

TMX GROUP LIMITED

NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS AND MANAGEMENT
INFORMATION CIRCULAR

WEDNESDAY, MAY 12, 2021



To our shareholders

I'm pleased to introduce TMX Group's 2021 management information circular. It contains insights into how the board oversees the company, including our corporate governance practices and how we compensate our executives, as well as detailed information about this year's nominated directors and their compensation.

Without question, 2020 was a year of unprecedented challenges. The COVID-19 pandemic had a deep impact on the global economy and markets. TMX Group's priority has been the safety and well-being of our employees and their families, and responding with resilience to serve clients and stakeholders across our markets.

Despite the challenges created by the pandemic, TMX Group continued to derive benefits from a diversified business model and balanced strength across the organization, delivering strong financial results in 2020, with year-over-year growth in revenue and earnings per share. For more detailed information about TMX Group's 2020 performance, global growth strategy and outlook, please see our 2020 annual report, available on the TMX website (tmx.com).

In 2020, following a thorough and expansive search process, the board announced the appointment of John McKenzie as Chief Executive Officer of TMX Group. John's leadership abilities, business acumen and vision made him the best fit for TMX Group and we have the utmost confidence that he and his senior management team are well-suited to lead the company into the next exciting chapter in our history.

Another important area of focus for our board over the past year has been the oversight of our company's integration of sustainability and ESG objectives into our business strategies, processes and operations. There is much work underway in this area, and we look forward to sharing updates with you in our upcoming 2021 environmental, social & governance report.

Compensation for this year's named executive officers reflects our performance and progress in executing our corporate strategy, and aligns with shareholder interests. You can read about this in detail starting on page 42.

In closing, I want to thank my fellow board members for their steadfast commitment to our strategic vision, and also specifically thank Christian Exshaw, Harry Jaako, Jean Martel and Gerri Sinclair, who are retiring as directors, for their many contributions to the board and its committees over the years. I also want to welcome our new directors, Moe Kermani and Claude Tessier, who joined the board in September.

To mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders due to the COVID-19 pandemic, we will hold our annual and special meeting in a virtual only format, on May 12, 2021 at 2:00 p.m. Eastern time. Please remember to vote your shares – your vote is important.

Sincerely,

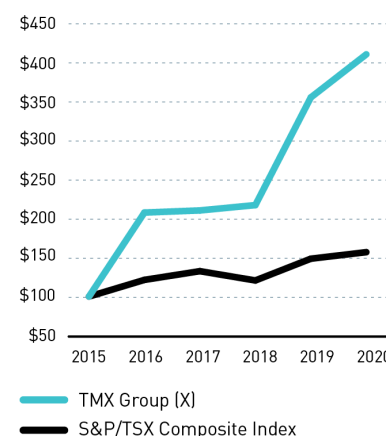


Charles Winograd
Chair, TMX Group Limited

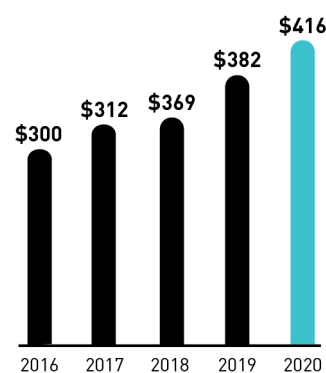


Charles Winograd,
Chair

Total shareholder return (as of December 31)



Income from operations¹ (\$ millions)



¹ 2016 income from operations does not include strategic realignment costs of \$21 million, and 2017 does not include acquisition costs of \$13.8 million.

Notice of our 2021 annual and special meeting

Wednesday, May 12, 2021

2:00 p.m. (Eastern time)

TMX Group

Virtual only meeting via

live webcast online at

<http://web.lumiagm.com/281203339>

What the meeting will cover

receiving our 2020 financial statements

appointing our auditor

electing our directors

voting on our approach to executive compensation

voting on the shareholder proposal

considering any other business properly brought before the meeting

Your vote is important

You can vote if you owned TMX Group common shares at the close of business on March 16, 2021. The management information circular tells you about the meeting, what you're voting on and how to vote. Please read it carefully, and remember to vote.

The meeting will be held in a virtual only format, via live audio webcast. Registered shareholders and duly appointed proxyholders will be permitted to attend the meeting, ask questions and vote, all in real time, provided they are connected to the internet and have logged in at <http://web.lumiagm.com/281203339>. You have to be connected to the internet at all times to be able to vote – it is your responsibility to make sure you stay connected for the entire meeting. Please see page 2 of the management information circular for details about voting at our virtual meeting.

If you cannot attend the meeting, you can vote by proxy. Simply complete, date and sign the enclosed proxy or voting instruction form and mail or fax it to TSX Trust Company or go to www.voteproxyonline.com and enter your control number by 2:00 p.m. (Eastern time) on Monday, May 10, 2021.

By order of the board,



Cheryl Graden

Chief Legal and Enterprise
Corporate Affairs Officer
and Corporate Secretary

Toronto, Ontario
March 26, 2021

Where to get a copy of the 2021 management information circular

If you're a registered shareholder or you've already given us instructions to send you printed documents, your management information circular is attached to this notice.

If you're a beneficial shareholder, we're making the circular available online instead of by mail according to a set of rules developed by the Canadian Securities Administrators called *notice and access*.

You can download the circular at <https://docs.tsxtrust.com/2009>, on SEDAR (sedar.com), or on our website (tmx.com).

If you prefer to have a paper copy, contact us by April 23, 2021 and we will send you one free of charge:

call toll-free 1 (888) 873-8392
email TMXshareholder@tmx.com
write Corporate Secretary
TMX Group Limited
100 Adelaide Street West
Suite 300
Toronto, Ontario M5H 1S3
fax (416) 947-4727

TSX Trust Company

100 Adelaide Street West, Suite 301
Toronto, Ontario M5H 1S3
Fax (416) 595-9593

An overview of this document

TMX Group operates global markets, and builds digital communities and analytics solutions that facilitate the funding, growth and success of businesses, traders and investors. Our businesses operate cash and derivatives markets and clearinghouses for multiple asset classes including equities and fixed income. Our businesses provide listing and trading markets, clearing facilities, depository services, technology solutions, data products and other services to the global financial community.

