving the public venture equity market; and Alpha Trading Systems Inc. ("Alpha"), which also operates an exchange for the trading of securities;
- Montréal Exchange Inc. ("MX"), Canada's national derivatives exchange, and its subsidiaries, including Canadian Derivatives Clearing Corporation ("CDCC"), the clearing house for options and futures contracts traded at MX and certain over-the-counter ("OTC") products and fixed income repurchase ("REPO") agreements and BOX Market LLC ("BOX") which provides a market for the trading of United States ("US") equity options;
- The Canadian Depository for Securities Limited and its subsidiaries ("CDS"), including CDS Clearing and Depository Services Inc. ("CDS Clearing"), which operates the automated facilities for the clearing and settlement of equities and fixed income transactions and custody of securities in Canada;
- Natural Gas Exchange Inc. ("NGX"), which operates NGX, an exchange for the trading and clearing of natural gas, electricity, and crude oil contracts in North America and its subsidiaries, including AgriClear Limited Partnership ("AgriClear"), an online platform, as well as a payment and settlement system for physical agricultural product transactions in Canada and the United States; and
- Shorcan Brokers Limited ("Shorcan"), a fixed income inter-dealer broker and registered exempt market dealer and Shorcan Energy Brokers Inc. ("Shorcan Energy"), a wholly-owned subsidiary of Shorcan, for brokering of crude oil contracts; Finexeo S.A. ("Finexeo"), a provider of low-latency network and infrastructure solutions for the global investment community; TMX Equity Transfer Services Inc. ("Equity Transfer"), a provider of corporate trust, registrar, transfer agency and foreign exchange services; and Razor Risk Technologies Limited ("Razor"), a provider of risk management technology solutions.

The audited annual consolidated financial statements as at and for the year ended December 31, 2015 (the "financial statements"), comprise the accounts of TMX Group Limited and its subsidiaries (collectively referred to as the "Company"), and the Company's interests in equity accounted investees.

NOTE 1 – BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations, as issued by the International Accounting Standards Board ("IASB").

The financial statements were approved by the Company's Board of Directors on February 11, 2016.

(B) BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value:

- Financial instruments (note 24);
- Investment in privately-owned company (note 14);
- Liabilities arising from share-based payment plans (note 23); and
- Legal obligations associated with the restoration costs on the retirement of premises and equipment (note 19).

The Company uses a fair value hierarchy to categorize the inputs used in its valuation of assets and liabilities carried at fair value. Fair values are categorized into: Level 1 – to the extent of the Company's use of unadjusted quoted market prices; Level 2 – using observable market information as inputs; and Level 3 – using unobservable market information.

(C) USE OF JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that management considers to be relevant. Actual results could differ from these estimates and assumptions.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements made in applying accounting policies that have the most significant effects on the amounts recognized in these financial statements have been made in the following areas in preparation of the financial statements:

- Consolidation of a subsidiary – the Company owns less than half of the equity and ownership interests in BOX. However, the Company has determined that it has control over BOX because it holds a majority of the voting rights (note 5);
- Reallocation of goodwill and certain intangibles – as a result of a strategic re-alignment, the Company revised its operating segments. The reorganization of the Company's reporting structure has changed the composition of one or more cash-generating units to which goodwill and certain intangibles have been allocated for impairment purposes (note 11).

Estimates and assumptions that have a significant risk of resulting in a material adjustment in these financial statements have been made in the following areas in the preparation of the financial statements:

- Impairment of goodwill and indefinite life intangible assets – impairment tests are completed using the higher of fair value less costs of disposal, where available, and value-in-use calculations, determined using management's best estimates of future cash flows, long-term growth rates and appropriate discount rates. Purchased intangibles are valued on acquisition using established methodologies and amortized over their estimated useful economic lives, except in those cases where intangibles are determined to have indefinite lives, where there is no foreseeable limit over which these intangibles would generate net cash flows. These valuations and lives are based on management's best estimates of future performance and periods over which value from the intangible assets will be derived (note 11);
- Measurement of defined benefit obligations for pensions, other post-retirement and post-employment benefits – the valuations of the defined benefit assets and liabilities are based on actuarial assumptions made by management with advice from the Company's external actuary (note 16);
- Provisions and contingencies – management judgement is required to assess whether provisions and/or contingencies should be recognized or disclosed, and at what amount. Management bases its decisions on past experience and other factors it considers to be relevant on a case by case basis (note 19);
- Share-based payments – The liabilities associated with the Company's share-based payment plans are measured at fair value using a recognized option pricing model based on management's assumptions. Management's assumptions are based on historical share price movements, dividend policy and past experience for the Company (note 23); and
- Income taxes – the accounting for income taxes requires estimates to be made, such as the recoverability of deferred tax assets. Where differences arise between estimated income tax provisions and final income tax liabilities, an adjustment is made when the difference is identified (note 21).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements, unless otherwise indicated. Similarly, the accounting policies have been applied consistently by all the Company's entities.

(A) BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the Company, and they are consolidated from the date on which control is transferred to the Company until the date that control ceases. Balances and transactions between the Company's subsidiaries have been eliminated on consolidation. On loss of control of a subsidiary, the Company derecognizes the assets and liabilities of the entity, and any related non-controlling interests and equity. Any gain or loss is recognized in the consolidated income statement and any retained interests measured at fair value at the date of loss of control.

Non-controlling interests are measured at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Company's interest that do not result in a loss of control are accounted for as equity transactions.

Equity accounted investees are entities in which the Company has determined it has significant influence, but not control, over the financial and operating policies. Investments in these entities are recognized initially at cost and subsequently accounted for using the equity method of accounting.

(B) FOREIGN CURRENCY

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

The assets and liabilities of the Company's foreign operations for which the Canadian dollar is not the functional currency are translated at the rate of exchange in effect at the balance sheet date. Revenue and expenses are translated at the relevant average monthly exchange rates. The resulting unrealized exchange gain or loss is included in accumulated other comprehensive income (loss) within equity.

Revenues earned, expenses incurred and assets purchased in foreign currencies are translated into the functional currency at the prevailing exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the period end rate or at the transaction rate when settled. Resulting unrealized and realized foreign exchange gains and losses are recognized within other revenue in the consolidated income statement for the period.

(C) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the service or supply is provided, when it is probable that the economic benefits will flow to the Company, and when the revenue and the costs incurred in respect of the transaction can be reliably measured.

(i) Capital formation

Capital formation revenue includes revenue from listings services and other issuer services.

Initial and additional listings are recognized when the listing has occurred. Sustaining services for existing issuers are billed during the first quarter of the year and the amount is recorded as deferred revenue and amortized over the year on a straight-line basis. Sustaining services for new issuers are billed when the issuer's securities are officially listed and the amount is recorded as deferred revenue and amortized over the remainder of the year on a straight-line basis.

Other issuer services includes revenue from registrar and transfer agency, corporate trust services, and trading of securities in the exempt market which is recognized as the services are provided. Margin income from funds held and administered on behalf of clients is also included in other issuer services revenue.

(ii) Derivatives

Derivatives revenue includes revenue from trading, clearing and also includes BOX data revenue.

Trading and related revenues for derivatives markets are recognized in the month in which the trades are executed or when the related services are provided. Fees earned are recognized on the novation date of the related transaction. Unrealized gains and losses on derivative contracts are equal and offsetting and hence have no impact on the consolidated income statement.

BOX revenue from the Options Price Reporting Authority ("OPRA") is received quarterly based on its pro-rata share of industry trade (not contract) volume. Estimates of OPRA's quarterly revenue are made and accrued each month.

(iii) Market insights

Market insights revenue includes real time data, other market data products, data delivery solutions and risk management technology solutions.

Real time market data revenue is recognized based on usage as reported by customers and vendors, less a provision for sales adjustments from the same customers. The Company conducts periodic audits of the information provided and records adjustments to revenues, if any, at the time that collectability of the revenue is reasonably assured.

Revenue from risk management technology solution services may contain multiple elements. These elements may include one or more of the following: software, licensing, maintenance and support or professional services such as technology development. In a multiple element arrangement, the Company allocates revenue to each element of the arrangement.

Revenue from the sale of software is recognized at installation. Revenue from licensing as well as support and maintenance services is recognized ratably over the term of the license or maintenance period. Revenue from professional services is recognized based on the percentage of completion of the contract at the reporting date. The percentage of completion is assessed based on actual hours incurred and estimated hours required to complete the contract. Revenue from time and materials contracts is recognized as hours are incurred.

Other market insights revenue is recognized when the services are provided.

(iv) Efficient markets

Efficient markets includes revenue from equities and fixed income trading, clearing, settlement, and depository services and also includes revenue from energy trading and clearing.

Trading and related revenues for equities and fixed income trading are recognized in the month in which the trades are executed or when the related services are provided.

Revenues related to equities and fixed income clearing, settlement and depository services are recognized as follows:

- Clearing services include the reporting and confirmation of all trade types within the multilateral clearing and settlement system referred to as CDSX. Clearing services also include the netting and novation of exchange trades through CDS' Continuous Net Settlement ("CNS") service prior to settlement. The related fees are recognized as follows:
  - Reporting fees are recognized when the trades are delivered to CDS;
  - Netting and novation fees are recognized when the trades are netted and novated;
  - Other clearing related fees are recognized when services are performed; and
  - Settlement revenue is recognized on the settlement date of the related transaction.
- Depository fees are charged for custody of securities, depository related activities and processing of entitlement and corporate actions and are recognized when the services are performed.
- Under the CDS recognition orders granted by the Ontario Securities Commission ("OSC") and the Autorité des marchés financiers ("AMF"), CDS is required to share any annual revenue increases on clearing and other core CDS Clearing services, as compared to revenues for the twelve-month period ended October 31, 2012, on a 50:50 basis with Participants. Beginning January 1, 2015 and subsequent years, CDS also shares with Participants, on a 50:50 basis, any annual increases in revenue applicable to the New York Link/DTC Direct Link Liquidity Premium compared to the revenues for this service in earned in the twelve-month period ended December 31, 2015.
- These rebates are recorded as a reduction in revenue in the consolidated income statement in the period to which they relate.

Energy trading, clearing, settlement and related revenues are recognized over the period the services are provided. Unrealized gains and losses on open energy contracts are equal and offsetting and hence have no impact on the consolidated income statement.

Other efficient market revenues are recognized when the services are performed.

(v) Market solutions

Market solutions includes revenue from payment and settlement services from an online platform for buying and selling cattle. Revenue is recognized after physical delivery of cattle has occurred and acceptance from both the buyer and seller has been received.

(vi) Other income

Other income is recorded and recognized as revenue over the period the service is provided.

(vii) REPO interest

As part of its REPO clearing service, CDCC earns interest income and incurs interest expense on all REPO transactions that clear through CDCC. The interest income and interest expense are equal; however as CDCC does not have a legal right to offset these amounts, they are recognized separately on the consolidated income statement. The interest income is earned, and the interest expense incurred, over the term of the REPO agreements.

(D) FINANCE INCOME AND COSTS

Finance income comprises interest income on funds invested, and changes in the fair value of marketable securities. Finance costs comprise interest expense on borrowings and finance leases. Any realized gains or losses on interest rate swaps are also included within net finance costs in the consolidated income statement.

(E) EARNINGS PER SHARE

Basic earnings per share is determined by dividing net income attributable to the equity holders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is determined by dividing the net income attributable to the equity holders of the Company by the weighted average number of common shares outstanding during the reporting period, adjusted for the effects of all potential dilutive common shares arising from share options granted to employees.

(F) SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The CODM assess the performance of the operating segments based on income from operations before strategic re-alignment expenses, which is not a term defined within IFRS. This measure of profit excludes share of income from equity accounted investees, impairment charges, strategic re-alignment expenses, and other costs and expenses that relate to individual events of an infrequent nature.

Income from operations before strategic re-alignment expenses and income from operations are important indicators of the Company's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debts, and fund future capital expenditures. Impairment charges includes impairment of goodwill and intangibles originating from acquisitions (principally the Maple transaction) and is not considered an operating item. The intent of these performance measures are to provide additional useful information to investors and analysts; however, should not be considered in isolation.

(G) CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and liquid investments having an original maturity of three months or less.

Cash and cash equivalents also include restricted cash. MX operates a separate regulatory division, responsible for the approval of Participants and market regulation, which operates on a cost recovery basis. Restricted cash includes the surplus of this regulatory division with an equivalent and off-setting amount is included in trade and other payables.

Restricted cash and cash equivalents contains tax withheld by CDS on entitlement payments made by CDS on behalf of CDS Participants. The restricted cash and cash equivalents related to this withheld tax is ultimately under the control of CDS; however, the amount is payable to various taxation authorities within a relatively short period of time and so is restricted from use in normal operations. An equivalent and off-setting amount is included in the consolidated balance sheet under the caption Participants' tax withholdings.

(H) MARKETABLE SECURITIES

Marketable securities consist of pooled fund investments in Canadian money market funds and short-term bond and mortgage funds in addition to Canadian and US government-issued or government-backed fixed income securities, treasury bills and certain term deposits. They are carried at their estimated fair values, with changes in fair value being recorded within finance income in the consolidated income statement in the period in which they occur. Estimated fair values are determined based on quoted market values or are based on observable market information.

(I) TRADE AND OTHER RECEIVABLES

Trade receivables generally have terms of 30 days. The recoverability of the trade receivables is assessed at each reporting date and an allowance for doubtful accounts is deducted from the asset's carrying value if the asset is not considered fully recoverable. Any change in the allowance is recognized within selling, general and administration costs in the consolidated income statement.

(J) BALANCES WITH CONTRACTING PARTIES, CLEARING MEMBERS AND PARTICIPANTS

(i) NGX clearing and settlement balances

NGX clearing and settlement balances on the Company's consolidated balance sheet include the following:

- Energy contracts receivable and energy contracts payable – These balances represent the amounts receivable and payable where physical delivery of energy trading contracts has occurred and/or settlement amounts have been determined but payments have not yet been made. There is no impact on the consolidated balance sheet as an equivalent amount is recognized in both the assets and the liabilities.

- Fair value of open energy contracts – These balances represent the fair value at the balance sheet date of the undelivered physically settled energy trading contracts and the forward cash settled energy trading contracts. Fair value is determined based on the difference between the trade price when the contract was entered into and the settlement price. The settlement price is a price designated by NGX for each trading instrument in each trading hub at market close and is used in conjunction with published market price bands. Depending on the term and type of instrument, some settlement prices can be derived from actual trading data from NGX's trading system, daily market surveys and/or industry reports. There is no impact on the consolidated balance sheet as an equivalent amount is recognized in both the assets and the liabilities.

(ii) CDCC clearing, settlement and Clearing Member balances

Balances with Clearing Members and Participants on the Company's consolidated balance sheet includes balances with clearing members of CDCC ("Clearing Members") as follows:

- Daily settlements due from, and to, Clearing Members – These balances result from marking open futures positions to market and settling option transactions each day. These amounts are required to be collected from and paid to Clearing Members prior to the commencement of trading the next day. There is no impact on the consolidated balance sheet as an equivalent amount is recognized in both assets and liabilities.
- Net amounts receivable/payable on open REPO agreements – OTC REPO agreements between buying and selling Clearing Members are novated to CDCC whereby the rights and obligations of the Clearing Members under the REPO agreements are cancelled and replaced by new agreements with CDCC. Once novation occurs, CDCC becomes the counterparty to both the buying and selling Clearing Member. As a result, the contractual right to receive and return the principal amount of the REPO as well as the contractual right to receive and pay interest on the REPO is thus transferred to CDCC.

  These balances represent outstanding balances on open REPO agreements. Receivable and payable balances outstanding with the same Clearing Member are offset when they are in the same currency and are to be settled on the same day, as CDCC has a legally enforceable right to offset and the intention to net settle. The balances include both the original principal amount of the REPO and the accrued interest, both of which are carried at amortized cost. As CDCC is the central counterparty, an equivalent amount is recognized in both the Company's assets and liabilities.
- Clearing Members' cash collateral – Cash collateral, either as margin against open positions or as part of the clearing fund, are held by CDCC and are recognized as an asset and an equivalent and offsetting liability is recognized as these amounts are ultimately owed to the Clearing Members. There is no impact on the consolidated balance sheet.

(iii) CDS clearing, settlement and Participant balances

Balances with Clearing Members and Participants on the Company's consolidated balance sheet include the cash collateral pledged and deposited with CDS and cash dividends, interest and other cash distributions awaiting distribution ("entitlements and other funds") on securities held under custody in the depository. The cash held is recognized as an asset and an equivalent and offsetting liability is recognized as these amounts are ultimately owed to the Participants. There is no impact on the consolidated balance sheet.

(K) GOODWILL AND INTANGIBLE ASSETS

(i) Goodwill

Goodwill is recognized at cost on acquisition less any subsequent impairment in value.

The Company measures goodwill arising on a business combination as the fair value of the consideration transferred less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

The Company elects on a transaction by transaction basis whether to measure non-controlling interests at fair value or at their proportionate share of the recognized amount of the identifiable net assets acquired, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities as consideration, that the Company incurs in connection with a business combination are expensed as incurred.

(ii) Intangible assets

Intangible assets are recognized at cost less accumulated amortization, where applicable, and any impairment in value. Cost includes any expenditure that is directly attributable to the acquisition of the asset. The cost of internally developed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use.