The attached management information circular tells you what you need to know to vote at our annual and special meeting of shareholders. This overview highlights some key information about what you will be voting on, and our governance and compensation practices. Please read the entire document before you vote your shares.

How to vote at our annual and special meeting

See page 89 for details.

Wednesday, May 12, 2021
2:00 p.m. (Eastern time)

You can vote your TMX Group common shares if you owned them at the close of business on March 16, 2021.

TMX Group
Virtual only meeting via live webcast online at
<http://web.lumiagm.com/281203339>

Two ways to vote

- 1 at our virtual meeting
- 2 by proxy, using your proxy or voting instruction form

What you will be voting on

	Where to read about it
The board recommends you vote FOR the first three items and AGAINST the fourth item	
appointing our auditor	page 8
electing our directors	page 9
voting on our approach to executive compensation	page 9
voting on the shareholder proposal	page 10

Questions?

Contact our transfer agent, TSX Trust Company:
tel (416) 361-0930 (Toronto area)
tel 1-866-393-4891 (North America)
fax (416) 595-9593
email tmxeinvestorservices@tmx.com

Important Information about TMX Group's virtual annual and special meeting

To mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders due to the COVID-19 pandemic, we will hold our annual and special meeting in a virtual only format, which will be conducted via live webcast. Shareholders will have an equal opportunity to participate at the meeting online.

Below is some important information about the virtual meeting format for our 2021 annual and special meeting of shareholders.

How to participate and vote in the annual and special meeting

1. Log in at <http://web.lumiagm.com/281203339> at least 15 minutes before the meeting starts
2. Click on "I have a control number"
3. Enter your control number (on your proxy form)
4. Enter the password: `tmxgroup2021`
5. Vote

We encourage you to submit your vote in advance by going to www.voteproxyonline.com and enter your control number on your proxy, by fax to 416-595-9593, or by mail to TSX Trust Company 301-100 Adelaide Street West, Toronto, Ontario M5H 4H1.

Joining the annual and special meeting online

You can log in to the meeting platform beginning at 1:45 p.m. Eastern time on May 12, 2021. The meeting will begin promptly at 2:00 p.m. Eastern time that day.

Asking questions

While logged in for the meeting you will be able to submit questions online by clicking on the *submit questions* button. If there are questions pertinent to meeting matters that are unanswered during the annual and special meeting due to time constraints, management will post answers to a representative set of the questions at www.tmx.com/investor-relations/corporate-information/shareholder-events. The questions and answers will be available as soon as practicable after the meeting and will remain available until we file our 2022 management information circular.

If you have misplaced your control number

Please contact TSX Trust Company at tsxtrustproxyvoting@tmx.com by 10:00 a.m. (Eastern time) on May 11, 2021 to get your control number. If you are unable to contact TSX Trust Company, we have made arrangements to provide a live audio webcast of the meeting. We will post details on how you may hear the webcast on our website at www.tmx.com and in a media release before the meeting. If you do not have your control number you will not be able to vote your shares or submit your questions during the meeting.

Joining the meeting by phone

If you do not have internet access, please call toll free 1-833- 921-1607 (English) or 1-833-921-1618 (French) to listen to the meeting proceedings. Note that if you join the meeting by phone you will not be able to vote or submit your questions during the meeting.

For more information

For additional information about how to vote at the annual and special meeting, please see *How to vote* on page 89.

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

Governance at TMX Group

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

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

The board is also responsible for board composition and determining director independence.

Our corporate governance practices are aligned with National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, National Policy 58-201 — *Corporate Governance Guidelines*, and recognition orders issued by:

- Ontario Securities Commission
- Québec's Autorité des marchés financiers
- Alberta Securities Commission
- British Columbia Securities Commission.

You can find an overview of our corporate governance practices on our website, www.tmx.com, under the Investor Relations tab.

TMX Group board responsibilities

Ethical culture

Strategic planning

Financial oversight and reporting

Risk oversight

Leadership and succession

Shareholder communications and engagement

About the nominated directors

The board recommends you vote FOR the nominated directors.

Turn to page 15 to learn more.

The board nominates directors who understand the complexity of our business and the industry we operate in, and who have the skills and experience to make an effective contribution to the board. Our recognition orders require us to take reasonable steps to make sure that every director will perform their duties with integrity and in a manner that is consistent with TMX Group's public interest responsibilities.

This year the board approved 12 nominees for election to the board. We believe this group has the right mix of skills and experience to guide the strategies and business operations of TMX Group.

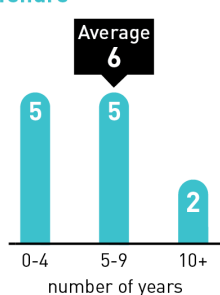
25%

women

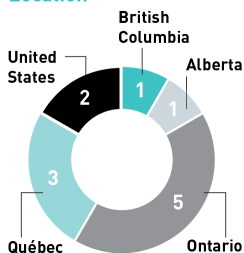
60 years

average age

Tenure



Location



83%

independent

99.5%

2020 attendance

at 54 board and committee meetings

Executive compensation at TMX Group

Executive compensation at TMX Group is carefully designed to link executive pay with our business strategy, organizational culture, company and individual performance and shareholder returns – all within a well-defined risk framework. It balances short-term and longer-term awards to make sure we meet annual objectives while continuing to provide shareholder value over the longer term.

2020 compensation program

The human resources committee oversees compensation, including compensation design, decision-making, risk, policies and programs.

Despite the extraordinary circumstances that the COVID-19 pandemic presented in 2020, we continued to deliver strong financial results. Our 2020 short-term incentive scorecard includes 100% financial measures: 70% tied to income from operations and 30% tied to revenue. While the committee did not make any significant design changes to our compensation program in 2020, it did divide the revenue measure in the short-term incentive plan equally between recurring revenue and transaction-based revenue (see page 67 for details). This change was introduced at the beginning of 2020 to reflect the different volatilities of the two revenue streams, and to mitigate the impact of market conditions (both positive and negative) on short-term incentive funding. There were no changes to the compensation program, performance metrics or targets, or executive pay arising from COVID-19.