Costs incurred in research activities, undertaken with the prospect of gaining new technical knowledge, are recognized in the consolidated income statement as incurred. Costs incurred in development activities are capitalized when all of the following criteria are met:

- It is technically feasible to complete the work such that the asset will be available for use or sale,
- The Company intends to complete the asset for use or sale,
- The Company will be able to use the asset once completed,
- The asset will be useful and is expected to generate future economic benefits for the Company,
- The Company has adequate resources available to complete the development of and to use the asset, and
- The Company is able to reliably measure the costs attributable to the asset during development.

Definite life intangible assets are amortized from the date of acquisition or, for internally developed intangible assets, from the time the asset is available for use. Amortization is recognized in the consolidated income statement on a straight-line basis over the estimated useful life of the asset. Residual values and the useful lives of the assets are reviewed at each year end, and revised as necessary.

Amortization is provided over the following useful lives of definite life intangible assets:

Asset	**Basis**	**Rate**
Customer relationships	Straight-line	17 – 34 years
Technology	Straight-line	1 – 10 years

Trade names, derivative products, regulatory designations, index license products and structured products are considered to have indefinite lives as management believes that there is no foreseeable limit to the period over which these assets are expected to generate net cash flows.

(L) IMPAIRMENT

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets and employee future benefit assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, are tested for impairment at least annually even if there is no indication of impairment, and the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

An impairment loss is recognized if the carrying amount of an asset, or its CGU, exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Impairment losses are recognized in the consolidated income statement.

An impairment loss in respect of goodwill cannot be reversed. In respect of other non-financial assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(M) FINANCIAL INSTRUMENTS

(i) Non-derivative financial assets

Financial assets are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are generally derecognized when the contractual rights to the cash flows from the assets expire, or when the Company transfers the rights to receive the contractual cash flows on the financial assets to another party without retaining substantially all the risks and rewards of ownership of the financial assets.

Financial assets and liabilities are offset and the net amount presented in the consolidated balance sheet only when the Company has a current legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies its non-derivative financial assets in the following categories, depending on the purpose for which they were acquired:

- Financial assets at fair value through profit or loss are classified as held for trading or assets designated as fair value through profit or loss by management and the Company manages the asset, and makes purchase and sale decisions, based on its fair value in accordance with the Company's documented risk management or investment strategy. Financial assets at fair value through profit or loss are measured at fair value, with changes recognized in the consolidated income statement. Transaction costs thereon are expensed as incurred.
- Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any incremental directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Short-term receivables with no stated interest rate are measured at the original transaction amounts where the effect of discounting is immaterial.
- Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that are not classified in any of the previous categories. These assets are measured at fair value, both initially and subsequently, with changes in fair value, except for impairment losses and certain foreign exchange gains and losses, recognized in other comprehensive income until the asset is sold. Impairment losses are recognized in the consolidated income statement as incurred, as are foreign exchange gains and losses arising on monetary items. Foreign exchange gains and losses arising on non-monetary items, such as an investment in an equity instrument, are recognized in other comprehensive income. When an investment is derecognized, the cumulative gain or loss in accumulated other comprehensive income is reclassified to the consolidated income statement.

(ii) Non-derivative financial liabilities

The Company initially recognizes its financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original transaction amounts where the effect of discounting is immaterial.

(iii) Derivative financial instruments, including hedge accounting

The Company enters into certain derivative financial instrument contracts, including interest rate swaps to partially hedge interest rate exposure on its credit facilities and debentures (note 13), foreign currency forward contracts to partially hedge foreign currency exposure on its US-denominated Commercial Paper (note 13), and total return swaps to partially hedge its share price exposure on its cash-settled share-based compensation plans (note 23). Derivatives are recognized initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

- Hedge accounting – Where hedge accounting can be applied, a hedge relationship is designated and documented at its inception detailing the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Company makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting changes in the fair value or cash flows of the hedged items over the life of the hedge. Hedge accounting is discontinued prospectively when the hedging instrument is no longer effective as a hedge, the hedging instrument is terminated or sold, or upon the sale or early termination of the hedged item. The cumulative gain or loss previously recognized in other comprehensive income is transferred to the consolidated income statement in the same period as the hedged item affects net income.

- Cash flow hedges – For cash flow hedges, the effective portion of the changes in the fair value of the hedging derivative, net of taxes, is recognized in other comprehensive income while any ineffective portion is recognized immediately in the consolidated income statement within net finance costs. Interest arising on the derivative is transferred from accumulated other comprehensive income within equity to net settlement on interest rate swaps within net finance costs in the consolidated income statement as it is incurred.

- Other derivatives – The Company holds total return swaps which, while providing a partial economic hedge against its share price exposure on its cash-settled share-based compensation plans (note 23), are not designated as hedges for accounting purposes. As such, these derivatives are recognized at fair value both initially and subsequently, with changes in the fair value recognized in the consolidated income statement.

(N) EMPLOYEE BENEFITS

(i) Defined contribution and defined benefit pension plans

The Company has registered pension plans with both a defined benefit tier and a defined contribution tier covering substantially all employees, as well as supplementary income plans ("SIP") for senior management. The costs of these programs are being funded currently, except for the NGX SIP, and MX SIP, where a portion is guaranteed by a letter of guarantee.

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, and that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. The benefits are based upon earnings and years of service. The discount rates used are based on Canadian AA-rated corporate bond yields.

The calculation is performed annually by an actuary based on management's best estimates using the projected benefit method pro-rated on service. If the calculation results in a surplus, accounting standards require that a limit is placed on the amount of this surplus that can be recognized as an asset. The total amount of defined benefit asset that can be recognized by the Company is limited to the present value of economic benefits available by way of future refunds of plan surplus and/or reductions in future contributions to the plan. In the determination of the economic benefit, minimum funding requirements resulting from the most recent actuarial funding valuations are also taken into consideration. An economic benefit is considered available to the Company if it is realizable during the life of the plan or on settlement of the plan obligations. The service cost, which represents the benefits accruing to the employees, along with the interest cost and the expected return on plan assets, is recognized in the compensation and benefits expense in the consolidated income statement.

When the benefits of a plan are amended, the portion of the change in benefit relating to past service by employees is recognized immediately in the consolidated income statement.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income.

For defined contribution plans, the expense is charged to compensation and benefits expense in the consolidated income statement as it is incurred.

(ii) Non-pension post-retirement and post-employment benefit plans

The Company also provides other post-retirement and post-employment benefits, such as supplementary medical and dental coverage, which are funded on a cash basis by the Company, and contributions from plan members in some circumstances. The Company's net obligation in respect of these plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value. The discount rates used are based on Canadian AA-rated corporate bond yields. The calculation is performed annually by an actuary based on management's best estimates and it is performed using the projected benefit method pro-rated on service. For post-retirement plans, any actuarial gains and losses are recognized immediately in other comprehensive income in the period in which they arise. For the post-employment plans, actuarial gains and losses are recognized within compensation and benefits expense in the consolidated income statement.

When the benefits of a plan are amended, the portion of the change in benefit relating to past service by employees is recognized immediately in the compensation and benefits expense in the consolidated income statement.

(iii) Termination benefits

Termination benefits are recognized as an expense at the earlier of: (1) when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before retirement, or (2) when the Company recognizes costs related to a restructuring plan.

(iv) Short-term employee benefits

Short-term employee benefit obligations, such as wages, salaries and annual vacation entitlements, are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the Company's annual short-term incentive plan if a present legal or constructive obligation to pay an amount exists as a result of past service provided by the employee, and the obligation can be estimated reliably.

(v) Share-based payments

The Company has both equity-settled and cash-settled share-based compensation plans.

The Company accounts for all share-based plans to eligible employees that call for settlement by the issuance of equity instruments using the fair value based method. Under the fair value based method, compensation cost attributable to options to employees is measured at fair value at the grant date, using a recognized option pricing model, and amortized over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of options expected to vest.

Compensation cost attributable to employee awards that call for settlement in cash is measured at fair value at each reporting date. Changes in fair value between the grant date and the measurement date are recognized in the consolidated income statement over the vesting period, with a corresponding change in either current or non-current liabilities, depending on the period in which the award is expected to be paid.

(O) LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases and any lease incentives received are recognized in the consolidated income statement on a straight-line basis over the term of the lease.

The Company has entered into leases for equipment where substantially all of the risks and rewards of ownership have transferred to the Company, and these are classified as finance leases. The leased assets are capitalized on inception of the lease at the lower of their fair value and the present value of the minimum lease payments, and then amortized over their useful lives. Payments made under finance leases are apportioned between the finance expense and a reduction in the outstanding liability, to achieve a constant periodic rate of interest on the remaining liability.

(P) PROVISIONS

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. For onerous leases, the Company provides for the lower of the cost of meeting surplus property lease commitments, net of any sub-lease income, or the costs or penalties it would incur on breaking its lease commitments.

(Q) INCOME TAX

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the consolidated income statement except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the period using income tax rates enacted or substantively enacted at the reporting date in the countries where the Company has a permanent establishment and generates taxable income, and any adjustments to income tax payable in respect of previous years.

Deferred income tax is recognized in respect of certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the income tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable income will be available against which it can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Uncertain income tax positions are recognized in the financial statements using management's best estimate of the amount expected to be paid.

Income tax assets and liabilities are offset in the financial statements if there is a legally enforceable right to offset them and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities but the Company intends to settle them on a net basis or where the income tax assets and liabilities will be realized simultaneously.

(R) FUTURE ACCOUNTING CHANGES

A number of other new standards and amendments to standards and interpretations are not yet effective for the year ending December 31, 2015, and have not been applied in preparing the financial statements. These new and amended standards and interpretations are required to be implemented for financial years beginning on or after January 1, 2016, unless otherwise noted:

- Annual Improvements 2012-2014 cycle (Amendments to various standards) - These narrow-scope amendments apply to a total of four standards as part of the IASB's annual improvements process. The IASB uses the annual improvements process to make non-urgent but necessary amendments to IFRS. Most amendments will apply prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted with special transitional requirements.
- Disclosure initiative (Amendments to IAS 1, *Presentation of Financial Statements*) - As a part of the IASB's major initiative to improve presentation and disclosure in financial reports, the amendments provide guidance on and encourage the application of judgment in the preparation of financial statements and disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 with earlier application permitted.
- Clarification of acceptable methods of depreciation and amortization (Amendments to IAS 16, *Property, Plant and Equipment* and IAS 38, *Intangible Assets*) - The amendments explicitly prohibit the use of revenue-based methods of depreciation for property, plant and equipment and introduce a rebuttable presumption that its use for intangible assets is inappropriate. The amendments are effective for annual periods beginning on or after January 1, 2016 with earlier application permitted.
- Business combination accounting for interest in a joint operation (Amendments to IFRS 11, *Joint Arrangements*) - The amendments require business combination accounting to be applied when a joint operation that constitutes a business is acquired. The amendments are effective for annual periods beginning on or after January 1, 2016 with earlier application permitted.
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10, *Consolidated Financial Statements* and IAS 28, *Investments in Associates and Joint Ventures*) - The amendments require full gain recognition when the transfer of assets involving an associate or joint venture meet the definition of a business under IFRS 3, *Business Combinations*. The amendments also introduce new accounting that involves neither a cost nor full step-up of certain retained assets that are not businesses. The amendments are effective for annual periods beginning on or after a date to be determined by the IASB with earlier application permitted.
- IFRS 9, *Financial Instruments* - IFRS 9 replaces the guidance in IAS 39, *Financial Instruments: Recognition and Measurement*, for the classification and measurement of financial assets and financial liabilities and new standards for hedge accounting. Financial assets will be classified into one of two categories on initial recognition: amortized cost or fair value. For financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income, with the remainder of the change recognized in profit or loss. IFRS 9 will provide for more hedging strategies to qualify for hedge accounting, introduce more judgment in assessing the effectiveness of a hedging relationship, and include a single, forward-looking "expected loss" impairment model. The mandatory date for IFRS 9 is for annual periods beginning on or after January 1, 2018, with early application permitted for annual periods beginning on or after January 1, 2015.
- IFRS 15, *Revenue from Contracts with Customers* - The IASB and the U.S. Financial Accounting Standards Board ("FASB") jointly issued converged accounting standards on the recognition of revenue from contracts with customers; the IASB's standard is IFRS 15, *Revenue from Contracts with Customers*. The previous requirements of both IFRS and U.S. GAAP were different and often resulted in different accounting for transactions that were economically similar. IFRS 15 and its U.S. GAAP equivalent, contain a single revenue model that applies to contracts with customers with the exception of contracts for insurance, financial instruments and leases. Under the model, there are two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The mandatory effective date for IFRS 15 is for annual periods beginning on or after January 1, 2018 with either full retrospective application, retrospective with optional practical expedients or a modified prospective approach with disclosure requirements.
- IFRS 16, *Leases* - The IASB issued a new standard on leases which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements. IFRS 16 supersedes IAS 17, *Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, differentiating between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. Among other significant changes, the distinction between operating and finance leases is removed and assets and liabilities are recognized in respect of all leases. Further, IFRS 16 requires a front-loaded pattern for the recognition of lease expense over the life of the lease.

The mandatory effective date for IFRS 16 is for annual periods beginning on or after January 1, 2019 with earlier application permitted for entities that have also adopted IFRS 15.

The Company intends to adopt each of the above standards, as applicable to the Company, in the year in which they are effective. The Company is reviewing these new standards and amendments to determine the potential impact on the Company's financial statements once they are adopted. At this time, the extent of the impact of adoption of these new standards and amendments has not yet been determined.

NOTE 3 – SEGMENT INFORMATION

In June 2015, the Company announced an organizational re-alignment designed to achieve its new vision of being a technology-driven solutions provider that puts clients first. The Company identified a distinct path to successfully executing the new strategy by prioritizing investments and leveraging its existing resources and capabilities, as well as a plan for streamlining the Company's operating structure and its investment strategy around five strategic pillars.

The following is a description of the five strategic pillars, which are also the Company's operating segments:

- **Market Insights:** to deliver integrated data sets to fuel high-value proprietary and third party analytics to help clients make better trading and investment decisions. Operations included in the market insights pillar are TMX Datalinx, TMX Insights and TMX Atrium.
- **Capital Formation:** to energize and expand the Company's "capital community" to better facilitate capital raising for issuers of all types at all stages of their development and providing access to alternative sources of capital. Operations included in the capital formation pillar are Toronto Stock Exchange, TSX Venture Exchange, TSX Private Markets and Equity Transfer.
- **Derivatives:** To intensify new product creation and leverage the Company's unique market position to benefit from increasing demand for derivatives products both in Canada and globally. Operations included in the derivatives pillar are MX, CDCC and BOX.
- **Efficient Markets:** To operate innovative, efficient, reliable, fast, easy to use platforms for trading and clearing. Operations included in the efficient markets pillar are Toronto Stock Exchange, TSX Venture Exchange, TSX Alpha Exchange, CDS, NGX, Shorcan and Shorcan Energy.
- **Market Solutions:** to leverage the Company's capabilities and technologies to introduce new operating models into new sectors and asset classes. AgriClear is the first under the market solutions pillar.

As a result of the strategic re-alignment, the Company has changed its internal reporting, which in turn, is now reflected in its operating segments. Accordingly, the Company has restated the operating segment information for the year ended December 31, 2014.

The Market Solutions pillar has been aggregated with the Efficient Markets pillar to form four reportable segments. In addition, the Company has certain revenue and corporate costs not allocated to the operating segments. Revenue related to foreign exchange gains and losses and other services are presented in the Other segment. Costs and expenses related to the amortization of purchased intangibles, along with certain consolidation and elimination adjustments, are also presented in the Other segment.

Information related to each reportable segment is as follows:

For the year ended						**December 31, 2015**
	Market Insights	**Capital Formation**	**Derivatives**	**Efficient Markets**	**Other**	**Total**
Revenue (external)	**$ 210.5**	**$ 179.8**	**$ 104.5**	**$ 211.2**	**$ 11.0**	**$ 717.0**
Inter-segment revenue	**2.6**	**0.1**	**—**	**1.2**	**(3.9)**	**—**
Total revenue	**$ 213.1**	**$ 179.9**	**$ 104.5**	**$ 212.4**	**$ 7.1**	**$ 717.0**
Income from operations before strategic re-alignment expenses	**$ 93.7**	**$ 101.7**	**$ 37.2**	**$ 67.2**	**$ (32.4)**	**$ 267.4**
Selected items:						
Depreciation and amortization	**$ 1.9**	**$ 0.2**	**$ 5.8**	**$ 3.0**	**$ 58.1**	**$ 69.0**

For the year ended											December 31, 2014
		Market Insights		Capital Formation		Derivatives		Efficient Markets		Other	Total
Revenue (external)	$	197.1	$	194.8	$	105.8	$	209.5	$	10.1	$ 717.3
Inter-segment revenue		3.1		0.1		—		1.1		(4.3)	—
Total revenue	$	200.2	$	194.9	$	105.8	$	210.6	$	5.8	$ 717.3
Income from operations before strategic re-alignment expenses	$	102.1	$	112.0	$	30.9	$	64.6	$	(31.0)	$ 278.6
Selected items:											
Depreciation and amortization	$	0.8	$	1.6	$	5.7	$	2.6	$	59.6	$ 70.3

The Company’s revenue by geography is as follows:

For the year ended		**December 31, 2015**		December 31, 2014
Canada	**$**	**515.0**	$	496.5
US		**150.4**		151.8
Other		**51.6**		69.0
	$	**717.0**	$	717.3

Revenue is allocated based on the country to which customer invoices are addressed.

No single customer generates revenues greater than ten percent of the Company's total revenues.