2020 compensation decisions

- **Salaries** (page 66) – increased for some executives to recognize new accountabilities and changes in the competitive market.
- **Short-term incentives** (page 67) – performance was above the financial targets that drive our short-term incentive plan funding, resulting in bonuses above target for all named executives.
- **Long-term incentives** (page 70) – were granted at target, in the form of performance share units, restricted share units and options.
- **Vested 2018 long-term incentive awards** (page 72) – paid out higher than grant values, aligned with the increase in our share price over the past three years and, for performance share units, our relative total shareholder return performance against the S&P/TSX Composite Index.

CEO and interim CFO appointments

Lou Eccleston retired from TMX Group on January 10, 2020. The human resources committee and a special committee, in consultation with its external advisors, reviewed the terms of his retirement. These are noted in the summary compensation table on page 76.

John McKenzie was interim CEO from January 10 to August 16, 2020, as well as CFO. On August 17, 2020, he was appointed CEO. Frank Di Liso was interim CFO from August 17, 2020 to December 31, 2020, as well as Vice President, Corporate Finance and Administration. See page 46 for information about their compensation in these interim roles.

Our compensation philosophy

Be competitive

Pay for performance

Align with shareholders

Be well governed

Manage risk

Be easily understood

**2020 vote: 91.23%
FOR our approach to
executive compensation.**

You can read about our executive compensation program and our compensation decisions for 2020 starting on page 42.

2020 actual compensation snapshot

	Salary	Short-term incentive	Long-term incentive	2020 compensation	Percent at risk	Compared to target
John McKenzie Chief Executive Officer (CEO)	\$720,170	\$1,204,500	\$1,310,250	\$3,234,920 ¹	78%	+51.1%
Frank Di Liso Interim Chief Financial Officer (CFO) Vice President, Corporate Finance & Administration	\$265,000	\$143,000	\$129,000	\$537,000 ¹	51%	+14.3%
Jay Rajarathinam President of CDCC and CDS Chief Technology and Operations Officer	\$430,000	\$723,000	\$537,500	\$1,690,500	75%	+12.3%
Luc Fortin President and Chief Executive Officer, Montréal Exchange (MX) and Global Head of Trading	\$415,000	\$500,000	\$498,000	\$1,413,000	71%	+6.4%
Cheryl Graden SVP, Group Head of Legal and Business Affairs, Enterprise Risk Management and Government Relations	\$340,000	\$380,000	\$389,000	\$1,109,000	69%	+23.1%

¹ Includes compensation for interim roles (see page 76).

² Compensation was above target because the short-term incentive paid out above target, and John McKenzie, Frank Di Liso and Cheryl Graden received one-time RSU awards. See page 66 for more information.

2021 Management Information Circular

We have sent you this management information circular because you owned TMX Group shares on March 16, 2021. That gives you the right to vote at our 2021 annual and special meeting of shareholders on May 12, 2021.

Management is encouraging you to vote at the annual and special meeting by soliciting your proxy. We solicit proxies mainly by mail, but employees of TMX Group or TSX Trust Company, our transfer agent, may contact you by phone or in person. We pay the cost of proxy solicitation.

This management information circular tells you about the meeting, what you're voting on and how to vote. Please read it carefully, and remember to vote.

To mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders due to the COVID-19 pandemic, we will hold our meeting in a virtual only format, via live webcast. Shareholders will have an opportunity to participate in the meeting online.

Where to get more information

You can find financial information about TMX Group in our 2020 audited annual financial statements and related management's discussion and analysis (MD&A). You can learn more about the finance and audit committee and read the committee charter in our 2021 annual information form.

These documents and others are on our website (tmx.com) and on SEDAR (sedar.com).

Approved by the board

The TMX Group board has approved the contents of this document and its distribution to shareholders.



Cheryl Graden

Chief Legal and Enterprise
Corporate Affairs Officer
and Corporate Secretary
TMX Group Limited

Toronto, Ontario
March 26, 2021

In this document

- *we, us, our* and *TMX Group* mean TMX Group Limited
- *you, your* and *shareholders* mean owners of TMX Group common shares
- *shares* means TMX Group common shares
- *circular* means this management information circular
- *meeting* means our 2021 annual and special meeting of shareholders, to be held on Wednesday, May 12, 2021
- *board* means the TMX Group board of directors

Our record date is March 16, 2021.

All information in this circular is as of March 16, 2021 and in Canadian dollars, unless noted otherwise.

Our head office

TMX Group Limited
100 Adelaide Street West, Suite 300
Toronto, Ontario M5H 1S3

What's inside

What the meeting will cover

- 8** 1. Receive TMX Group's 2020 financial statements
 - 8** 2. Appoint the auditor
 - 9** 3. Elect directors
 - 9** 4. Vote on our approach to executive compensation
 - 10** 5. Vote on the shareholder proposal
-

Governance

- 13** Our governance structure
 - 15** Snapshot of the 2021 director nominees
 - 20** About the TMX Group board
 - 27** Board committees
 - 31** About TMX Group directors
 - 38** How we pay our directors
-

Compensation

Compensation discussion and analysis

- 42** 2020 Overview
- 45** Executive compensation at a glance
- 47** 2020 compensation decisions
- 54** Share performance and executive pay

Compensation governance

- 57** Committee expertise
- 57** Independent advice
- 58** Managing compensation risk
- 60** Equity ownership

Compensation design and decision-making

- 61** 1. Designing the program
- 64** 2. Establishing the mix of components
- 64** 3. Setting compensation and performance targets
- 64** 4. Reviewing progress
- 65** 5. Awarding compensation

2020 compensation review

- 66** Salary
- 66** Short-term incentive plan
- 69** Long-term incentive plan

Compensation details

- 76** Summary compensation table
 - 78** Incentive plan awards
 - 80** Retirement benefits
 - 82** Termination and change of control provisions
-

Other information

- 85** Insurance and indemnification
 - 85** Loans to directors and officers
 - 85** TMX Group board charter
-

How to vote

- 89** How to vote at our 2021 annual and special meeting
- 91** How to vote if you're a registered shareholder
- 92** How to vote if you're a beneficial shareholder

What the meeting will cover

1 Receive TMX Group's 2020 financial statements

We will present our financial statements and auditor's report for the year ended December 31, 2020. You will find a copy of the statements on our website (www.tmx.com), on SEDAR (sedar.com) and posted on <https://docs.tsxtrust.com/2009>.