The Company’s non-current assets by geography is as follows:

As at		**December 31, 2015**		December 31, 2014
Canada	**$**	**4,427.2**	$	4,662.5
US		**63.1**		79.5
Other		**17.2**		21.9
	$	**4,507.5**	$	4,763.9

Non-current assets above are primarily comprised of goodwill and intangible assets, investments in equity accounted investees, and other assets and excludes both accrued employee benefit assets and deferred income tax assets.

NOTE 4 – STRATEGIC RE-ALIGNMENT EXPENSES

As a result of the organizational re-alignment (note 3), the Company also announced a number of organizational changes. The Company incurred costs of $22.7 related to severance costs, professional and consulting fees and losses on the sales of certain operations. These strategic re-alignment expenses were recognized in the consolidated income statement as follows:

For the year ended		**December 31, 2015**
Severance and related costs	**$**	**17.9**
Professional and consulting fees		**4.1**
Other charges		**0.7**
Total strategic re-alignment expenses	**$**	**22.7**

NOTE 5 – CHANGES TO BOX HOLDINGS NON-CONTROLLING INTERESTS

At December 31, 2014, the Company indirectly held a 53.8% controlling ownership interest in BOX Holdings Group LLC (“BOX Holdings”), which provides a market for the trading of US equity options through its wholly-owned subsidiary, BOX.

In January 2015, BOX Holdings acquired and cancelled 500 of its outstanding Class B membership units for US$3.2, representing 4.2% of total ownership interest. As a result, the Company recognized a decrease in equity attributable to equity holders of $0.9, net of deferred income taxes. Subsequent to the transaction, the Company indirectly held 56.2% of BOX Holdings with corresponding 43.8% in non-controlling interests.

Also in January 2015, BOX launched a program to incent subscribers to provide liquidity. In exchange for providing this liquidity and a nominal cash payment, subscribers received volume performance rights (“VPRs"), which are comprised of Class C units of BOX Holdings and an order flow commitment. The VPRs vest over 20 quarters of the 5-year order flow commitment period if minimum volume targets are achieved. If a subscriber fails to meet its minimum volume targets, its VPRs are available for reallocation to those subscribers that exceed their minimum volume targets, if any. Those VPRs may vest earlier. If a sufficient number of VPRs ultimately vest, the Company’s voting power on the board of directors of BOX Holdings will decrease to below 50%.

In September 2015, the Securities Exchange Commission (“SEC”) granted regulatory approval for the VPR program. Pursuant to the terms of the VPR program, subscribers became entitled to economic participation in BOX for VPRs held. As a result, the Company recognized a decrease in equity attributable to equity holders of the Company of $3.6, net of deferred income taxes. Subsequent to the transaction, the Company’s economic interest in BOX Holdings decreased to 49.4% with corresponding 50.6% in non-controlling interest. The Company continues to retain control of BOX Holdings as it holds majority voting power on the board of directors.

NOTE 6 – FINANCE INCOME AND FINANCE COSTS

Net finance costs for the period is as follows:

For the year ended	*Note*	**December 31, 2015**	December 31, 2014
Finance income			
Interest income on funds invested		**$ 2.3**	$ 3.7
Fair value gains on marketable securities:			
– realized		**0.1**	0.3
– unrealized		**0.1**	0.1
Other		**0.4**	0.1
		2.9	4.2
Finance costs			
Interest expense on borrowings, including amortization of financing fees		**(34.4)**	(40.2)
Net settlement on interest rate swaps	*18*	**(2.3)**	(1.3)
Change in fair value of derivative instruments		**—**	(0.1)
Other		**(3.5)**	(1.6)
		(40.2)	(43.2)
Credit facility refinancing costs			
Write-off of prepaid financing fees		**—**	(3.3)
Other expenses associated with refinancing		**—**	(0.3)
		—	(3.6)
		$ (37.3)	$ (42.6)

NOTE 7 – EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share for the period are as follows:

For the year ended	December 31, 2015	December 31, 2014
Net (loss) income attributable to the equity holders of the Company	**$ (52.3)**	$ 100.5
Weighted average number of common shares outstanding – basic	**54,345,595**	54,241,388
Effect of dilutive share options	**32,816**	91,833
Weighted average number of common shares outstanding – diluted	**54,378,411**	54,333,221
Basic (loss) earnings per share	**$ (0.96)**	$ 1.85
Diluted (loss) earnings per share	**$ (0.96)**	$ 1.85

NOTE 8 – CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES

Cash and cash equivalents, restricted cash and cash equivalents and marketable securities are comprised of:

As at	December 31, 2015	December 31, 2014
Cash	**$ 58.0**	$ 65.1
Overnight money market	**34.4**	51.0
Treasury bills	**33.5**	71.7
Term deposits	**25.0**	24.0
Restricted cash – MX	**3.2**	2.2
Cash and cash equivalents	**$ 154.1**	$ 214.0
Restricted cash and cash equivalents – CDS Clearing	**$ 75.4**	$ 75.6
Restricted cash and cash equivalents	**$ 75.4**	$ 75.6
Treasury bills	**$ 71.2**	$ 0.5
Money market funds	**—**	28.9
Bonds and bond funds	**—**	28.8
Guaranteed Investment Certificates (“GICs”) and other deposits	**—**	1.5
Marketable securities	**$ 71.2**	$ 59.7

The Company’s exposure to interest rate risk and a sensitivity analysis for marketable securities is discussed in note 25.

NOTE 9 – TRADE AND OTHER RECEIVABLES

Trade and other receivables are comprised of:

As at	December 31, 2015	December 31, 2014
Trade receivables, gross	**$ 67.9**	$ 81.2
Less: Allowance for doubtful accounts	**(2.9)**	(5.2)
Trade receivables, net	**65.0**	76.0
Other receivables	**14.3**	15.3
Trade and other receivables	**$ 79.3**	$ 91.3

Trade and other receivables are regularly reviewed for objective evidence of impairment.

Trade receivables that are more than three months past due are considered to be impaired, and an allowance, which varies depending on the age of the receivable, is recorded within selling, general and administration costs. Other specific trade receivables are also provided against as considered necessary.

The aging of the trade receivables was as follows:

As at	**December 31, 2015**		December 31, 2014	
	Gross	**Allowance**	Gross	Allowance
Not past due	**$ 45.9**	**$ —**	$ 55.6	$ 0.1
Past due 1-90 days	**15.9**	**—**	18.5	0.8
More than 90 days past due	**6.1**	**2.9**	7.1	4.3
Trade receivables	**$ 67.9**	**$ 2.9**	$ 81.2	$ 5.2

The movement in the Company's allowance for doubtful accounts is as follows:

	December 31, 2015	December 31, 2014
Balance at January 1	**$ 5.2**	$ 4.4
Allowance recognized in the year, net of allowance released	**1.6**	2.8
Receivables written off as uncollectible	**(3.9)**	(2.0)
Balance at December 31	**$ 2.9**	$ 5.2

No allowance for impairment is considered necessary for other receivables.

NOTE 10 – BALANCES WITH CONTRACTING PARTIES, CLEARING MEMBERS AND PARTICIPANTS

(A) NGX CLEARING AND SETTLEMENT BALANCES

NGX requires each Contracting Party to sign the Contracting Party's agreement; a standardized agreement that allows for netting of positive and negative exposures associated with a single Contracting Party. The following table sets out the carrying amounts of recognized financial instruments that are subject to the agreement:

As at			**December 31, 2015**
	Gross amount	**Amount offset in the consolidated balance sheet**	**Net amounts presented in the consolidated balance sheet**
Financial assets			
Energy contracts receivable	**$ 2,574.8**	**$ (2,156.4)**	**$ 418.4**
Fair value of open energy contracts receivable	**683.5**	**(584.0)**	**99.5**
	3,258.3	**(2,740.4)**	**517.9**
Financial liabilities			
Energy contracts payable	**(2,574.8)**	**2,156.4**	**(418.4)**
Fair value of open energy contracts payable	**(683.5)**	**584.0**	**(99.5)**
	(3,258.3)	**2,740.4**	**(517.9)**
Net amount	**$ —**	**$ —**	**$ —**

As at			December 31, 2014
	Gross amount	Amount offset in the consolidated balance sheet	Net amounts presented in the consolidated balance sheet
Financial assets			
Energy contracts receivable	$ 4,286.8	$ (3,590.3)	$ 696.5
Fair value of open energy contracts receivable	1,415.4	(1,201.6)	213.8
	5,702.2	(4,791.9)	910.3
Financial liabilities			
Energy contracts payable	(4,286.8)	3,590.3	(696.5)
Fair value of open energy contracts payable	(1,415.4)	1,201.6	(213.8)
	(5,702.2)	4,791.9	(910.3)
Net amount	$ —	$ —	$ —

The actual collateral pledged to NGX at December 31 is summarized below:

	December 31, 2015	December 31, 2014
Cash collateral deposits	**$ 397.2**	$ 555.0
Letters of credit	**1,887.8**	2,768.7
	$ 2,285.0	$ 3,323.7

These amounts are not included in the consolidated balance sheet.

(B) CDCC CLEARING, SETTLEMENT AND CLEARING MEMBER BALANCES

The following table sets out the carrying amounts of Balances with Clearing Members that are subject to offsetting, enforceable master netting arrangements and similar arrangements:

As at			**December 31, 2015**
Asset/(Liability)	**Gross amount**	**Amount offset in the consolidated balance sheet**	**Net amounts presented in the consolidated balance sheet**
Financial assets			
Daily settlements due from Clearing Members	**$ 113.3**	**$ (17.8)**	**$ 95.5**
Net amounts receivable on open REPO agreements	**17,960.9**	**(7,324.5)**	**10,636.4**
	18,074.2	**(7,342.3)**	**10,731.9**
Financial liabilities			
Daily settlements due to Clearing Members	**(113.3)**	**17.8**	**(95.5)**
Net amounts payable on open REPO agreements	**(17,960.9)**	**7,324.5**	**(10,636.4)**
	(18,074.2)	**7,342.3**	**(10,731.9)**
Net amount	**$ —**	**$ —**	**$ —**

As at			December 31, 2014
Asset/(Liability)	Gross amount	Amount offset in the consolidated balance sheet	Net amounts presented in the consolidated balance sheet
Financial assets			
Daily settlements due from Clearing Members	$ 54.7	$ (21.3)	$ 33.4
Net amounts receivable on open REPO agreements	15,097.5	(7,196.5)	7,901.0
	15,152.2	(7,217.8)	7,934.4
Financial liabilities			
Daily settlements due to Clearing Members	(54.7)	21.3	(33.4)
Net amounts payable on open REPO agreements	(15,097.5)	7,196.5	(7,901.0)
	(15,152.2)	7,217.8	(7,934.4)
Net amount	$ —	$ —	$ —

For the year ended December 31, 2015, the largest settlement amount due from a Clearing Member was $268.4 (2014 – $64.5), and the largest settlement amount due to a Clearing Member was $107.4 (2014 – $68.5). These settlement amounts do not reflect net amounts from open REPO agreements, which are also due from Clearing Members.

Government securities and other securities are pledged by the Clearing Members under irrevocable agreements and are held with CDS, a commonly controlled entity and an approved depository. Clearing Members may also pledge escrow receipts directly with CDCC. The actual collateral pledged to CDCC at December 31 is summarized below.

	December 31, 2015	December 31, 2014
Cash collateral held:		
Clearing Members' cash margin deposits	**$ 288.8**	$ 457.5
Clearing fund cash deposits	**97.1**	54.1
	385.9	511.6
Non-cash collateral pledged:		
Non-cash margin deposits	**5,527.8**	4,098.1
Non-cash clearing fund deposits	**637.1**	291.0
	$ 6,164.9	$ 4,389.1

Non-cash collateral is held in government securities, put letters of guarantee and equity securities and is not included in the consolidated balance sheet.

(C) CDS CLEARING, SETTLEMENT AND PARTICIPANT BALANCES

CDS Participant Rules require Participants to pledge collateral to CDS in the form of cash or securities in amounts calculated in relation to their activities. Balances with Clearing Members and Participants on the Company's consolidated balance sheet include the cash collateral pledged and deposited with CDS and cash dividends, interest and other cash distributions awaiting distribution ("entitlements and other funds") on securities held under custody in the depository. The cash held is recognized as an asset and an equivalent and offsetting liability is recognized as these amounts are ultimately owed to the Participants. There is no impact on the consolidated income statement.

	December 31, 2015	December 31, 2014
Entitlements and other funds	**$ 15.4**	$ 12.7
Participants cash collateral	**418.0**	348.5
Balances with Participants	**$ 433.4**	$ 361.2

At December 31, 2015 as a result of calculations of Participants' exposure, the total amount of collateral required by CDS Clearing was $4,951.1 (2014 – $3,690.7). The actual collateral pledged to CDS Clearing at December 31 is summarized below:

	December 31, 2015	December 31, 2014
Cash (included within Balances with Participants on the consolidated balance sheet)	**$ 418.0**	$ 348.5
Treasury bills and fixed income securities	**5,644.6**	4,306.8
Total collateral pledged	**$ 6,062.6**	$ 4,655.3

Non-cash collateral is not included in the Company's consolidated balance sheet.

NOTE 11 – GOODWILL AND INTANGIBLE ASSETS

(A) GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSETS

A summary of the Company's goodwill and indefinite life intangible assets is as follows:

	Goodwill	Trade names	Derivative products	Regulatory designations	Structured products	Total
Balance at January 1, 2014	$ 1,293.8	$ 256.8	$ 632.0	$ 1,409.2	$ 107.0	$ 3,698.8
Additions through business combinations:						
Other acquisitions	13.6	—	—	—	—	13.6
Additions through general operations	—	—	—	0.1	—	0.1
Impairment	(43.7)	(3.3)	—	(0.7)	—	(47.7)
Effect of movements in exchange rates	(0.2)	0.2	—	—	—	—
Balance at December 31, 2014	1,263.5	253.7	632.0	1,408.6	107.0	3,664.8
Additions through general operations	**—**	**—**	**—**	**0.1**	**—**	**0.1**
Impairment	**(182.7)**	**(0.9)**	**—**	**(0.2)**	**—**	**(183.8)**
Other disposals	**(1.1)**	**(1.2)**	**—**	**—**	**—**	**(2.3)**
Effect of movements in exchange rates	**5.1**	**0.5**	**—**	**0.1**	**—**	**5.7**
Balance at December 31, 2015	**$ 1,084.8**	**$ 252.1**	**$ 632.0**	**$ 1,408.6**	**$ 107.0**	**$ 3,484.5**

The indefinite life intangible assets are considered to have indefinite lives as management believes that there is no foreseeable limit to the period over which the assets are expected to generate net cash flows.

(B) DEFINITE LIFE INTANGIBLE ASSETS

A summary of the Company's definite life intangible assets is as follows:

	Technology	Customer relationships	CSA contracts	Open interest	Total
Cost:					
Balance at January 1, 2014	$ 85.8	$ 1,109.8	$ 2.0	$ 2.0	$ 1,199.6
Additions through general operations	17.6	—	—	—	17.6
Adjustments	7.2	—	(2.0)	—	5.2
Impairment	(5.1)	(83.3)	—	—	(88.4)
Effect of movements in exchange rates	2.8	6.3	—	—	9.1
Balance at December 31, 2014	108.3	1,032.8	—	2.0	1,143.1
Additions through general operations	**12.4**	**0.2**	**—**	**—**	**12.6**
Adjustments	**(7.6)**	**—**	**—**	**—**	**(7.6)**
Impairment	**(10.9)**	**(27.0)**	**—**	**—**	**(37.9)**
Effect of movements in exchange rates	**6.5**	**15.4**	**—**	**—**	**21.9**
Balance at December 31, 2015	**$ 108.7**	**$ 1,021.4**	**$ —**	**$ 2.0**	**$ 1,132.1**
Accumulated amortization:					
Balance at January 1, 2014	$ 24.5	$ 63.0	$ 2.0	$ 2.0	$ 91.5
Charge for the year	16.9	38.7	—	—	55.6
Adjustments	8.3	—	(2.0)	—	6.3
Effect of movements in exchange rates	2.4	1.8	—	—	4.2
Balance at December 31, 2014	52.1	103.5	—	2.0	157.6
Charge for the year	**17.7**	**36.9**	**—**	**—**	**54.6**
Adjustments	**(7.6)**	**—**	**—**	**—**	**(7.6)**
Effect of movements in exchange rates	**5.9**	**6.4**	**—**	**—**	**12.3**
Balance at December 31, 2015	**$ 68.1**	**$ 146.8**	**$ —**	**$ 2.0**	**$ 216.9**
Net book values:					
At December 31, 2014	$ 56.2	$ 929.3	$ —	$ —	$ 985.5
At December 31, 2015	**$ 40.6**	**$ 874.6**	**$ —**	**$ —**	**$ 915.2**

(C) IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, are tested for impairment at least annually. For the purpose of impairment testing, these assets (that cannot be tested individually) are grouped together into CGUs. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of the asset's fair value less costs of disposal and its value-in-use.

As a result of the strategic re-alignment, the Company has changed the composition of its operating segments to reflect its internal reporting (note 3). The change in operating segments has also required the Company to reallocate goodwill and indefinite life intangible assets to its CGUs for impairment testing purposes.

Previously, in the case of TSX, TSX Venture Exchange, MX & CDCC, and NGX, goodwill and indefinite life intangibles was allocated to the group of CGUs that formed the legal entity. As a result of the re-alignment, goodwill and indefinite life intangibles are allocated to the following CGUs: Listings, Equities Trading, Datalinx/Analytics (including MX data), MX/CDCC, NGX and AgriClear. Goodwill and indefinite life intangibles are then tested at the CGU level. The other CGUs remained unchanged as a result of the re-alignment.