2 Appoint the auditor

You will vote on appointing our independent auditor, KPMG LLP, and authorize the board to set the auditor's pay.

The auditor reports directly to the board's finance and audit committee. The committee is responsible for reviewing and recommending the auditor's compensation to the board, and making sure the auditor carries out its duties effectively and independently. It does this by, among other things:

- regularly reviewing the auditor's terms of engagement, accountability, experience, qualifications and performance
- conducting a comprehensive review of qualifications and performance every five years
- confirming the independence of the auditor at least once a year and pre-approving any non-audit services they provide.

KPMG LLP has been our auditor since 2012. The table below shows the services KPMG provided in 2019 and 2020, and the fees they were paid.

2020 vote: 99.69% FOR appointing KPMG LLP as our auditor.

The board recommends you vote FOR appointing KPMG LLP as our auditor until the next annual meeting

	2019	2020
Audit fees	\$1,152,616	\$1,291,304
<ul style="list-style-type: none">• audit of financial statements including interim reviews of quarterly financial statements• other services normally provided by an auditor in connection with statutory and regulatory filings		
Audit-related fees	\$1,133,617	\$846,517
<ul style="list-style-type: none">• the audit-related fees for the 2019 and 2020 fiscal years are for assurance and related services that are reasonably related to the performance of the audit or review of financial statements and are not reported in <i>Audit fees</i> above, including the audit of the TMX Group pension plan, French translation services, reporting on compliance with internal cost allocation model, auditing and reporting on compliance with approved rebate model and reporting on internal controls as required by contract or for business reasons. Variance year-over-year relates to timing of invoices		
Tax fees	-	-
<ul style="list-style-type: none">• tax compliance services		
All other fees	\$53,500	\$18,888
<ul style="list-style-type: none">• other fees for the 2019 and 2020 fiscal years primarily related to Internet Audit Training and providing assistance with model risk governance and internal control observations and recommendations		
Total	\$2,393,733	\$2,156,709

3 Elect directors

You will elect directors to serve on our board until the next annual meeting or until they resign from the board. You can read about the nominated directors starting on page 15.

According to our articles of amalgamation, the board can include from three to 24 directors. This year the board approved 12 nominees for election to the board.

We believe this group has the right mix of skills and experience to guide the strategies and business operations of TMX Group. All of the nominees have agreed to serve on our board.

**The board recommends
you vote FOR the election of
each nominated director**

4 Vote on our approach to executive compensation

You will vote on our approach to executive compensation. Executive compensation at TMX Group is carefully designed to link executive pay with our business strategy, company and individual performance and shareholder returns – all within a well-defined risk framework. It balances short-term and longer-term awards to make sure we meet annual objectives while continuing to provide shareholder value over the longer term.

Your vote is advisory, which means it is not binding on the board. The board and the human resources committee will take the results of the vote into account when reviewing our approach to executive compensation for future years.

The board recommends you vote FOR the following advisory resolution:

BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the directors, that the TMX Group shareholders accept the approach to executive compensation disclosed in our circular delivered in advance of the 2021 annual and special meeting.

**2020 vote:
91.23% FOR
our approach to
executive
compensation.**

You can read about our executive compensation program and our compensation decisions for 2020 starting on page 42.

Majority voting

You can vote *for*, or *withhold* your vote, from each nominated director.

According to our director qualification policy, directors who receive more *withheld* votes than *for* votes in an uncontested election have not received the support of shareholders, and must resign.

The governance and regulatory oversight committee will review the resignation and, unless there are exceptional circumstances, recommend that the board accept the resignation. The board will announce its decision about accepting the resignation in a press release within 90 days following the meeting. The board will accept the resignation unless there are exceptional circumstances. If the board does not accept the resignation, it will explain why. The director will not participate in these discussions.

The board can appoint another suitable director, or choose not to fill the vacancy until the next annual meeting, as long as it meets the requirements of our recognition orders, and the corporate and securities laws that apply to us.

Shareholder proposals

If you would like to present a shareholder proposal at our 2022 annual and special meeting, we would like to receive it by February 1, 2022 to be considered for next year's management information circular.

Send your shareholder proposal to:

Corporate Secretary
TMX Group Limited
100 Adelaide Street West, Suite 300
Toronto, Ontario M5H 1S3

5 Vote on the shareholder proposal

This year you will be asked to consider one shareholder proposal. The proposal was submitted by Atkinson Foundation, 130 Queens Quay East, West Tower, Unit 900, Toronto, Ontario M5A 0P6. It was submitted in English and has been translated into French by TMX Group. The proposal and supporting statement have been printed as submitted. Atkinson Foundation held 2,780 shares on the date they submitted their proposal.

**The board recommends
you vote AGAINST this
proposal**

The board unanimously recommends you vote AGAINST the proposal. Unless otherwise instructed, the persons designated in the form of proxy intend to vote against the proposal.

Shareholder proposal

Resolved that: The board of directors report to shareholders on the extent to which our company's policies and practices regarding Indigenous community relations, recruitment and advancement of Indigenous employees, internal education on Indigenous reconciliation, and procurement from Indigenous-owned businesses compare to or are certified by external Indigenous-led standards of practice.

Supporting statement

To be responsive to the regulatory and reputational pressure related to Indigenous inclusion, many companies have developed internal programs or policies on Indigenous relations, recruitment of Indigenous employees, and procurement from Indigenous-owned businesses. For investors, however, the breadth, depth, and content of these programs is impossible to determine. Facing inconsistent disclosure, the extent to which a company has effectively incorporated steps to address Indigenous inclusion and reconciliation is impossible to measure. There are, however, externally-verified options for corporations to demonstrate that their programs meet standards developed by qualified Indigenous organizations, such as the Progressive Aboriginal Relations (PAR) program of the Canadian Council for Aboriginal Business, which provides independent certification to corporations in Canada. Within Canada's financial sector, this is already an established best practice: BMO, Scotiabank, CIBC, Deloitte, EY, ATB Financial, and Accenture have all achieved certification under the PAR program.

TMX Group's position

The board and management recommend that shareholders vote AGAINST this proposal for the reasons set out below.