For the year ended December 31, 2015, as a result of these tests, the Company recognized impairment charges of $221.7 related to goodwill and intangibles assets in the consolidated income statement as follows:

	Goodwill and indefinite life intangibles	Definite life intangibles	**Total**
Listings	$ 142.0	$ —	**$ 142.0**
Equities Trading	29.5	—	**29.5**
BOX	1.1	28.7	**29.8**
Other	11.2	9.2	**20.4**
Total impairment charge before income taxes	183.8	37.9	**221.7**
Total deferred income tax recovery	(2.0)	(4.7)	**(6.7)**
Total impairment charge	181.8	33.2	**215.0**
Non-controlling interests (50.6%)	(0.5)	(14.5)	**(15.0)**
Attributable to equity holders of the Company	$ 181.3	$ 18.7	**$ 200.0**

During the year ended December 31, 2015, the decline in the Canadian equities indices and the downturn in the resource sector has had a significant impact on the number of financings and trading activity on both TSX and TSX Venture Exchange as well as on revenues from listing and trading activities. As a result, management revised both short-term and long-term forecasts used in assessing the recoverable amounts of $983.0 for the Listings CGU and $282.2 for the Equities Trading CGU. In making its assessments of the recoverable amounts, the Company used a value-in-use calculation.

For the year ended December 31, 2015, the impact of the above calculation resulted in an impairment charge, net of deferred income taxes, of $142.0 and $29.5 which was recognized in the consolidated income statement. The value-in-use for the Listings CGU and Equities Trading CGU were determined using a discounted cash flow methodology based on management's best estimate of the forecasted cash flows for the operations, discounted at a pre-tax discount rate of 14.0% and 14.2%, respectively.

Also as a result of market competition, the Company determined that the recoverable amount of the BOX CGU was lower than its carrying amount. For the year ended December 31, 2015, the impact of the above calculation resulted in an impairment charge, net of deferred income taxes, of $22.7 which was recognized in the consolidated income statement. The value-in-use for the BOX CGU was determined to be $71.1, using a discounted cash flow methodology based on management's best estimate of the forecasted cash flows for the operations, discounted at a pre-tax discount rate of 17.9%.

In addition to the above impairment charges, for the year ended December 31, 2015, the Company determined that certain other CGUs had recoverable amounts that were lower than their respective carrying amounts. As a result, for the year ended December 31, 2015, the Company recognized an impairment charge, net of deferred income taxes, of $20.8 related to goodwill and intangibles in the consolidated income statement.

As at December 31, the carrying values of goodwill and indefinite life intangible assets allocated to each CGU, after the impairment charges described above, are as follows:

As at		December 31, 2015		
		Goodwill		Indefinite life intangibles
Listings	$	13.3	$	1,314.9
Datalinx/Analytics		708.4		88.0
Equities Trading		5.1		191.7
MX/CDCC		159.4		663.3
CDS		89.5		22.0
NGX		3.2		112.0
BOX		—		1.7
Other		105.9		6.1
	$	1,084.8	$	2,399.7

The recoverable amounts of the above CGUs were determined based on value-in-use calculations, using management's discounted cash flow projections over periods of 5 years along with a terminal value. The terminal value is the value attributed to the CGUs' operations beyond the projected time period. The terminal value for the CGUs is determined using an estimated long-term growth rate of 2.0% for all significant CGUs, except for MX/CDCC which is 4.5%, which is based on the Company's estimates of expected future operating results, future business plans, economic conditions and a general outlook for the industry in which the CGU operates. In calculating the recoverable amount of these CGUs, a pre-tax discount rate is used. The pre-tax discount rate applied was 11.5% to 18.2%, which was set considering the weighted average cost of capital of the Company and certain risk premiums, based on management's past experience.

These assumptions are subjective judgements based on the Company's experience, knowledge of operations and knowledge of the economic environment in which it operates. If future cash flow projections, long-term growth rates or pre-tax discount rates are different to those used, it is possible that the outcome of future impairment tests could result in a different outcome with a CGU's goodwill and/or intangible assets being impaired.

Management has determined that the Datalinx/Analytics, MX/CDCC and NGX CGUs may be subject to a reasonably possible change to one or more of the key assumptions used to determine the recoverable amount, which could cause these CGUs to become impaired. The following table sets out the change required in each key assumption used, on a stand-alone basis that would cause the recoverable amount of these CGUs to equal its carrying value.

		Headroom‡	Key assumptions used		Break-even sensitivities		
CGU			Pre-tax discount rate	Terminal growth rate	Cash flow decrease	Pre-tax discount rate increase	Terminal growth rate decrease
Datalinx/Analytics	$	29.5	14.0%	2.0%	2.6%	0.3%	0.5%
MX/CDCC		107.2	11.6%	4.5%	12.2%	1.0%	1.2%
NGX		12.4	14.3%	2.0%	7.7%	1.1%	1.7%

‡Headroom represents the amount by which the recoverable amount of the CGU exceeds its carrying value.

NOTE 12 – TRADE AND OTHER PAYABLES

Trade and other payables are comprised of:

As at		December 31, 2015		December 31, 2014
Trade payables and accrued expenses	$	27.2	$	28.1
Sales taxes payable		3.3		3.5
Employee and director costs payable		38.7		35.1
Accrued interest payable		7.3		7.8
Regulatory surplus		3.2		2.2
Other		0.5		0.4
Trade and other payables	$	80.2	$	77.1

The fair value of trade and other payables is approximately equal to their carrying amount given their short term until settlement.

NOTE 13 – DEBT, CREDIT AND LIQUIDITY FACILITIES

The Company has the following debt outstanding at December 31:

	Interest rate	Maturity date(s)	Principal	2015 Carrying amount	2014 Carrying amount
Series A Debentures	3.253%	Oct 3, 2018	$ 400.0	$ **399.1**	$ 398.8
Series B Debentures	4.461%	Oct 3, 2023	250.0	**249.1**	249.0
Series C Debentures	3 month B.A. + 70 bps	Oct 3, 2016	350.0	**349.7**	349.4
Debentures				**997.9**	997.2
Commercial Paper	0.82-0.90% / USD 0.40%-0.53%	Jan 4 - Feb 2, 2016	400.0	**74.3**	233.9
Commercial Paper				**74.3**	233.9
Total debt				**1,072.2**	1,231.1
Less: current portion of debt				**(424.0)**	(233.9)
Non-current debt				$ **648.2**	$ 997.2

The Company has the following credit and liquidity facilities drawn and outstanding at December 31:

	Interest rate†	Maturity date(s)	Authorized	2015 Carrying amount	2014 Carrying amount
TMX Group Limited credit facility	1 month B.A./ LIBOR + 125 bps	August 1, 2016	$ 400.0	$ **—**	$ —
Loans payable				**—**	—
AgriClear operating line of credit	–	n/a	3.0	**—**	—
AgriClear operating line of credit	–	n/a	US$3.0	**—**	—
AgriClear letter of credit	–	n/a	US$10.5	**—**	—
CDS Limited operating demand loan	–	n/a	6.0	**—**	—
CDS Clearing operating demand loan	–	n/a	10.0	**—**	—
CDS Clearing overdraft facility	–	n/a	5.0	**—**	—
CDS Clearing overnight loan facility	–	n/a	US$5.5	**—**	—
Credit facilities				**—**	—
CDS Clearing secured standby liquidity facility	–	Dec 20, 2016	US$400.0	**—**	—
CDS Bank of Canada liquidity facility	–	n/a	n/a	**—**	—
CDCC syndicated revolving standby liquidity facility	Prime less 1.75%	Mar 4, 2016	300.0	**0.2**	2.2
CDCC daylight liquidity facilities	–	n/a	600.0	**—**	—
CDCC syndicated REPO facility	–	Mar 4, 2016	13,464.0	**—**	—
CDCC Bank of Canada liquidity	–	n/a	n/a	**—**	—
NGX credit agreement	–	Dec 23, 2016	US$100.0	**—**	—
NGX overdraft facility	–	n/a	20.0	**—**	—
NGX EFT daylight liquidity facility	–	n/a	300.0	**—**	—
Shorcan overdraft facility	–	n/a	50.0	**—**	—
Liquidity facilities				**0.2**	2.2
Total credit and liquidity facilities				$ **0.2**	$ 2.2

†The interest rate charged on borrowings under the credit and liquidity facilities vary as the actual rate will be based on the prevailing market rates at the time of draw.

(A) DEBENTURES

The Company maintains debentures, which are direct, senior, unsecured obligations of the Company and rank equally with all other senior unsecured and unsubordinated indebtedness. The debentures have received a rating of A (high) with Stable trend from DBRS Limited ("DBRS").

The Company has the right, at its option, to redeem, in whole or in part, each of the Series A and Series B Debentures at any time prior to their respective maturities and the Series C Debentures on any interest payment date. For the Series A and Series B Debentures, the redemption price is equal to the greater of the applicable Canada Yield Price (as defined in the relevant Supplemental Indenture) and 100% of the principal amount of the debentures being redeemed to the date fixed for redemption. For the Series C debentures, the redemption price is equal to the greater of the Canadian Dealer Offered Rate Yield Price (as defined in the relevant Supplemental Indenture) and 100% of the principal amount of the debentures being redeemed. Accrued and unpaid interest will be paid to the holder of the Series C Debentures on the relevant record date of the interest payment.

The debentures are carried at amortized cost and are measured using the effective interest rate method.

For the year ended December 31, 2015, the Company recognized interest expense on its Series A, Series B and Series C debentures of $13.3, $11.3 and $6.3, respectively (2014 – $13.4, $11.4, and $7.4, respectively).

(B) COMMERCIAL PAPER

The Company has a commercial paper program to offer potential investors up to $400.0 (or the equivalent United States dollars (“USD”)) of unsecured short-term promissory notes (“Commercial Paper”) to be issued in various maturities of no more than one year. The Commercial Paper bears interest rates based on the prevailing market conditions at the time of issuance.

The Commercial Paper issued are unsecured obligations of the Company and rank equally with all other senior unsecured obligations of the Company. The Commercial Paper has been assigned a rating of R-1 (low) with Stable trend by DBRS.

The Commercial Paper is carried at amortized cost and measured using the effective interest rate method.

The Company used the net cash proceeds from the Commercial Paper to pay down the TMX Group Limited credit facility outstanding at that time.

During the year ended December 31, 2015, the Company issued and repaid Commercial Paper with a cumulative amount of $1,982.5 and $2,148.8, respectively (2014 – $1,688.4 and $1,458.5, respectively).

As at December 31, 2015, the carrying amount of Commercial Paper issued that remains outstanding is $74.3, of which $20.8 represents the Canadian dollar equivalent amount of US dollar Commercial Paper (2014 – $233.9 and $87.0, respectively).

(C) TMX GROUP LIMITED FACILITIES

The Company has a credit agreement (the “TMX Group Limited credit facility”) with a syndicate of lenders to provide 100% backstop to the commercial paper program as well as for general corporate purposes. The amount available to be drawn under the TMX Group Limited credit facility is limited to $400.0 less the aggregate amount of: (i) Commercial Paper outstanding; and (ii) inter-company notes payable to NGX, CDS and CDCC outstanding, at any point in time.

MX has an outstanding letter of guarantee for $0.6 issued against the TMX Group Limited credit facility. This letter of guarantee has been issued as a guarantee to the trustee under the MX supplementary pension plan in respect of accrued future employee benefits (note 16).

(D) AGRICLEAR FACILITIES

AgriClear maintains two uncommitted and unsecured operating credit facilities of $3.0 and US$3.0 to support processing and settlement activities of buyers and sellers and short-term operating requirements. The borrowing rates for these facilities, if drawn, are the Canadian prime or the US prime rate, depending on the currency drawn.

In addition, AgriClear maintains a letter of credit demand facility of US$10.5 with a major Canadian chartered bank. TMX Group Limited has guaranteed the obligations under the letter of credit demand facility. As at December 31, 2015, letters of credit issued and outstanding under this facility were $0.2 and US$9.2.

(E) CDS FACILITIES

CDS maintains unsecured operating demand loans totaling $6.0 to support short-term operating requirements. To support processing and settlement activities of Participants, an unsecured overdraft facility and demand loan of $15.0 and an overnight facility of US$5.5 are available. The borrowing rates for these facilities, if drawn, are the Canadian prime or the US base rate, depending on the currency drawn.

CDS has a secured standby liquidity facility of US$400.0, or Canadian dollar equivalent that can be drawn in either US or Canadian currency. This arrangement is available to support processing and settlement activities in the event of a participant default. Borrowings under the secured facility are obtained by pledging or providing collateral pledged by Participants primarily in the form of debt instruments issued or guaranteed by federal, provincial and/or municipal governments in Canada, or US treasury instruments. Depending upon the currency drawn, the borrowing rate for the secured standby credit arrangement is the US base rate or the Canadian prime rate.

In addition, CDS has signed agreements that would allow the Bank of Canada to provide emergency last-resort liquidity to CDS at the discretion of the Bank of Canada. This liquidity facility is intended to provide end of day liquidity for payment obligations arising from CDSX, and only in the event that CDS is unable to access liquidity from its standby liquidity facility or in the event that the liquidity under such facilities is insufficient. Use of this facility would be on a fully collateralized basis.

(F) CDCC FACILITIES

CDCC maintains daylight liquidity facilities for a total of $600.0 to provide liquidity on the basis of collateral in the form of securities that have been received by, or pledged to, CDCC. The daylight liquidity facilities must be cleared to zero at the end of each day.

CDCC maintains a $13,464.0 REPO facility which is comprised of $1,200.0 in committed liquidity and $11,064.0 in uncommitted liquidity and is in place to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. The facility would provide liquidity in exchange for securities that have been received by, or pledged to, CDCC. On March 6, 2015, CDCC amended this facility from a partially committed liquidity facility to a fully uncommitted liquidity facility. In addition, the terms of the facility were amended to increase the minimum required amount of CDCC's total shareholder's equity from $20.0 to $30.0. During the year ended December 31, 2015, CDCC increased the size of its REPO facility from $12,264.0 to $13,464.0 as a result of Clearing Members' activities.

CDCC also maintains a $300.0 syndicated revolving standby liquidity facility to provide end of day liquidity in the event that CDCC is unable to clear the daylight liquidity facilities to zero. Advances under the facility are secured by collateral in the form of securities that have been received by, or pledged to, CDCC. As at December 31, 2015, CDCC had drawn $0.2 to facilitate a failed REPO settlement. The amount is fully offset by liquid securities included in cash and cash equivalents and was fully repaid subsequent to the reporting date (2014 – $2.2).

In addition, CDCC has signed an agreement that would allow the Bank of Canada to provide emergency last-resort liquidity to CDCC at the discretion of the Bank of Canada. This liquidity facility is intended to provide end of day liquidity only in the event that CDCC is unable to access liquidity from the revolving standby liquidity facility and the syndicated REPO facility or in the event that the liquidity under such facilities is insufficient. Use of this facility would be on a fully collateralized basis.

(G) NGX FACILITIES

NGX maintains a daylight liquidity facility with a major Canadian chartered bank in the amount of $300.0. This facility may be used on settlement day to effect payments through the settlement accounts and it is intended to cover any intra-day shortfalls due to timing of payments and receipts. In the event that amounts drawn on settlement day do not clear to zero by the end of the day, NGX must repay the deficiency on the following business day.

In addition, a $20.0 overdraft facility is in place with the same major Canadian chartered bank. This facility is only available to repay the daylight liquidity facility as discussed above on the business day following a settlement day.

On December 24, 2015, NGX cancelled its existing letter of credit of US$100.0. On the same day, NGX then entered into a US $100.0 credit agreement with a major Canadian chartered bank and issued a new letter of credit of US$100 (or Canadian dollar equivalent) that can be drawn in either US or Canadian currency, which replaced the cancelled letter of credit. The new letter of credit has been deposited with BNY Mellon ("Escrow Agent"). Contracting parties are entitled to file with the Escrow Agent in the event of a failure by NGX to deliver or take commodities, or a failure by NGX to pay amounts owed. Where the claim by a Contracting Party is not resolved by NGX and is determined to have met the terms of the Contracting Party's Demand under the Deposit Agreement, the Escrow Agent will present and draw upon these letters of credit to settle the claim. TMX Group Inc., a wholly-owned subsidiary of the Company, maintains a US$100.0 guarantee in favor of the major Canadian chartered bank issuing the letter of credit.

(H) SHORCAN FACILITY

Shorcan maintains an overdraft facility with a major chartered bank to provide end of day liquidity to cover any shortfalls due to timing of payments and receipts associated with the brokerage of trades. Use of this facility is secured by collateral in the form of securities.