TMX Group recognizes that important work needs to be done to improve the representation of Indigenous Peoples and that Indigenous Peoples are under-represented in positions of economic influence and leadership. To that end, we are:

- working to develop internal programs and policies on equity, diversity and inclusion (ED&I), including those that encompass current and prospective Indigenous employees, and relationships with Indigenous communities, and
- reviewing procurement from Indigenous-owned businesses and associated disclosure practices.

Recruitment and advancement of Indigenous employees, internal education on Indigenous reconciliation

As described in Diversity (page 25), TMX Group leaders are responsible for creating a culture of inclusiveness. We strive to ensure our workforce is representative of the communities we operate in.

Accordingly, we actively manage the design and execution of our corporate programs to support the attraction, development, advancement and retention of underrepresented groups, including Indigenous Peoples. This includes engaging with new search strategies and agencies to diversify our talent pool as a consideration when filling open vacancies.

The vital exercise to engage TMX Group employees in assessing our current standing, setting clear objectives and determining the next steps for our organization is underway. In late 2020, we completed our first ED&I survey to gather demographic data on our workforce. The results of this survey are informing TMX Group's next steps on how to cultivate and support a workforce more representative of the communities in which we live and operate. Based on the data from the survey, an ED&I council — composed of a diverse group of employees across TMX Group led by our CEO — is currently developing a long-term diversity and inclusion strategy, which will include cultural education, unconscious bias training, measurable success metrics, inclusion monitoring and review.

The council's report is expected to be finalized in Q2, 2021.

With the ED&I council's foundational work still in progress, it is premature for the board to report on TMX Group's policies, targets, and progress related to Indigenous relations and recruitment or to seek certification against external Indigenous-led standards of practice.

Procurement

TMX Group is developing a supplier diversity program to increase the number of products and services TMX Group and its subsidiaries purchase from businesses owned by underrepresented groups, including Indigenous-owned businesses.

The development of the plan, led by the TMX head of sourcing and vendor management, will involve measuring current spending on diverse suppliers, working with advocacy groups and peers to build a comprehensive database of diverse suppliers and establishing key performance indicators for ongoing tracking and reporting.

TMX Group's supplier diversity program is planned to launch in Q1, 2022.

In summary

TMX Group places a high priority on enhancing diversity and inclusion, including programs and policies for Indigenous recruitment, improving relationships with Indigenous communities, and reviewing procurement from Indigenous-owned businesses. This is demonstrated by our work, over the past several months, on initiatives such as our ED&I survey, the creation of the ED&I council, and the initiation of a diverse supplier program.

We agree more work needs to be done in these areas and are undertaking the foundational steps necessary to fully understand our current standing in order to determine our long-term ED&I policies, procedures, and targets. Additional reporting, disclosures, and certification, prior to the conclusion of our foundational work and review, would be premature, incomplete and potentially misleading to our shareholders. The board and management therefore recommend shareholders vote AGAINST this proposal.

Governance

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

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

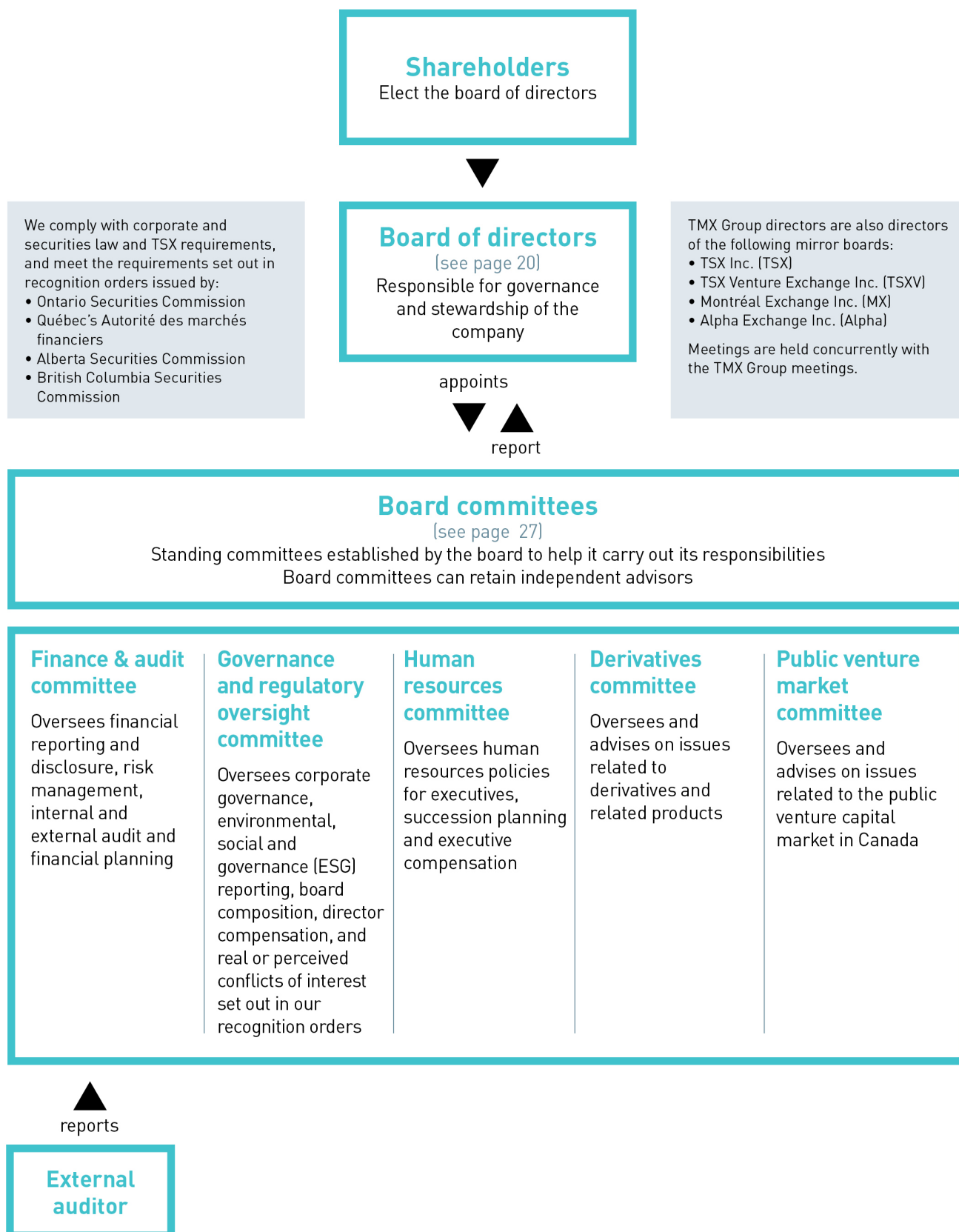
You can find an overview of our corporate governance practices on our website, (tmx.com) under the Investor Relations tab.

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

What's inside

- 13** Our governance structure
- 15** Snapshot of the 2021 director nominees
- 20** About the TMX Group board
- 27** Board committees
- 31** About TMX Group directors
- 38** How we pay our directors

Our governance structure



Nominating directors to the board

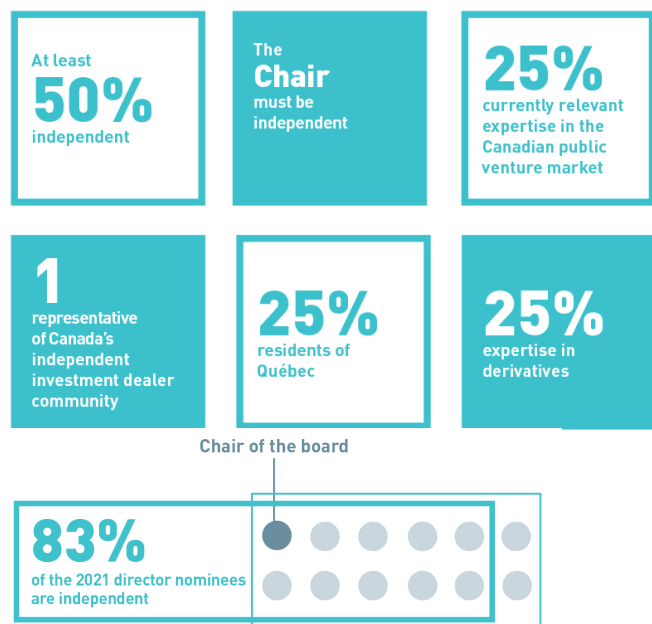
The board needs directors who have a range of skills and qualifications, balanced by diversity criteria reflecting the communities in which TMX Group operates, including but not limited to gender, as well as age, geographic background and other under-represented groups, including racialized persons, Indigenous Peoples, people living with disabilities and members of the LGBTQ2+ community (the “other diversity characteristics”).

The board has established a goal to achieve board composition in which each gender comprises at least 30% of the board's directors and at least one director reflects one of the other diversity characteristics by TMX Group's 2022 annual meeting. On an annual basis, the governance and regulatory oversight committee will recommend that the board adopt objectives for achieving the board diversity and inclusiveness goal set out in the board diversity policy, taking into account our unique regulatory obligations.

Directors need to understand the complexity of our business and the industry we operate in, and have the skills and experience to make an effective contribution to the board. The right composition is critical for constructive discussion and effective decision-making. Please turn to page 31 to read more about how we choose directors for the board.

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

Recognition order requirements:



That means the director is independent within the meaning of:

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

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

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

Annual nomination process

Governance and regulatory oversight committee

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

Reviews corporate and securities laws and our recognition order requirements

Reviews current directors and identifies any gaps

Reviews new board candidates

Recommends final list of nominees to the board

Board

Approves the list of nominated directors

Shareholders

Vote on the nominated directors at the annual meeting

Snapshot of the 2021 director nominees

The 12 nominees to this year's board have the right mix of skills and experience to guide the strategies and business operations of TMX Group. All of them have agreed to serve on our board.

The board meets our recognition order requirements

83%
independent

75%
expertise in derivatives

25%
residents of Québec

1
representative of Canada's independent investment dealer community

42%
currently relevant expertise in the Canadian public venture market

Chair of the board Charles Winograd

MBA, BA, CFA
Toronto, Ontario
Director since July 2012
Age 73
2020 vote: 99.30% FOR
2020 attendance: 100%



- ✓ Independent
- ✓ Expertise in derivatives

Country of residence
Canada

Current position

- Senior Managing Partner, Elm Park Capital Management (mid-market lending limited partnership)
- President, Winograd Capital Inc. (external consulting and private investment firm)

Previous business experience

- Chairman, President and Chief Executive Officer of RBC Capital Markets (2001-2008)
- President and Chief Operating Officer (1998-2001) and Deputy Chairman and Director (1996-1998) of RBC Dominion Securities
- Chairman and Chief Executive Officer (1991-1995), President and Chief Executive Officer (1987-1990) and progressively senior positions (1971-1986) at Richardson Greenshields

Public company boards

Current

- Spin Master Corp. (since July 2015), lead director, audit committee, governance and human resources committee
- RioCan Real Estate Investment Trust (since Feb 2009), nominating and governance and regulatory oversight committee

In the past five years

- Talisman Energy Inc. (April 2009-May 2015), audit committee, governance and regulatory oversight committee

Other boards

- James Richardson and Sons Limited
- KevGroup
- Management Advisor, RP Investment Advisors
- Sinai Health System

Equity ownership at March 16, 2021

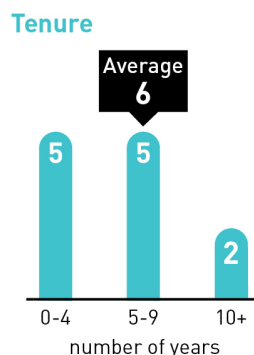
TMX Group DSUs: 41,900
Equity at risk: \$5,342,669

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

Other key metrics

25%
women

60 years
average age



Equity ownership

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

- shares are valued at \$132.06, the closing price of our common shares on TSX on March 16, 2021
- DSUs are valued at \$127.51, the average closing price of our common shares on TSX for the five trading days before March 16, 2021.

Turn to page 40 for more information.