NOTE 14 – OTHER ASSETS AND OTHER LIABILITIES

(A) OTHER ASSETS

Other current and non-current assets are comprised of:

As at		**December 31, 2015**		December 31, 2014
Prepaid expenses	**$**	**11.4**	$	11.1
Deferred contract costs		**—**		1.7
Current income tax assets		**7.4**		1.9
Other current assets	**$**	**18.8**	$	14.7
Investment in equity accounted investees (note 15)	**$**	**63.9**	$	67.8
Accrued employee benefit assets (note 16)		**10.0**		8.7
Investment in privately-owned company (note 24)		**0.8**		0.8
Premises and equipment		**41.7**		43.8
Other		**2.3**		2.0
Other non-current assets	**$**	**118.7**	$	123.1

(B) OTHER LIABILITIES

Other current and non-current liabilities are comprised of:

As at		**December 31, 2015**		December 31, 2014
Deferred revenue (note 17)	**$**	**16.6**	$	16.7
Total return swaps (note 18)		**4.2**		1.2
Fair value of foreign currency forward contracts (note 18)		**—**		0.2
Fair value of interest rate swaps (note 18)		**1.3**		0.1
Provisions (note 19)		**2.6**		3.3
Obligations under finance leases (note 20)		**1.0**		2.1
Current income tax liabilities		**6.8**		11.3
Other current liabilities	**$**	**32.5**	$	34.9
Accrued employee benefits payable (note 16)	**$**	**18.8**	$	19.7
Deferred revenue (note 17)		**1.7**		0.7
Fair value of interest rate swaps (note 18)		**—**		0.5
Provisions (note 19)		**8.3**		9.2
Obligations under finance leases (note 20)		**0.4**		1.3
Long-term incentive plan and director compensation obligations (note 23)		**12.0**		19.4
Other		**1.5**		1.8
Other non-current liabilities	**$**	**42.7**	$	52.6

NOTE 15 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

Investments in equity accounted investees are comprised of:

As at	December 31, 2015	December 31, 2014
Investment in FTSE TMX Global Debt Capital Markets Limited	$ 49.3	$ 52.4
Other	14.6	15.4
Investments in equity accounted investees	**$ 63.9**	$ 67.8

For the year ended December 31, 2015, the Company recognized $3.2 from its share of income from equity accounted investees, which is offset by a loss on disposal of $0.4 (2014 – $3.3 which had been offset by losses due to dilution of $0.3).

(A) FTSE TMX GLOBAL DEBT CAPITAL MARKETS LIMITED

As at December 31, 2015, the Company has an indirect 24.25% equity interest in FTSE TMX Global Debt Capital Markets Limited ("FTSE"). The investment is accounted for using the equity method.

Summary financial information for FTSE is as follows:

As at	December 31, 2015	December 31, 2014
Current assets	$ 22.7	$ 30.0
Non-current assets	146.7	157.0
Current liabilities	(16.1)	(22.6)
Non-current liabilities	(0.3)	(1.2)
Net assets (100%)	**$ 153.0**	$ 163.2

For the year ended	December 31, 2015	December 31, 2014
Revenue	$ 29.1	$ 22.6
Net income and comprehensive income (100%)	7.8	4.2
Share of income and comprehensive income (24.25%)	**$ 1.9**	$ 0.9

For the year ended December 31, 2015, the Company earned $1.9 from FTSE as part of its royalty program, which is included in the Market Insights segment (2014 – $1.6).

NOTE 16 – EMPLOYEE FUTURE BENEFITS

(A) DEFINED CONTRIBUTION PLANS

The total expense recognized in respect of the Company's defined contribution plans for the year ended December 31, 2015, was $7.5, which represents the employer contributions for the period (2014 – $6.8).

(B) DEFINED BENEFIT PLANS

The Company measures the present value of its defined benefit obligations and the fair value of plan assets for accounting purposes as at the balance sheet date of each fiscal year. The most recent actuarial valuation of the registered pension plan for funding purposes was as at December 31, 2013, and the next required valuation is as at December 31, 2016. For the TSX SIP plans, the most recent actuarial valuations for funding purposes were as at December 31, 2014, and the next required valuations are as at December 31, 2015. For the CDS SIP plan, the funding valuation is performed annually with the most recent actuarial funding valuation completed as of January 1, 2015 and the next required valuation is at January 1, 2016. Lastly, for the non-pension post-retirement plan, the valuation date is May 1, 2015 with results extrapolated to December 31, 2015. The next required valuation is at May 1, 2018.

The accrued benefit assets and accrued benefit obligations related to the Company's defined benefit pension and non-pension post-retirement plans are included in the Company's consolidated balance sheet at December 31 as follows:

	Pension and SIP plans		**Other post-retirement benefit plans**	
	2015	2014	**2015**	2014
Accrued employee benefit assets	**$ 10.0**	$ 8.7	**$ —**	$ —
Accrued employee benefits payable	**(4.7)**	(2.9)	**(13.0)**	(15.5)
	$ 5.3	$ 5.8	**$ (13.0)**	$ (15.5)

Accrued employee benefits payable on the consolidated balance sheet also includes the obligation under the post-employment benefit plan of $1.1 (2014 – $1.3).

The accrued benefit assets and accrued benefit liabilities are comprised of:

	Pension and SIP plans		**Other post-retirement benefit plans**	
	2015	2014	**2015**	2014
Accrued benefit obligation:				
Balance, beginning of the year	**$ 110.9**	$ 93.5	**$ 15.5**	$ 10.6
Current service cost	**2.9**	2.6	**0.9**	0.8
Past service cost	**—**	0.4	**(0.9)**	2.3
Loss on settlement	**—**	0.1	**—**	—
Interest cost	**4.3**	4.5	**0.6**	0.6
Benefits paid	**(6.7)**	(2.9)	**(0.5)**	(0.6)
Settlements paid	**(2.3)**	(1.5)	**—**	—
Employee contributions	**0.2**	0.2	**—**	—
Actuarial (gains) losses	**(0.8)**	14.0	**(2.6)**	1.8
Balance at December 31	**$ 108.5**	$ 110.9	**$ 13.0**	$ 15.5
Plan assets:				
Fair value, beginning of the year	**$ 116.7**	$ 107.8	**$ —**	$ —
Interest income	**4.6**	5.2	**—**	—
Employer contributions	**1.5**	2.4	**0.5**	0.6
Employee contributions	**0.2**	0.2	**—**	—
Benefits paid	**(6.7)**	(2.9)	**(0.5)**	(0.6)
Settlements paid	**(2.3)**	(1.5)	**—**	—
Plan administration cost	**(0.2)**	(0.9)	**—**	—
Actuarial gains	**—**	6.4	**—**	—
Fair value at December 31	**$ 113.8**	$ 116.7	**$ —**	$ —
Accrued benefit asset (liability) at December 31	**$ 5.3**	$ 5.8	**$ (13.0)**	$ (15.5)

Plan assets consist of:

	Percentage of plan assets	
Asset category	**December 31, 2015**	December 31, 2014
Equity securities	**48.4%**	48.5%
Debt securities	**35.3%**	33.7%
Other	**16.3%**	17.8%
	100.0%	100.0%

The plan assets include units held in a pooled fund investments which hold approximately 0.070% of debentures in TMX Group Limited as at December 31, 2015 (2014 – 0.087%).

MX has provided a letter of guarantee in the amount of $0.6 to the benefit of the trustee of the MX SIP (2014 – $0.6), using a part of the TMX Group Limited credit facility (note 13).

The elements of the Company's defined benefit plan costs recognized in the year ended December 31 are as follows:

	Pension and SIP plans		Other post-retirement benefit plans	
	2015	2014	**2015**	2014
Current service cost	**$ 2.9**	$ 2.6	**$ 0.9**	$ 0.8
Past service cost	**—**	0.4	**(0.9)**	2.3
Loss on settlement/curtailment	**—**	0.1	**—**	—
Net interest cost	**(0.3)**	(0.7)	**0.6**	0.6
Plan administration cost	**0.4**	0.7	**—**	—
Net benefit plan expense recognized in the consolidated income statement	**$ 3.0**	$ 3.1	**$ 0.6**	$ 3.7

The Company recognizes experience adjustments and the effects of changes in actuarial assumptions immediately in other comprehensive income. The aggregate actuarial gains and losses and effects of asset limits recognized in other comprehensive income for the year ended December 31 are as follows:

	Pension and SIP plans		Other post-retirement benefit plans	
	2015	2014	**2015**	2014
Effect due to demographics	**$ 1.6**	$ 0.8	**$ (2.4)**	$ 0.1
Effect due to financial assumptions	**(2.5)**	12.8	**(0.2)**	1.6
Effect due to experience adjustments	**0.1**	0.3	**—**	0.1
Return on plan assets (excluding interest income)	**(0.2)**	(6.1)	**—**	—
Actuarial (gains) losses recognized in other comprehensive income	**$ (1.0)**	$ 7.8	**$ (2.6)**	$ 1.8

The significant actuarial assumptions adopted in measuring the obligation as at December 31 are as follows:

	Pension and SIP plans		Other post-retirement benefit plans	
	2015	2014	**2015**	2014
Discount rate (weighted average)	**4.10%**	3.99%	**4.10%**	3.99%
Inflation rate (consumer price index)	**1.50%**	2.00%	**n/a**	n/a
Commuted value	**3.00%**	3.26%	**n/a**	n/a
Rate of compensation increase	**3.00%**	3.50%	**n/a**	n/a

Assumptions regarding mortality rates are based on published statistics and mortality tables. The mortality tables used in 2015 for the pension, SIP and other post-retirement plans was the Canadian Pensioner Mortality (CPM) RPP2014 private sector table with projection scale CPM-B and CPM RPP2014 table with projection scale CPM-B for lump sum payments (2014 – CPM RPP2014 private sector mortality table with projection scale CPM-A and 1944 Uninsured Pensioner Mortality Table with projection scale AA, respectively). The assumed health care cost trend rate at December 31, 2015 was 6.44% decreasing to 4.50% over 14 years (2014 – 6.6% decreasing to 4.5% over 15 years).

Reasonably possible changes to one of the relevant actuarial assumptions, holding other assumptions constant, would impact the accrued benefit obligations as follows:

	Pension and SIP plans		Other post-retirement benefit plans	
(Increase)/Decrease	**2015**	2014	**2015**	2014
50 bps decrease in the discount rate	**$ (6.5)**	$ (6.9)	**$ (0.9)**	$ (1.1)
25 bps decrease in inflation assumptions	**1.0**	3.3	**n/a**	n/a
1 year increase in mortality rates	**(1.7)**	0.6	**(0.5)**	(0.7)
100bps decrease in initial and ultimate trend rates	**n/a**	n/a	**0.6**	0.7
100bps increase in initial and ultimate trend rates	**n/a**	n/a	**(0.7)**	(0.8)

In 2016, the Company expects to contribute approximately $1.9 to its pension and other post-retirement benefit plans. Additional amounts to be contributed to the Company's SIP plans will be determined by management once the valuations have been prepared.

NOTE 17 – DEFERRED REVENUE

Deferred revenue is comprised of:

As at	December 31, 2015	December 31, 2014
Energy	$ 6.0	$ 5.5
Listings	2.3	2.7
Technology	4.1	5.2
Other	4.2	3.3
Current deferred revenue	**$ 16.6**	$ 16.7
Energy	$ 1.7	$ 0.7
Non-current deferred revenue	**$ 1.7**	$ 0.7

Deferred revenue mainly comprises of energy deferred revenue from NGX, which recognizes trading, clearing and related revenue over the trade, delivery and settlement months of each transaction, and initial and additional listings for TSX Venture Exchange, which are paid in advance for the services being provided and which are deferred until the point at which the listing occurs and the service is completed.

Technology deferred revenue includes fees for network and infrastructure solutions and risk management software, and annual information services subscription sales from CDS which are deferred over a twelve month period.

NOTE 18 – DERIVATIVE INSTRUMENTS

(A) INTEREST RATE SWAPS

The Company has entered into a series of interest rate swap agreements to partially manage its exposure to interest rate fluctuations associated with the amounts drawn on its debentures (note 13). The interest rate swaps in place as of December 31 are as follows:

Swap	Maturity date	Interest rate the Company will receive	Interest rate the Company will pay	Notional value		Fair value liability	
				2015	2014	**2015**	2014
Series 3	September 30, 2015	1 month B.A.	1.416%	$ —	$ 50.0	$ —	$ (0.1)
Series 4	July 29, 2016	1 month B.A.	1.499%	**350.0**	350.0	**(1.3)**	(0.5)
				$ 350.0	$ 400.0	**$ (1.3)**	$ (0.6)

The Company has designated certain interest rate swaps as cash flow hedges. The Company's objective is to eliminate the variability of cash flows from interest rate payments due to be paid by the Company on its Series C Debentures that are based on the 3 month B.A., through the use of interest rate swaps over the term of the debt. Fair value is obtained from a pricing service based on a discounted cash flow model, which includes a credit spread. During the year ended December 31, 2015, interest rate swaps with a notional value of $50 matured (2014 – $200). The Company applies hedge accounting between the Series C debentures and interest rate swaps with a notional value of $350.

During the year ended December 31, 2015, the Company has determined that certain hedge relationships were effective and has recognized within other comprehensive income unrealized fair value losses on the swaps of $0.7 (2014 – effective and unrealized losses of $0.3). In addition, the Company recognized $2.3 within net finance costs in the consolidated income statement, representing the net amount paid on the interest rate swaps (2014 – paid $1.3). This amount was reclassified from other comprehensive income to finance costs in the consolidated income statement. The Company has also recognized ineffective hedges within finance costs in the consolidated income statement.

(B) TOTAL RETURN SWAPS

The Company has entered into a series of total return swaps ("TRSs") which synthetically replicate the economics of the Company purchasing its shares as a partial economic hedge to the share appreciation rights of the non-performance element of restricted shared units ("RSUs") and deferred share units ("DSUs") (note 23). The Company has also entered into a series of TRSs as a full fair value hedge against the share price appreciation associated with the DSUs.

The Company marks to market the fair value of the TRSs as an adjustment to income, and simultaneously marks to market the liability to holders of the units as an adjustment to income. Fair value is based on a volume weighted average price of the Company's common shares at the end of the reporting period. The fair value of the TRSs and the obligation to unit holders are reflected on the consolidated balance sheet. The contracts are settled in cash upon maturity.

For the year ended December 31, 2015, unrealized losses and realized losses of $2.0 and $2.3, respectively have been reflected in the compensation and benefits expense in the consolidated financial statements (2014 – unrealized losses and realized gains of $1.7 and $1.5, respectively).

NOTE 19 – PROVISIONS AND CONTINGENCIES

(A) PROVISIONS

A summary of the Company's provisions is as follows:

	Onerous leases	Decommissioning liabilities	Commodity tax	Restructuring	Total
Balance at January 1, 2014	$ 1.1	$ 6.7	$ 3.6	$ 1.8	$ 13.2
Provisions recognized during the period	1.2	5.2	0.8	1.7	8.9
Provisions used or reversed during the period	(1.0)	(3.8)	(2.6)	(2.2)	(9.6)
Balance at December 31, 2014	$ 1.3	$ 8.1	$ 1.8	$ 1.3	$ 12.5
Current	$ 0.2	$ —	$ 1.8	$ 1.3	$ 3.3
Non-current	1.1	8.1	—	—	9.2
Balance at December 31, 2014	$ 1.3	$ 8.1	$ 1.8	$ 1.3	$ 12.5
Provisions recognized during the period	**0.2**	**0.3**	**1.1**	**—**	**1.6**
Provisions used or reversed during the period	**(0.4)**	**(0.3)**	**(1.3)**	**(1.2)**	**(3.2)**
Balance at December 31, 2015	**$ 1.1**	**$ 8.1**	**$ 1.6**	**$ 0.1**	**$ 10.9**
Current	**$ 0.5**	**$ 0.4**	**$ 1.6**	**$ 0.1**	**$ 2.6**
Non-current	**0.6**	**7.7**	**—**	**—**	**8.3**
Balance at December 31, 2015	**$ 1.1**	**$ 8.1**	**$ 1.6**	**$ 0.1**	**$ 10.9**

(B) CONTINGENT LIABILITIES

From time to time in connection with its operations, the Company or its subsidiaries are named as a defendant in actions for damages and costs sustained by plaintiffs, or as a respondent in proceedings challenging the Company's or its subsidiaries' regulatory actions, decisions or jurisdiction. The outcomes of such matters are subject to future resolution that includes uncertainties of litigation or other proceedings. Based on information currently known to the Company, management believes that any payment in respect of any such action, claim or proceeding is unlikely.

NOTE 20 – COMMITMENTS AND LEASE OBLIGATIONS

The Company is committed under long-term leases and licenses as follows:

- The rental of office space, under various long-term operating leases with remaining terms of up to 18 years, including certain asset retirement obligations with regard to these leases;
- The rental of computer hardware and software for remaining terms of one to four years under operating leases; and
- The rental of computer hardware and software for remaining terms of one to three years under finance leases.

(A) OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	December 31, 2015	December 31, 2014
Less than one year	**$ 21.6**	$ 21.6
Between one and five years	**43.4**	52.9
More than five years	**73.5**	78.8
	$ 138.5	$ 153.3

The Company is responsible for additional taxes, maintenance and other direct charges with respect to its leases. The additional amount will be approximately $13.4 for 2016 (2015 – $13.5).

The figures above do not include the Company's obligations to restore certain leased premises to their original condition (note 19).

The Company has entered into sub-lease agreements with third parties for the rental of office space, and rentals receivable from these sub-leases are as follows:

	December 31, 2015	December 31, 2014
Less than one year	**$ 1.4**	$ 1.6
Between one and five years	**2.1**	3.8
	$ 3.5	$ 5.4

Payments of $33.1 were charged to the consolidated income statement in relation to operating leases, net of sub-lease income (2014 – $33.9).