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

Luc Bertrand
BA

Montréal, Québec
Director since
May 2011
Age 66
2020 vote: 99.97% FOR
2020 attendance: 100%



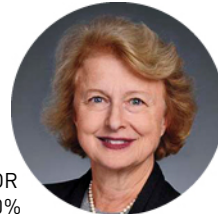
**Nicolas
Darveau-Garneau**
MBA, B.MATH
Directors' Consortium

Los Gatos, California
Director since
September 2018
Age 52
2020 vote: 98.32%
2020 attendance: 100%



Marie Giguère
BA, BCL

Montréal, Québec
Director since
May 2011
Age 69
2020 vote: 99.56% FOR
2020 attendance: 100%



- ✓ Not independent
- ✓ Works for National Bank Group Inc.
- ✓ Resident of Québec
- ✓ Expertise in derivatives

- ✓ Independent

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

Country of residence
Canada

Current position

- Vice Chair, National Bank Group Inc. (chartered bank)

Previous business experience

- Deputy Chief Executive Officer and director of TMX Group (2008-2009)
- President and Chief Executive Officer of Montréal Exchange Inc. (2000-2009)

Public company boards

Current

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

Other boards

- BOX Holdings Group LLC
- BOX Market LLC
- CH Group, Club de Hockey Canadian, chairman

Equity ownership at March 16, 2021

TMX Group shares: 585,000
Equity at risk: \$77,255,100

Mr. Bertrand does not have an equity ownership requirement (see page 40).

Country of residence
United States

Current position

- Chief Search Evangelist, Google LLC (internet related services and products)

Previous business experience

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

Public company boards

Current

- Industrial Alliance Insurance and Financial Services Inc. (since 2018), human resources committee

Equity ownership at March 16, 2021

TMX Group DSUs: 3,058
Equity at risk: \$389,926

Mr. Darveau-Garneau has until September 2023 to meet his equity ownership requirement (see page 40).

Country of residence
Canada

Current position

- Corporate Director

Previous business experience

- Executive Vice-President, Legal Affairs and Secretariat of Caisse de dépôt et placement du Québec (2010-2016)
- Vice President Legal Affairs and Corporate Secretary of Otéra Capital (2008-2010)
- Consultant at Caisse de dépôt et placement du Québec (2005-2008)
- Senior Vice-President, Chief Legal Officer and Secretary of Molson Inc. (1999-2005)
- Senior Vice-President, Corporate Affairs and General Secretary of Montréal Exchange Inc. (1997-1999)
- Partner at Fasken Martineau LLP

Public company boards

Current

- Boralex Inc. (since 2017)

Other boards

- Accounting Standards Oversight Council
- McGill Sustainability Committee
- McDonald Stewart Foundation

Equity ownership at March 16, 2021

TMX Group shares: 2,000
TMX Group DSUs: 6,521
Equity at risk: \$1,095,613

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

Martine Irman
BA, ICD.D, Advanced
Management Program

Toronto, Ontario
Director since
November 2014
Age 56
2020 vote: 99.82% FOR
2020 attendance: 100%



- ✓ Independent
- ✓ Expertise in derivatives

Country of residence
Canada

Current position
• Corporate Director

Previous business experience

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

Other boards

- YMCA of Greater Toronto, (immediate past chair)
- Export Development Canada, chair
- St-Michael's Hospital Foundation

Equity ownership at March 16, 2021
TMX Group DSUs: 2,039
Equity at risk: \$259,993

Ms. Irman has until November 2024 to meet her equity ownership requirement (see page 40).

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

Vancouver, British
Columbia
Director since
September 2020
Age 50
2020 vote: n/a
2020 attendance: 100%



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

Country of residence
Canada

Current position
• Managing Partner, Vanedge Capital Partners (venture capital fund)

Previous business experience

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

Other boards

- Echodyne Corp.
- Illusense Inc.
- OmniSci Technologies Inc.
- Plotly Technologies Inc.
- Quantum Benchmark Inc.
- Rigado, Inc.
- xCures, Inc.

Equity ownership at March 16, 2021
TMX Group DSUs: 504
Equity at risk: \$64,265

Mr. Kermani has until September 2025 to meet his equity ownership requirement (see page 40).

William Linton
FCPA, FCA, CA, B.Com

Toronto, Ontario
Director since
July 2012
Age 66
2020 vote: 99.75% FOR
2020 attendance: 100%



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

Country of residence
Canada

Current position
• Corporate Director

Previous business experience

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

Public company boards
Current

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

Other boards

- CSL Group Inc.

Equity ownership at March 16, 2021
TMX Group DSUs: 16,109
Equity at risk: \$2,054,059

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

**Audrey
Mascarenhas**
M.ENG, B.Sc

Calgary, Alberta
New nominee
Age 60
2020 vote: n/a
2020 attendance: n/a



John McKenzie
MBA, BBA, CPA, CMA

Burlington, Ontario
Director since
August 2020
Age 48
2020 vote: n/a
2020 attendance:
100%



Kevin Sullivan
LLB, BA

Toronto, Ontario
Director since
July 2012
Age 61
2020 vote: 99.98% FOR
2020 attendance: 95%



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

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

- ✓ Independent
- ✓ Representative of Canada's independent investment dealer community
- ✓ Expertise in derivatives
- ✓ Expertise in the Canadian public venture market

Country of residence
Canada

Current position

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

Previous business experience

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

Public company boards

Current

- Questor Technology Inc. (since 2001)

Other boards

- Circular Economic Panel
- Lazaridis Institute Global Advisory
- Schulich Industry Engineering Advisory Council

Equity ownership at March 16, 2021

—

If elected, Ms. Mascarenhas will have until May 2026 to meet her equity ownership requirement (see page 40).

Country of residence
Canada

Current position

- Chief Executive Officer, TMX Group

Previous business experience

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

Other boards

- Accounting Standards Oversight Council

Equity ownership at March 16, 2021

Mr. McKenzie meets his equity ownership requirement in his role as CEO (see page 60).