(B) FINANCE LEASES

Finance lease liabilities that are payable in less than one year are included in other current liabilities and the remaining liabilities are included in other non-current liabilities on the consolidated balance sheet. Finance lease liabilities are payable as follows:

	December 31, 2015			December 31, 2014		
	Future minimum lease payments	**Interest**	**Present value of minimum lease payments**	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	**$ 1.2**	**$ 0.2**	**$ 1.0**	$ 2.3	$ 0.2	$ 2.1
Between one and five years	**0.5**	**0.1**	**0.4**	1.5	0.2	1.3
	$ 1.7	**$ 0.3**	**$ 1.4**	$ 3.8	$ 0.4	$ 3.4

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

(C) CDS FEE COMMITMENTS AND REBATES

Under the CDS recognition orders granted by the OSC and the AMF, fees for services and products offered by CDS Clearing will be those fees in effect on November 1, 2011 ("2012 base fees"). CDS Clearing cannot adjust fees without the approval of the OSC, AMF and the British Columbia Securities Commission ("BCSC"). In addition, CDS Clearing may only seek approval for fee increases on clearing and other core CDS Clearing services (which services are outlined in the OSC and AMF recognition orders) where there has been a significant change from circumstances existing as at August 1, 2012, the effective date of the recognition orders.

Under the CDS recognition orders granted by the OSC and AMF, for the two month period starting November 1, 2012 and subsequent fiscal years starting January 1, 2013, CDS will share any annual revenue increases on clearing and other core CDS Clearing services on a 50:50 basis with Participants. Beginning January 1, 2015 and subsequent years, CDS also shares with Participants, on a 50:50 basis, any annual increases in revenue applicable to the New York Link/DTC Direct Link Liquidity Premium compared to the revenues for this service in earned in the twelve-month period ended December 31, 2015.

For the year ended December 31, 2015, the rebate payable amounted to $2.5 (2014 – $2.3).

In addition, CDS will rebate an amount to Participants in respect of exchange clearing services for trades conducted on an exchange or Alternative Trading System ("ATS") as follows:

- $2.8 in the 12 month period ending October 31, 2013
- $3.3 in the 12 month period ending October 31, 2014
- $3.8 in the 12 month period ending October 31, 2015
- $4.0 in the 12 month period ending October 31, 2016
- $4.0 annually thereafter.

These rebates are accrued and recorded as a reduction against revenue in the year to which they relate.

NOTE 21 – INCOME TAXES

(A) INCOME TAX EXPENSE RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT

Income tax expense recognized in the consolidated income statement for the period is as follows:

For the year ended	December 31, 2015	December 31, 2014
Current income tax expense:		
Income tax for the current period	**$ 69.0**	$ 69.8
Adjustments in respect of prior years	**1.1**	—
Deferred income tax expense:		
Origination and reversal of temporary differences	**(19.9)**	(28.9)
Adjustments in respect of prior years	**(0.3)**	0.7
Changes in substantively enacted income tax rates	**7.1**	—
Total income tax expense	**$ 57.0**	$ 41.6

Income tax expense attributable to income differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.5% (2014 – 26.5%) to income before income taxes as a result of the following:

For the year ended	December 31, 2015	December 31, 2014
(Loss) income before income taxes	**$ (11.5)**	$ 96.2
Computed expected income tax (recovery) expense	**$ (3.0)**	$ 25.5
Impairment charges (note 11)	**49.1**	13.9
Non-deductible expenses	**1.7**	1.5
Adjustments in respect of prior years	**0.8**	0.7
Changes in substantively enacted income tax rates	**7.1**	—
Current year losses not recognized in deferred income tax assets	**1.3**	0.8
Other	**—**	(0.8)
Income tax expense	**$ 57.0**	$ 41.6

During the year ended December 31, 2015, the Alberta general corporate tax rate was increased from 10.0% to 12.0%, effective July 1, 2015. The Company recognized $7.1 in deferred income tax expense as a result of the rate change, which became substantively enacted on June 18, 2015.

(B) DEFERRED INCOME TAX ASSETS AND LIABILITIES

Deferred income tax assets and liabilities as of December 31 are attributable to the following:

	Assets		Liabilities		Net	
	2015	2014	**2015**	2014	**2015**	2014
Premises and equipment	**$ 5.3**	$ 4.3	**$ (1.8)**	$ (2.1)	**$ 3.5**	$ 2.2
Cumulative eligible capital / intangible assets	**29.5**	22.4	**(864.2)**	(865.7)	**(834.7)**	(843.3)
Tax loss carry-forwards	**20.1**	14.5	**—**	—	**20.1**	14.5
Employee future benefits	**5.0**	4.4	**(2.6)**	(1.5)	**2.4**	2.9
RSUs, PSUs and DSUs	**4.3**	6.7	**—**	—	**4.3**	6.7
Other	**8.8**	7.8	**(0.1)**	(0.1)	**8.7**	7.7
Deferred income tax assets (liabilities)	**$ 73.0**	$ 60.1	**$ (868.7)**	$ (869.4)	**$ (795.7)**	$ (809.3)
Set off of tax	**(41.9)**	(42.2)	**41.9**	42.2	**—**	—
Net deferred income tax assets (liabilities)	**$ 31.1**	$ 17.9	**$ (826.8)**	$ (827.2)	**$ (795.7)**	$ (809.3)

Movements in the deferred income tax balances in the year are as follows:

	Premises and equipment	Cumulative eligible capital/ intangible assets	Tax loss carry-forwards	Employee future benefits	RSUs, PSUs and DSUs	Other	Total
Balance at January 1, 2014	$ 2.2	$ (871.9)	$ 13.8	$ (0.7)	$ 8.7	$ 7.6	$ (840.3)
Recognized in net income	—	28.6	0.3	1.1	(2.0)	0.2	28.2
Recognized in other comprehensive income	—	—	—	2.5	—	(0.1)	2.4
Effect of movements in exchange rates	—	—	0.4	—	—	—	0.4
Balance at December 31, 2014	2.2	(843.3)	14.5	2.9	6.7	7.7	(809.3)
Recognized in net income	**1.1**	**7.6**	**5.5**	**0.5**	**(2.4)**	**0.8**	**13.1**
Recognized in other comprehensive loss	**—**	**—**	**—**	**(1.0)**	**—**	**0.2**	**(0.8)**
Recognized in equity	**0.2**	**1.2**	**0.1**	**—**	**—**	**—**	**1.5**
Effect of movements in exchange rates	**—**	**(0.2)**	**—**	**—**	**—**	**—**	**(0.2)**
Balance at December 31, 2015	**$ 3.5**	**$ (834.7)**	**$ 20.1**	**$ 2.4**	**$ 4.3**	**$ 8.7**	**$ (795.7)**

As at December 31, 2015, $12.8 and $7.3 of the above deferred income tax assets related to tax losses incurred in Canada and the US, respectively (2014 – $9.5 and $5.0, respectively). Recoverability of these assets is dependent upon the availability of future taxable profits within these legal entities. The Company believes that these losses will be recoverable.

No deferred income tax assets have been recognized in respect of the following temporary differences:

As at	December 31, 2015	December 31, 2014
Tax losses	**$ 47.1**	$ 33.9
Other deductible temporary differences	**131.5**	120.7
	$ 178.6	$ 154.6

At December 31, 2015, $16.0 of the above income tax losses will expire by 2034 (2014 – $14.8 by 2034). The remainder have no expiry date under currently applicable income tax legislation. Deferred income tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the tax losses. However, the Company will continue to pursue tax planning strategies to utilize the tax losses where possible.

At December 31, 2015, deferred income tax liabilities for temporary differences of $132.2 relating to investments in certain domestic and foreign subsidiaries were not recognized as the Company is able to control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future (2014 – $130.9). Temporary differences relating to the remaining domestic subsidiaries have not been recognized as the temporary difference can be settled without tax consequences.

NOTE 22 – SHARE CAPITAL

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preference shares, issuable in series. No preference shares have been issued.

Each common share of the Company entitles its holder to one vote at all meetings of shareholders subject to certain restrictions with respect to the voting rights and the transferability of the shares. No person or combination of persons acting jointly or in concert is permitted to beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of the Company without the prior approval of the OSC and the AMF.

Each common share of the Company is also entitled to receive dividends if, as and when declared by the Board of Directors of the Company. All dividends that the Board of Directors of the Company may declare and pay will be declared and paid in equal amounts per share on all common shares, subject to the rights of holders of the preference shares. Holders of common shares will participate in any distribution of the net assets of the Company upon liquidation, dissolution or winding–up on an equal basis per share, but subject to the rights of the holders of the preference shares.

There are no pre-emptive, redemption, purchase or conversion rights attaching to the common shares, except for the compulsory sale of shares or redemption provision described in connection with enforcing the restriction on ownership of voting shares of the Company.

Each of CIBC World Markets Inc., National Bank Financial & Co. Inc., Scotia Capital Inc., and TD Securities Inc., either directly or through an affiliate, has agreed to maintain a specified minimum ownership interest in the Company for a period of five years from September 14, 2012. During the first year, each of these investors was required to own at least 6.25% and for each of the four following years, at least 5.625%, of the Company’s common shares outstanding as at September 14, 2012.

The Company has nomination agreements in place with each of Alberta Investment Management Corporation, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., National Bank Group Inc., Ontario Teachers’ Pension Plan Board, Scotia Capital Inc. and TD Securities Inc., either directly or through an affiliate, (the "Nominating Investors") under which each Nominating Investor is granted the right to nominate one director for election to the Company's board of directors until the earlier of (a) September 14, 2018; and (b) such time as the Nominating Investor ceases to own, directly or indirectly, 5.0% of the Company's total issued and outstanding common shares as at September 14, 2012. During the six years following September 14, 2012, should a Nominating Investor wish to sell 0.75% or more of the outstanding common shares of the Company, it must be done in accordance with prescribed procedures as agreed to by the Nominating Investors.

The following transactions occurred with respect to the Company’s common shares during the period:

	Number of common shares issued and fully paid		Share capital	
	2015	2014	**2015**	2014
Balance, beginning of the period	**54,315,079**	54,116,023	**$ 2,858.3**	$ 2,849.2
Options exercised	**77,174**	199,056	**3.4**	9.1
Balance as at December 31	**54,392,253**	54,315,079	**$ 2,861.7**	$ 2,858.3

The Company’s shares trade on Toronto Stock Exchange under the symbol “X”.

NOTE 23 – SHARE–BASED PAYMENTS

Under the long-term incentive plan ("LTIP"), certain employees and officers of the Company will receive a mix of LTIP awards consisting of share options, time-based restricted share units ("RSUs"), and performance-based restricted share units (referred to as "PSUs"). For the year ended December 31, 2015, the Company recognized compensation and benefits expense under the following share-based payment arrangements:

- Share option plan;
- Restricted share unit, performance-based restricted share unit and deferred share unit plans; and
- Employee share purchase plan.

(A) SHARE OPTION PLAN

The share option plan has options that vest in quarters over 4 years and have a maximum term of 10 years. Under the share option plan, the fair value of share options granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: a share price of $47.17 dollars (2014 – $50.67 dollars), and depending on the tranche, dividend yield of between 3.2% and 3.4% (2014 – 3.0% and 3.1%); expected life of between 2 and 7 years (2014 – 2 and 5 years); an expected volatility of between 19.1% and 21.0% (2014 – 19.5% and 20.9%); risk-free interest rate of between 0.8% and 1.2% (2014 – 1.3% and 1.8%); and expected forfeiture rates of between 12.4% and 25.0% (2014 – 7.2% and 22.5%). The assumptions are based on the Company's historical share price movements and historical dividend policy and the expected life is based on the Company's past experience. The resulting weighted average fair value calculated for share options granted in 2015 was $4.98 dollars (2014 – $6.61 dollars).

Options outstanding at December 31, 2015 will expire in 2017, 2018, 2019, 2020, 2021, 2024 and 2025.

Movements in the number of share options outstanding are as follows:

For the year ended	**December 31, 2015**		December 31, 2014	
	Number of share options	**Weighted average exercise price (in dollars)**	**Number of share options**	**Weighted average exercise price (in dollars)**
Outstanding, beginning of the period	**1,604,326**	**$ 50.84**	1,355,585	$ 49.84
Granted	**746,542**	**47.17**	741,336	50.67
Expired	**—**	**—**	(32,497)	51.50
Forfeited	**(297,907)**	**50.77**	(261,042)	51.61
Exercised	**(77,174)**	**41.60**	(199,056)	42.29
Outstanding as at December 31	**1,975,787**	**$ 49.83**	1,604,326	$ 50.84
Vested and exercisable as at December 31	**733,654**	**$ 50.10**	491,036	$ 48.06

The range of exercise prices and weighted average remaining contractual life of options outstanding are as follows:

As at	**December 31, 2015**		December 31, 2014	
Exercise price range (in dollars)	**Number of share options**	**Weighted average remaining contractual life**	Number of share options	Weighted average remaining contractual life
$28.67 - $29.99	**18,295**	**1**	29,075	2
$40.00 - $49.99	**940,308**	**7**	370,327	4
$50.00 - $52.92	**1,017,184**	**5**	1,204,924	6
	1,975,787	**6**	1,604,326	5

For the year ended December 31, 2015, the Company recognized compensation and benefits expense of $2.7 in relation to its share option plan (2014 – $2.7).

According to the terms of the Company's plan, under no circumstances may any one person's share options and all other share compensation arrangements exceed 5% of the outstanding common shares issued of the Company. At December 31, 2015, 4,109,228 common shares of the Company remain reserved for issuance upon exercise of share options granted under the plan, representing approximately 8% of the outstanding common shares of the Company.

(B) RESTRICTED SHARE UNIT ("RSU"), PERFORMANCE-BASED RESTRICTED SHARE UNIT ("PSU") AND DEFERRED SHARE UNIT ("DSU") PLANS

RSUs and PSUs vest over a maximum of three years and are payable provided the employee is still employed by the Company at the end of the second calendar year following the calendar year in which the RSUs and PSUs were granted. In the case of the PSUs, the amount of the award payable at the end of this vesting period will be determined by a factor of total shareholder return versus the S&P/TSX Composite Index over the period. Total shareholder return represents the appreciation in share price of the Company plus dividends paid on a common share of the Company, measured at the time the PSUs vest.

The Company has a plan that gives officers who have not met their equity ownership requirements the opportunity to convert all or part of their short-term incentive award into DSUs. In addition, members of the Board of Directors who do not waive their compensation or direct that it be paid to their employer are granted DSUs annually and are also given the opportunity to convert some of their annual remuneration into DSUs. These DSUs vest immediately. The amount of the award payable is based on the number of units outstanding multiplied by the 30-day volume weighted average price of the Company's common shares at the date of the payout. The DSUs will only be paid out when the officer or the Board member retires or otherwise ceases to hold any position with the Company or such of its subsidiaries as are designated from time to time.

The Company records its obligation for the RSUs and PSUs, if any, over the service period in which the award is earned. The liability is measured at fair value on the date of grant and at each subsequent reporting date. As at December 31, 2015, the total accrual for the Company's RSUs, PSUs and DSUs was $16.3, which includes $4.3 in trade and other payables and $12.0 in other non-current liabilities (2014 – RSUs and DSUs of $25.5, $6.1 and $19.4, respectively).

The maximum amount to be paid is not known until the awards become payable and will be based on total shareholder return from the date of grant to the time of payout. The accrual is based on the 30-day volume weighted average price of the Company's common shares at the end of the reporting period. The Company has purchased total return swaps ("TRSs") to partially economically hedge against the impact of its share price fluctuations on the non-performance based portion of the RSUs and DSUs (note 24).

For the year ended December 31, 2015, the Company recognized compensation and benefits expense and selling, general and administration expense of $3.1 and $(0.8), respectively, in relation to its RSUs, PSUs and DSUs (2014 – RSUs of $4.9 and DSUs of $2.1).

(C) EMPLOYEE SHARE PURCHASE PLAN

The Company has an employee share purchase plan for eligible employees of the Company. Under the employee share purchase plan, contributions by the Company and by eligible employees will be used by the plan administrator, to make purchases of common shares of the Company on the open market. Each eligible employee may contribute up to 10% of the employee's salary to the employee share purchase plan. The Company will contribute to the plan administrator the funds required to purchase one common share of the Company for each two common shares purchased on behalf of the eligible employee, up to a maximum annual contribution of $2,500 dollars per year. The Company accounts for its contributions as compensation and benefits expense when the amounts are contributed to the plan. For the year ended December 31, 2015, compensation and benefits expense related to this plan was $2.0 (2014 – $1.9).

NOTE 24 – FINANCIAL INSTRUMENTS

(A) FINANCIAL INSTRUMENTS – CARRYING AMOUNTS AND FAIR VALUES

The classification of the Company's financial instruments, along with their carrying amounts and fair values are as follows:

	December 31, 2015 Carrying amount	December 31, 2015 Fair value	December 31, 2014 Carrying amount	December 31, 2014 Fair value
Assets at fair value through profit or loss				
– Designated				
Marketable securities	**$ 71.2**	**$ 71.2**	$ 59.7	$ 59.7
	71.2	**71.2**	59.7	59.7
– Classified				
Fair value of open energy contracts	**99.5**	**99.5**	213.8	213.8
	99.5	**99.5**	213.8	213.8
Available for sale financial assets				
Investment in privately-owned company	**0.8**	**0.8**	0.8	0.8
	0.8	**0.8**	0.8	0.8
Loans and receivables				
Cash and cash equivalents	**154.1**	**154.1**	214.0	214.0
Restricted cash and cash equivalents	**75.4**	**75.4**	75.6	75.6
Trade and other receivables	**79.3**	**79.3**	91.3	91.3
Energy contracts receivable	**418.4**	**418.4**	696.5	696.5
Clearing Members cash collateral	**385.9**	**385.9**	511.6	511.6
Other balances with Clearing Members	**10,731.9**	**10,731.9**	7,934.4	7,934.4
Balances with Participants	**433.4**	**433.4**	361.2	361.2
	12,278.4	**12,278.4**	9,884.6	9,884.6
Liabilities at fair value through profit or loss				
– Classified				
Fair value of open energy contracts	**(99.5)**	**(99.5)**	(213.8)	(213.8)
Total return swaps	**(4.2)**	**(4.2)**	(1.2)	(1.2)
Foreign currency forward contracts	**—**	**—**	(0.2)	(0.2)
Interest rate swaps	**—**	**—**	(0.1)	(0.1)
	(103.7)	**(103.7)**	(215.3)	(215.3)
Other financial liabilities				
Other trade and other payables	**(35.9)**	**(35.9)**	(37.6)	(37.6)
Accrued interest payable	**(7.3)**	**(7.3)**	(7.8)	(7.8)
Participants' tax withholdings	**(75.4)**	**(75.4)**	(75.6)	(75.6)
Energy contracts payable	**(418.4)**	**(418.4)**	(696.5)	(696.5)
Clearing Members cash collateral	**(385.9)**	**(385.9)**	(511.6)	(511.6)
Other balances with Clearing Members	**(10,731.9)**	**(10,731.9)**	(7,934.4)	(7,934.4)
Balances with Participants	**(433.4)**	**(433.4)**	(361.2)	(361.2)
Obligations under finance leases	**(1.4)**	**(1.4)**	(3.4)	(3.4)
Liquidity facilities drawn	**(0.2)**	**(0.2)**	(2.2)	(2.2)
Commercial Paper	**(74.3)**	**(74.3)**	(233.9)	(233.9)
Debentures	**(997.9)**	**(1,041.9)**	(997.2)	(1,038.0)
	(13,162.0)	**(13,206.0)**	(10,861.4)	(10,902.2)
Relationships designated under hedge accounting				
Interest rate swaps	**(1.3)**	**(1.3)**	(0.5)	(0.5)
	$ (1.3)	**$ (1.3)**	$ (0.5)	$ (0.5)

The carrying amount of the Company's financial instruments approximate their fair values at each reporting date, with the exception of the debentures. The fair values of the debentures were obtained using Level 2 observable market prices as inputs.

Fair value amounts disclosed represent current estimates that may change in the future due to market conditions or other factors. Fair value represents the Company's estimate of the amounts for which the Company could exchange the financial instruments with willing third parties who were interested in acquiring the instruments. Where calculations are performed, these calculations represent management's best estimates based on a range of methodologies and assumptions; since they involve uncertainties, the fair values may not be realized in an actual sale or settlement of the instruments.

(B) FAIR VALUE MEASUREMENT

The categories within the fair value hierarchy of the Company's financial instruments carried at fair value are as follows:

As at		**Fair value measurements using:**		**December 31, 2015**
Asset/(Liability)	**Level 1**	**Level 2**	**Level 3**	
Marketable securities	$ **71.2**	$ **—**	$ **—**	$ **71.2**
Fair value of open energy contracts	**—**	**99.5**	**—**	**99.5**
Investment in privately-owned company	**—**	**—**	**0.8**	**0.8**
Total return swaps	**—**	**(4.2)**	**—**	**(4.2)**
Fair value of open energy contracts	**—**	**(99.5)**	**—**	**(99.5)**
Interest rate swaps	**—**	**(1.3)**	**—**	**(1.3)**

As at		Fair value measurements using:		December 31, 2014
Asset/(Liability)	Level 1	Level 2	Level 3	
Marketable securities	$ 59.7	$ —	$ —	$ 59.7
Fair value of open energy contracts	—	213.8	—	213.8
Investment in privately-owned company	—	—	0.8	0.8
Total return swaps	—	(1.2)	—	(1.2)
Fair value of open energy contracts	—	(213.8)	—	(213.8)
Foreign currency forward contracts	—	(0.2)	—	(0.2)
Interest rate swaps	—	(0.6)	—	(0.6)

There were no transfers during the periods between any of the levels.

(i) Marketable securities

The Company has designated its marketable securities as fair value through profit and loss (note 8). Fair values have been determined by reference to quoted market prices.

(ii) Fair value of open energy contracts

The Company has classified its open energy contracts as fair value through profit and loss (note 10). Fair value is determined based on the difference between the trade price when the contract was entered into and the settlement price. There is no impact on the consolidated income statement.

(iii) Investment in privately-owned company

The Company holds an investment in a privately-owned company, whose shares are not traded on an active market. The fair value of this investment was recorded at cost at acquisition. Management considers cost of the investment to approximate its fair value. For the year ended December 31, 2015, there was no movement in the fair value (2014 – no movement).

(iv) Total return swaps ("TRSs")

The Company has classified its series of TRSs as fair value through profit and loss (note 18). Fair value is based on the 30-day volume weighted average price of the Company's common shares at the end of the reporting period. The fair value of the TRSs and the obligation to unit holders are reflected on the consolidated balance sheet.

(v) Foreign currency forward contracts

The Company has classified its foreign currency forward contracts as fair value through profit and loss. Fair values have been determined based on observable market information.

(vi) Interest rate swaps

The Company marks to market the fair value of its certain of its interest rate swaps (note 18). Fair value is obtained from a pricing service based on a discounted cash flow model, which includes a credit spread.

NOTE 25 – FINANCIAL RISK MANAGEMENT

The Company is exposed to a number of financial risks as a result of its operations, which are discussed below. It seeks to monitor and minimize adverse effects from these risks through its risk management policies and processes.

(A) CREDIT RISK

Credit risk is the risk of loss due to the failure of a borrower, counterparty, Clearing Member, or Participant to honour their financial obligations. It arises principally from the Company's clearing operations of NGX, CDCC and CDS, cash and cash equivalents, restricted cash and cash equivalents, marketable securities, trade receivables, interest rate swaps, total return swaps and the brokerage operations of Shorcan and Shorcan Energy Brokers and the operations of Equity Transfer.

(i) Clearing and/or brokerage operations

The Company is exposed to credit risk in the event that customers, in the case of Equity Transfer, Shorcan and Shorcan Energy Brokers, Contracting Parties, in the case of NGX, Clearing Members, in the case of CDCC, or Participants, in the case of CDS, fail to fulfil their financial obligations.

NGX

NGX is exposed to credit risk in the event that Contracting Parties default on their contractual obligations to NGX resulting in the failure to settle on the amounts due. NGX is the central counterparty to each transaction (whether it relates to natural gas, electricity or crude oil contracts) cleared through its clearing operations. By providing a clearing and settlement facility, NGX is subject to the risk of a counterparty default. NGX manages this risk by applying standard rules and regulations, and using a conservative margining regime based on industry best practices. This margining regime involves monitoring client portfolios in real-time and requiring Contracting Parties to deposit liquid collateral in excess of those valuations. NGX conducts market stress scenarios, liquidation simulations, and backtesting regularly to test the ongoing integrity of its clearing operation. NGX also manages and mitigates these risks through a framework of policies, regulations and procedures.

NGX requires each Contracting Party to provide sufficient collateral, in the form of cash or letters of credit, in excess of the outstanding credit exposure as determined by NGX in accordance with its margining methodology. The cash collateral deposits and letters of credit are held by a major Canadian chartered bank. This collateral may be accessed by NGX in the event of default by a Contracting Party (note 10). NGX measures total potential exposure for both credit and market risk for each Contracting Party on a real-time basis as the aggregate of:

- outstanding energy contracts receivable;
- "Variation Margin," comprised of the aggregate "mark to market" exposure for all forward purchase and sale contracts; and
- "Initial Margin," an amount that estimates the potential Contracting Party loss in their portfolio under an adverse price movement to a 99.7% confidence interval during a liquidation period.

CDCC

CDCC is exposed to risk of loss in the event that Clearing Members fail to satisfy any of the contractual obligations as stipulated within CDCC's rules.

CDCC is exposed to the credit risk of its Clearing Members since it acts as the central counterparty for all transactions carried out on MX's markets and on certain OTC markets which are serviced by CDCC. As such, in the event of a Clearing Member default, the obligations of those defaulting counterparties would become the responsibility of CDCC.

The first line of defence in CDCC's credit risk management process is the adoption of strict membership criteria which include both financial and regulatory requirements. In addition, CDCC performs on-going monitoring of the financial viability of its Clearing Members against the relevant criteria as a means of ensuring the on-going compliance of its Clearing Members. In the event that a Clearing Member fails to continue to satisfy any of its membership criteria, CDCC has the right through its rules, to impose various sanctions on such Clearing Members.

One of CDCC's principal risk management practices with regard to counterparty credit risk is the collection of risk-based margin deposits in the form of cash, equities, liquid government securities and escrow receipts. Should a Clearing Member fail to meet settlements and/or daily margin calls or otherwise not honour its obligations under open future, option contracts and REPO agreements, margin deposits would be seized and would then be available to apply against the potential losses incurred through the liquidation of the Clearing Member's positions.

CDCC's margining system is complemented by a Daily Capital Margin Monitoring (DCMM) process that evaluates the financial strength of a Clearing Member against its margin requirements. CDCC monitors the margin requirement of a Clearing Member as a percentage of its capital (net allowable assets). CDCC will make additional margin calls when the ratio of margin requirement/net allowable assets exceeds 100%. The additional margin is equal to the excess of the ratio over 100% and is meant to ensure that Clearing Member leverage in the clearing activities does not exceed the value of the firm. In 2015, CDCC introduced additional margin surcharges to manage the risk exposures associated with specific business related risks. These include: concentration charges for Clearing Members that are overly concentrated in certain positions, wrong-way risk charges for those Clearing Members holding positions which are highly correlated with their own credit risk profile, mismatched settlement surcharges which are meant to mitigate the risk of cherry-picking by a potential defaulter in the settlement process.

Global regulatory requirements for central-counterparties (CCPs), like CDCC, have highlighted the need for CCPs to have a component of their capital at risk in the default management process. CDCC holds $10.0 of its cash and cash equivalents and marketable securities to cover the potential loss incurred due to Clearing Member defaults (note 26). This $10.0 would be accessed in the event that a defaulting Clearing Members' margin and clearing fund deposits are insufficient to cover the loss incurred by CDCC. The $10.0 is allocated into two separate tranches. The first tranche of $5.0 is intended to cover the loss resulting from the first defaulting Clearing Member. If the loss incurred is greater than $5.0, and as such the first tranche is fully depleted, CDCC will fully replenish the first tranche using the second tranche of $5.0. This second tranche is in place to ensure there is $5.0 available in the event of an additional Clearing Member default.

CDCC's cash margin deposits and cash clearing fund deposits are held at the Bank of Canada thereby alleviating the credit risk CDCC would face with deposits held at commercial banks. CDCC's non-cash margin deposits and non-cash clearing fund deposits are pledged to CDCC under irrevocable agreements and are held by approved depositories (note 10). This collateral may be seized by CDCC in the event of default by a Clearing Member.

CDS

CDS is exposed to the risk of loss due to the failure of a Participant in CDS Clearing's clearing and settlement services to honour its financial obligations. To a lesser extent, CDS is exposed to credit risk through the performance of services in advance of payment.

Through the clearing and settlement services operated by CDS Clearing, credit risk exposures are created. During the course of each business day, transaction settlements can result in a net payment obligation of a Participant to CDS Clearing or the obligation of CDS Clearing to pay a Participant. The potential failure of the Participant to meet its payment obligation to CDS Clearing results in payment risk, a specific form of credit risk. Payment risk is a form of credit risk in securities settlement whereby a seller will deliver securities and not receive payment, or that a buyer will make payment and not receive the purchased securities. Payment risk is mitigated by delivery payment finality in CDSX, CDS's multilateral clearing and settlement system, as set out in the CDS Participant Rules.

In the settlement services offered by CDS Clearing, payment risk is transferred entirely from CDS Clearing to Participants who accept this risk pursuant to the contractual rules for the settlement services. This transfer of payment risk occurs primarily by means of Participants acting as extenders of credit to other Participants through lines of credit managed within the settlement system or, alternatively, by means of risk-sharing arrangements whereby groups of Participants cross-guarantee the payment obligations of other members of the group. Should a Participant be unable to meet its payment obligations to CDS Clearing, these surviving Participants are required to make the payment. Payment risk is mitigated on behalf of Participants through the enforcement of limits on the magnitude of payment obligations of each Participant and the requirement of each Participant to collateralize their payment obligation. Both of these mitigants are enforced in real time in the settlement system.

Through New York Link ("NYL") and DTC Direct Link ("DDL"), credit risk exposures at CDS are created. During the course of each business day, settlement transactions by the National Securities Clearing Corporation ("NSCC")/Depository Trust Company ("DTC") can result in a net payment obligation from NSCC/DTC to CDS Clearing or the obligation of CDS Clearing to make a payment to NSCC/DTC. As a corollary result, CDS has a legal right to receive the funds from sponsored Participants in a debit position or has an obligation to pay the funds to sponsored Participants in a credit position.

The potential failure of the Participant to meet its payment obligation to CDS Clearing in the NYL or DDL services results in a payment risk. To mitigate the risk of default, CDS Clearing has in place default risk mitigation mechanisms to minimize losses to the surviving Participants as set out in the CDS Participant Rules. The process includes Participants posting collateral with CDS Clearing and NSCC/DTC.

The risk exposure of CDS Clearing in these central counterparty services is mitigated through a daily mark-to-market of each Participant's obligations as well as risk-based collateral requirements calculated daily. These mitigants are intended to cover the vast majority of market changes and are tested against actual price changes on a regular basis. This testing is supplemented with analysis of the effects of extreme market conditions on a collateral valuation and market risk measurements which are used to determine additional collateral requirements of Participants to a Default Fund established in 2015. Should the collateral of a defaulter in a central counterparty service be insufficient, either because the value of the collateral has declined or the loss to be covered by the collateral exceeded the collateral requirement, the surviving Participants in the service are required to cover any residual losses. Cash collateral is held by CDS Clearing at the Bank of Canada and NSCC/DTC and non-cash collateral pledged by Participants under Participant Rules is held by CDS (note 10).

As of January 1, 2016, the CDS also holds $1.0 of its cash and cash equivalents and marketable securities to contribute pre-funded resources to its CNS default waterfall. This Default Fund of $1.0 would be accessed following the exhaustion of a suspended Participant's CNS Participant Fund and Default Fund contribution.

CDS may receive payment from securities issuers for entitlements, for example, maturity or interest payments, prior to the date of payment to the Participants holding those securities. In rare circumstances, due to the timing of receipt of these payments or due to market conditions, these funds may be held with a major Canadian chartered bank. As a result, CDS could be exposed to the credit risk associated with the potential failure of the bank.

Shorcan and Shorcan Energy Brokers

Shorcan and Shorcan Energy Brokers are exposed to credit risk in the event that customers fail to settle on the contracted settlement date. This risk is limited by their status as agents, in that they do not purchase or sell securities for their own account. As agents, in the event of a failed trade, Shorcan or Shorcan Energy Brokers has the right to withdraw its normal policy of anonymity and advise the two counterparties to settle directly.

Equity Transfer

Equity Transfer is exposed to credit risk on foreign exchange transactions processed for clients in the event that either the client or the financial counterparty fails to settle contracts for which foreign exchange rates have moved unfavourably. The risk of a financial counterparty failing to settle a transaction is considered remote as Equity Transfer deals only with reputable financial institutions comprised of Canadian major chartered banks.

(ii) Cash and cash equivalents and restricted cash and cash equivalents

The Company manages its exposure to credit risk on its cash and cash equivalents and restricted cash and cash equivalents by holding the majority of its cash and cash equivalents with major Canadian chartered banks or in Government of Canada treasury bills.

(iii) Marketable securities

The Company manages its exposure to credit risk arising from investments in marketable securities by holding investment funds that actively manage credit risk or by holding high-grade individual fixed income securities or term deposits with credit ratings of A/R1-low or better. In addition, when holding individual fixed income securities, the Company will limit its exposure to any non-government security. The investment policy of the Company will only allow excess cash to be invested in money market securities or fixed income securities.

The majority of the portfolio is held within bank deposits, notes and treasury bills. In addition, a portion of the portfolio is held within a money market fund and a specific short-term bond and mortgage fund. The money market fund manages credit risk by limiting its investments to government or government-guaranteed treasury bills, and high-grade corporate notes. The short-term bond and mortgage fund manages credit risk by limiting its investments to high-quality Canadian corporate bonds, government bonds and up to 40% of the fund's net assets in conventional first mortgages and mortgages guaranteed under the National Housing Act (Canada). Corporate bonds held must have a minimum credit rating of BBB by DBRS at the time of purchase. Mortgages may not comprise more than 40% of the portfolio and must be either multi-residential conventional first mortgages or multi-residential government guaranteed mortgages.

(iv) Trade receivables

The Company's exposure to credit risk resulting from uncollectable accounts is influenced by the individual characteristics of its customers, many of whom are banks and financial institutions. The Company invoices its customers on a regular basis and maintains a collections team to monitor customer accounts and minimize the amount of overdue receivables. There is no concentration of credit risk arising from trade receivables from a single customer. In addition, customers that fail to maintain their account in good standing risk loss of listing, trading, clearing, data access privileges and other services.

(v) Interest rate swaps and total return swaps

The Company limits its exposure to counterparty credit risk on its interest rate swaps and its total return swaps by contracting with major Canadian chartered banks.

(B) MARKET RISK

Market risk is the risk of loss due to changes in market prices and rates, such as foreign exchange rates, interest rates, commodity prices and equity prices.

(i) Foreign currency risk

The Company is exposed to foreign currency risk on revenue and expenses where it invoices or procures in a foreign currency. It is also exposed to foreign currency risk on cash and cash equivalents, trade receivables and trade payables denominated in foreign currencies, principally in US dollars. At December 31, 2015, cash and cash equivalents and trade receivables, net of current liabilities, excluding BOX, include US$21.3, which are exposed to changes in the US-Canadian dollar exchange rate, £1.5, which are exposed to changes in the British Pound Sterling-Canadian dollar exchange rate, €0.7, which are exposed to changes in the Euro-Canadian dollar exchange rate and AUD$1.4, which are exposed to change in AUD-Canadian dollar exchange rate (2014 – US$28.5, £0.5 and €0.9, respectively). In addition, net assets related to BOX, Finexeo, Razor and other operations are denominated in US dollars, Euros ("EUR"), Australian dollars ("AUD") and British Pound Sterling ("GBP") respectively, and the effect of foreign exchange rate movements on the Company's share of these net assets is included in accumulated other comprehensive income in the consolidated balance sheet.

The Company is also exposed to foreign currency risk on its US dollar advances on Commercial Paper. At December 31, 2015, advances on Commercial Paper include US$15.0, which is exposed to changes in the US-Canadian dollar exchange rate (2014 – US$75.0).

The Company does not currently employ currency hedging strategies with respect to its operating activities, and therefore significant moves in exchange rates, specifically a strengthening of the Canadian dollar against the US dollar could have an adverse effect on the value of our net income or net assets in Canadian dollars.

NGX offers contracts denominated in both Canadian and US dollars and accepts collateral in either currency. Settlement always occurs in the contracted currency. Foreign exchange risk could be created if there is a default and the currency of the required payment obligation is different from the currency of the collateral supporting that payment obligation. This risk is mitigated by converting the foreign denominated collateral at current foreign exchange rates and then adjusting collateral positions to mitigate any foreign exchange risk present.

Settlements in the clearing and settlement services offered by CDS occur in both Canadian and US dollars. Foreign exchange risk could be created if there is a default and the currency of the payment obligation is different from the currency of the collateral supporting that payment obligation. This risk is mitigated by discounting the collateral value of securities where these mismatches occur.

(ii) Interest rate risk

The Company is exposed to interest rate risk on its marketable securities, its debentures and Commercial Paper.

External investment fund managers have been engaged by the Company to manage the asset mix and the risks associated with the majority of its marketable securities. At December 31, 2015, the Company held $71.2 in marketable securities, all of which were held in treasury bills (2014 – $59.7, of which 48.4% were held in a money market fund, 48.2% were held in a short-term bond and mortgage fund, 0.8% were held in treasury bills, and 2.6% were held in other term deposits, respectively).

The Company has $350.0 of Series C Debentures and $74.3 of Commercial Paper (note 13). The Company has entered into a series of interest rate swap agreements to fully manage its exposure to interest rate fluctuations on its Series C Debentures.

(iii) Equity price risk

The Company is exposed to equity price risk arising from its RSUs, PSUs and DSUs, as the Company's obligation under these arrangements are partly based on the price of the Company's shares. The Company has entered into TRSs as a partial fair value hedge to the share appreciation rights of these RSUs and DSUs.

(iv) Other market price risk

The Company is exposed to market risk factors from the activities of NGX, CDCC, CDS, Shorcan, and Shorcan Energy Brokers, if a customer, Contracting Party, Clearing Member or Participant, as the case may be, fails to take or deliver either securities, energy products or derivative products on the contracted settlement date where the contracted price is less favourable than the current market price.

NGX

NGX is exposed to market risk through its CCP functions in the event of a contracting party default as it is the legal counterparty to all transactions and must honor the financial obligations despite any contracting party defaults.

The principal mitigation of the market risk exposure post default is the default management process. NGX has developed detailed default management processes that would enable it to minimize market exposures through its liquidation process within prescribed time periods. Any losses from such liquidation would be set-off against the defaulting party's margin and clearing backstop fund (if necessary).

CDCC

CDCC is exposed to market risk through its CCP function in the event of a Participant default as it becomes the legal counterparty to all of the defaulters' novated transactions and must honor the financial obligations that arise from those novated transactions.

The principal mitigation of the market risk exposure post default is the default management process. CDCC has developed detailed default management processes that would enable it to neturalize the market exposures through either its auction process or via open markets operations within prescribed time periods. Any losses from such operations would be set-off against the margin and clearing fund (if necessary) colleteral that are pre-funded by all Clearing Members for these purposes.

CDS

CDS is exposed to market risk through its CCP function in the event of a Participant default as it becomes the legal counterparty to all of the defaulters' novated transactions and must honor the financial obligations that arise from those novated transactions.

The principal mitigation of the market risk exposure post default is the default management process. CDS has developed detailed default management processes that would enable it to neutralize the market exposures via open market operations within prescribed time periods. Any losses from such operations would be set-off against the collateral contributions of the defaulting participant to the Participant Fund and Default Fund for the CCP service.

Replacement cost risk exposure of CDS in these central counterparty services is mitigated through a daily mark-to-market of each participant's obligations as well as risk-based collateral requirements calculated daily. These mitigants are intended to cover the vast majority of market changes and are tested against actual price changes on a regular basis. This testing is supplemented with analysis of the effects of extreme market conditions on collateral valuation and market risk measurements which are used to determine additional collateral requirements of Participants to a Default Fund established in 2015. Should the collateral of a defaulter in a central counterparty service be insufficient, either because the value of the collateral has declined or the loss to be covered by the collateral exceeded the collateral requirement, the surviving participants in the service are required to cover any residual losses.

Settlements in the clearing and settlement services occur in both Canadian and U.S. dollars. Foreign exchange risk is created when the currency of the payment obligation is different from the valuation currency of the collateral supporting that payment obligation. This risk is mitigated by discounting the collateral value of securities where these mismatches occur.

Shorcan and Shorcan Energy Brokers

Shorcan and Shorcan Energy Brokers' risk is limited by their status as an agent, in that they do not purchase or sell securities or commodities for their own account, the short period of time between trade date and settlement date, and the defaulting customer's liability for any difference between the amounts received upon sale of, and the amount paid to acquire, the securities or commodities.

Other

The Company is also exposed to other market price risk on a portion of its sustaining services revenue, which is based on quoted market values of listed issuers as at December 31 of the previous year.

(v) Market risk sensitivity summary

	Change in underlying factor	Impact on income before income taxes	Impact on equity attributable to equity holders of the Company
Foreign currency			
USD, AUD, EUR and GBP currency	+10.0%	$ 2.6	$ 8.7
USD, AUD, EUR and GBP currency	-10.0%	(2.6)	(8.7)
USD advances on Commercial Paper	+10.0%	(2.1)	n/a
USD advances on Commercial Paper	-10.0%	2.1	n/a
Interest rates			
Marketable securities	+1.0%	$ (0.1)	n/a
Marketable securities	-1.0%	0.1	n/a
Interest rate swaps	+1.0%	3.5	
Interest rate swaps	-1.0%	(3.5)	
Commercial Paper	+1.0%	(0.7)	n/a
Commercial Paper	-1.0%	0.7	n/a
Debentures	+1.0%	(3.5)	n/a
Debentures	-1.0%	3.5	n/a
Equity price			
RSUs and DSUs	+25.0%	$ (3.5)	n/a
RSUs and DSUs	-25.0%	2.7	n/a
TRS	+25.0%	3.5	n/a
TRS	-25.0%	(2.8)	n/a

(C) LIQUIDITY RISK

Liquidity risk is the risk of loss due to the inability of the Company to meet its, or of the Company's borrowers, counterparties, Clearing Members, or Participants to meet their obligations in a timely manner or at reasonable prices. The Company manages liquidity risk through the management of its cash and cash equivalents and marketable securities, all of which are held in short-term instruments, and its debentures, credit and liquidity facilities and Commercial Paper (note 13) and capital (note 26).

The contractual maturities of the Company's financial liabilities are as follows:

As at			**December 31, 2015**
	Less than 1 year	**Between 1 and 5 years**	**Greater than 5 years**
Participants' tax withholdings*	**$ 75.4**	$ —	$ —
Accrued interest payable	**7.3**	—	—
Other trade and other payables	**35.9**	—	—
Restructuring provision	**0.1**	—	—
Obligation under finance leases	**1.0**	**0.4**	—
Energy contracts payable*	**418.4**	—	—
Fair value of open energy contracts*	**81.2**	**18.3**	—
Balances with Clearing Members and Participants*	**11,551.2**	—	—
Interest rate swaps	**1.3**	—	—
Liquidity facility drawn	**0.2**	—	—
Commercial Paper	**74.3**	—	—
Debentures	**350.0**	**400.0**	**250.0**

**The above financial liabilities are covered by assets that are restricted from use in the ordinary course of business.*

(i) Balances with Clearing Members and Participants

The margin deposits of CDCC and CDS and clearing fund margins of CDCC are held in liquid instruments. Cash margin deposits and cash clearing fund deposits from CDCC's Clearing Members, which are recognized on the consolidated balance sheet, are held by CDCC with the Bank of Canada. Non-cash margin deposits and non-cash clearing fund deposits, which are not recognized on the consolidated balance sheet, pledged to CDCC under irrevocable agreements are in government securities and other securities and are held with approved depositories.

CDS's NYL service does not apply strict limits to a Participant's end-of-day payment obligation, creating the potential for unlimited liquidity risk exposure if a user of the service were to default on its obligation. CDS manages this risk through active monitoring of payment obligations and a committed liquidity facility which covers the vast majority of potential Participant default scenarios. Residual liquidity risk in excess of CDS's liquidity facility is transferred to surviving Participant users of the New York Link service and as a result CDS's liquidity risk exposure is limited to a maximum of its available liquidity facility.

Cash collateral from CDS's Participants, which is recognized on the consolidated balance sheet, is held by CDS at the Bank of Canada and NSCC/DTC. Non-cash collateral, which is not recognized on the consolidated balance sheet, pledged by Participants under Participant Rules is held by CDS in liquid government and fixed income securities.

(ii) Fair value of open energy contracts and energy contracts payable

NGX requires each Contracting Party to provide sufficient collateral, in the form of cash or letters of credit, to exceed its outstanding credit exposure, including contract replacement costs at current market prices, as determined by NGX in accordance with its margining methodology. The cash collateral deposits and letters of credit are held by a major Canadian chartered bank. NGX also ensures that it maintains sufficient liquid resources to cover twelve months of operating costs as well as the daily settlement requirement of its largest single participant under a stressed market scenario.

(iii) Debentures, credit and liquidity facilities and Commercial Paper

In response to the liquidity risk that NGX, CDCC and CDS are exposed to through their clearing operations, they have arranged various liquidity facilities (note 13).

In response to liquidity risk that the Company is exposed to through its capital structure, it has arranged various liquidity and credit facilities, Commercial Paper and debentures as a source of financing (note 13). If, as a result of not meeting its covenants under the trust indentures, the terms of the commercial paper program or the credit facilities, the Company may be required to seek potentially less favourable sources of financing. The Company is exposed to specific liquidity risk should it be unable to borrow under a new Commercial Paper issuance in order to pay for Commercial Paper that is coming due because of a lack of liquidity or demand for the Company's Commercial Paper in the market. To mitigate this risk, the Company has entered into a credit agreement on that provides 100% coverage or backstop to the commercial paper program (note 13).

(iv) Cash and cash equivalents and restricted cash and cash equivalents

Cash and cash equivalents and restricted cash and cash equivalents consist of cash and highly liquid investments.

(v) Marketable securities

The investment policy of the Company will only allow excess cash to be invested within money market securities or fixed income securities. Individual fixed income securities have credit ratings of A/R1-low or better and are highly liquid.

NOTE 26 – CAPITAL MAINTENANCE

The Company's primary objectives in managing capital, which it defines as including its cash and cash equivalents, marketable securities, share capital, debentures, Commercial Paper, and various credit facilities, include:

- Maintaining sufficient capital for operations to ensure market confidence and to meet regulatory requirements and various facility requirements. Currently, the Company targets to retain a minimum of $200.0 in cash, cash equivalents and marketable securities. This amount is subject to change;
- Reducing the debt levels to be below the total leverage ratios as discussed in (a) below, which decrease over time;
- Using excess cash to invest in and continue to grow the business;
- Maintaining a credit rating in a range consistent with the Company's current A (high) and R1-low credit ratings from DBRS; and
- Returning capital to shareholders through methods such as dividends paid to shareholders and purchasing shares for cancellation pursuant to normal course issuer bids.

The Company aims to achieve the above objectives while managing its capital subject to capital maintenance requirements imposed on the Company and its subsidiaries as follows:

a. In respect of the credit facilities (note 13) that require the Company to maintain:
   i. an interest coverage ratio of more than 4.0:1;
   ii. a total leverage ratio of less than or equal to
      - 4.25:1 until December 31, 2014,
      - 4.00:1 until December 31, 2015,
      - 3.50:1 thereafter.
b. In respect of TSX, as required by the OSC to maintain certain financial ratios on both a consolidated and non-consolidated basis, as defined in the OSC recognition order, as follows:
   i. a current ratio of greater than or equal to 1.1:1;
   ii. a debt to cash flow ratio of less than or equal to 4:1; and
   iii. a financial leverage ratio of less than or equal to 4:1.
c. In respect of TSX Venture Exchange, as required by various provincial securities commissions, to maintain sufficient financial resources.
d. In respect of NGX to:
   i. maintain adequate financial resources as required by the Alberta Securities Commission;
   ii. maintain sufficient financial resources to cover 12 months of operating expenses as required by the U.S. Commodity Futures Trading Commission ("CFTC"); and
   iii. maintain sufficient financial resources to cover the failure of its single largest Contracting Party under extreme but plausible market conditions as required by the CFTC.
e. In respect of MX, as required by the AMF, to maintain certain financial ratios as defined in the AMF recognition order, as follows:
   i. a working capital ratio of more than 1.5:1;
   ii. a cash flow to total debt outstanding ratio of more than 20%; and
   iii. a financial leverage ratio of less than 4.0.
f. In respect of CDCC, to maintain certain amounts, as follows:
   i. maintain sufficient financial resources as required by the OSC and AMF;
   ii. $5.0 cash and cash equivalents or marketable securities as part of the Clearing Member default recovery process plus an additional $5.0 in the event that the initial $5.0 is fully utilized during a default;
   iii. sufficient cash, cash equivalents and marketable securities to cover 12 months of operating expenses, excluding amortization and depreciation; and
   iv. $30.0 total shareholder's equity.
g. In respect of Shorcan:
   i. by IIROC which requires Shorcan to maintain a minimum level of shareholders' equity of $0.5;
   ii. by the National Futures Association which requires Shorcan to maintain a minimum level of net capital; and
   iii. by the OSC which requires Shorcan to maintain a minimum level of excess working capital.
h. In respect of CDS and CDS Clearing, as required by the OSC and the AMF to maintain certain financial ratios as defined in the OSC recognition order, as follows:
   i. a debt to cash flow ratio of less than or equal to 4:1; and
   ii. a financial leverage ratio of less than or equal to 4:1.

In addition, the OSC requires CDS and CDS Clearing to maintain working capital to cover 6 months of operating expenses (excluding, in the case of CDS, the amount of shared services fees charged to CDS Clearing).

CDS began dedicating its own resources in the CNS default waterfall for the CNS function. As of January 1, 2016, the Company is required to fund $1.0 in cash and cash equivalents or marketable securities to cover potential losses incurred as a result of a Participant default.

i. In respect of Alpha Exchange Inc., as required by the OSC to maintain certain financial ratios on both a consolidated and non-consolidated basis as defined in the OSC recognition order, as follows:
    i. a current ratio of greater than or equal to 1.1:1;
    ii. a debt to cash flow ratio of less than or equal to 4.0:1; and
    iii. a financial leverage ratio of less than or equal to 4.0:1.

As at December 31, 2015, the Company complied with each of these externally imposed capital requirements.

NOTE 27 – RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(A) PARENT

The shares of the Company are widely held and as such there is no ultimate controlling party of the Company. While in aggregate the Nominating Investors own a significant portion of the common shares outstanding of the Company, under the OSC and AMF recognition orders, no person or combination of persons acting jointly or in concert is permitted to beneficially own or exercise control of direction over more than 10% of any class or series of voting shares of the Company without prior approval of the OSC and the AMF.

(B) KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation for key management personnel, including the Company's Board of Directors, was as follows:

For the year ended		December 31, 2015		December 31, 2014
Salaries and other short-term employee benefits	$	9.2	$	9.6
Post-employment benefits		1.3		1.4
Share-based payments		8.7		7.7
	$	19.2	$	18.7

(C) OTHER RELATED PARTY TRANSACTIONS

In aggregate, the Nominating Investors hold a significant proportion of the common shares outstanding of the Company. The Company and its subsidiaries transact with a number of the Nominating Investors on a regular basis through their normal operations. Transactions are conducted at prevailing market prices and on general market terms and conditions.

NOTE 28 – DIVIDENDS

Dividends recognized and paid in the period are as follows:

For the year ended	December 31, 2015				December 31, 2014			
		Dividend per share		Total paid		Dividend per share		Total paid
Dividend paid in March	$	0.40	$	21.7	$	0.40	$	21.7
Dividend paid in June		0.40		21.7		0.40		21.7
Dividend paid in September		0.40		21.7		0.40		21.7
Dividend paid in December		0.40		21.9		0.40		21.7
Total dividends paid			$	87.0			$	86.8

On February 11, 2016, the Company's Board of Directors declared a dividend of 40 cents per share. This dividend will be paid on March 11, 2016 to shareholders of record on February 26, 2016 and is estimated to amount to $21.8.