Country of residence
Canada

Current position

- Founder and CEO, KMS Capital Inc. (strategy and capital markets advisory services)
- Corporate Director

Previous business experience

- Deputy Chairman, GMP Capital Inc. (2010-2019)
- Chief Executive Officer (1999-2010) and President (1996-1999) of Griffiths McBurney & Partners, joined as Partner in 1995

Public company boards

In the past five years

- GMP Capital Inc. (1993-2019)

Other boards

- Golf Canada Foundation
- Waterfront Toronto

Equity ownership at March 16, 2021

TMX Group DSUs: 14,994

Equity at risk: \$1,911,885

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

Claude Tessier**BA, CPA**

Laval, Québec
 Director since
 September 2020
 Age 57
 2020 vote: n/a
 2020 attendance: 100%

**Eric Wetlaufer****CFA, BA, ICD.D**

Newton Highlands,
 Massachusetts
 Director since
 July 2012
 Age 58
 2020 vote: 99.69% FOF
 2020 attendance: 100%



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

- ✓ Independent
- ✓ Expertise in derivatives

Country of residence

Canada

Current position

- Chief Financial Officer, Alimentation
 Couche-Tard Inc. (convenience store and
 road transportation fuel retail)

Previous business experience

- President, IGA Operations (2012-2016)
- Senior Vice President, Finance &
 Strategic Planning, Sobeys Québec
 (2003-2012)

Other boards

- La Maison des soins palliatifs de Laval

Equity ownership at March 16, 2021

TMX Group shares: 1,200
 TMX Group DSUs: 462
 Equity at risk: \$217,382

Mr. Tessier has until September 2025 to
 meet his equity ownership requirement
 (see page 40).

Country of residence

United States

Current position

- Corporate Director

Previous business experience

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

Public company boards*Current*

- Niyogin Fintech (since February 2019)

Other boards

- Enterra Solutions
- Investment Management Corporation of
 Ontario

Equity ownership at March 16, 2021

TMX Group DSUs: 4,824
 Equity at risk: \$615,108

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

About the TMX Group board

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

Its responsibilities fall into six categories:

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

The board has established five standing committees to help it carry out these responsibilities. The board approves the committee charters and the limits of authority it delegates to each committee. See page 27 for information about the committees and their priorities in 2020.

In December 2019, the TMX Group Board constituted the Special Committee to (i) investigate (with the assistance of an independent investigator) the historical allegations against former CEO Lou Eccleston raised in a media article in November 2019, (ii) receive Ms. Rubin's results of investigation into historical allegations and her results of post-investigation review; and (iii) work to develop a plan to move forward to continue to improve TMX Group's culture and work environment.

The CEO Search Committee was constituted following the announcement in January 2020 of Lou Eccleston's retirement as CEO of TMX Group. The committee's mandate was to identify a qualified candidate for appointment as CEO of TMX Group and to recommend that person for appointment to the board. The committee fulfilled its mandate on the appointment of John McKenzie as CEO in August 2020.

The board is also responsible for establishing practices that allow the board to function independently of management and non-independent directors. See page 33 for more information about board independence.

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

About the chair

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

Charters and position descriptions

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

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

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

How to get in touch with the board of TMX Group

You can reach the board by sending an email to TMXshareholder@tmx.com

1. Ethical culture

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

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

Board and management set the tone at the top

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

Codes of conduct

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

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

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

Conflicts of interest and related party transactions

The two codes of conduct cover potential conflicts of interest and require that all directors, officers and employees avoid situations that may result in a potential conflict. In the event a director, officer or employee finds themselves in a potential conflict situation, the codes require that

- the person reports the conflict immediately, and
- the person refrain from participating in any decision or action where there is a real or perceived conflict.

Our board code of conduct and corporate and securities legislation require directors to disclose conflicts and declare any material interest that they may have in a material contract or transaction and recuse themselves from related deliberations and approvals.

How we create an ethical culture

Board and management set the tone at the top

Codes of conduct set high standards:

- board code of conduct
- employee code of conduct

Board committees monitor compliance

Reports of violations are responded to impartially and without retaliation

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

There were no material conflicts of interests or related party transactions reported by the board, CEO or the executive leadership team in 2020. On occasion, directors recuse themselves from deliberations and approvals even when their interest is not material (or the transaction or contract is not material) to avoid even the perception that a conflict of interest may arise.

Monitoring compliance

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

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

Reporting violations

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

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

2. Strategic planning

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

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

2020 priorities

In 2020, the board focused on accelerating our transformation:

- growing recurring revenue
- expanding our global footprint.

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

3. Financial oversight and reporting

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

The board is responsible for:

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

The finance and audit committee carries out certain of these activities on behalf of the board, working with our external auditor as appropriate. You can read about the finance and audit committee's activities in 2020 on page 27.

4. Risk oversight

The board oversees risk management by:

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

The finance and audit committee assesses risk management policies and processes. It oversees the strategy and risk management committee, which is comprised of the CEO and key members of the executive leadership and is responsible for implementing and monitoring the enterprise risk management program. The enterprise chief risk officer, heads the enterprise risk management group, has a reporting line to the chair of the finance and audit committee, reports regularly to the finance and audit committee and is a member of the strategy and risk committee.

The board's annual risk review

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

Discuss new and emerging risks

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

A culture of risk management

TMX Group recognizes that risk management is integral to its business, operations and financial performance. Our approach to risk management addresses opportunities, uncertainties and threats to the successful achievement of our objectives rather than managing our risks in isolation. This approach does not change the risks faced by our organization. Instead, it anchors the risk management process to our objectives which ensures the integration of the enterprise's risks with objectives, and performance.

Risk management is embedded into the organization in three ways:

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

Accountability – Risk management is integrated into policies and internal processes. Responsibilities and levels of authority for risk-taking are clearly defined. Leaders with the business units and corporate functions own TMX's strategic and operational objectives and related risks assumed in their activities and are accountable for the effective management of those risks, supported by the risk management and internal audit groups.

Process – TMX Group's enterprise risk management system provides a framework to identify, assess, measure, manage, monitor and report on material risks that may impact TMX strategic and operational objectives. It is designed to ensure that objectives and risks across the organization:

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

Our enterprise risk management process includes disaster recovery and business continuity for critical functions and systems, to protect personnel and resources and allow us to continue critical business functions if a disaster occurs.

Please see our 2020 MD&A for a more detailed discussion of our key risks and risk management processes.

5. Leadership and succession

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

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

Succession planning

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

To understand TMX Group's various talent segments, we use a disciplined talent review process, led by the human resources team, to assess all executives, directors and high potential employees. We use a nine-box grid to plot employees on their potential and performance.

How we develop future leaders

Proactively assess talent and define succession gaps

Identify employees with leadership potential and challenge them

Review individual development needs and career objectives

Coach and enable talent to help them achieve their full potential

We also develop succession plans for every executive and director level role as well as other key roles. The outcome of the talent review is used to determine potential successors in three time segments: Ready Now, Ready in 1-3 years and Ready in 3-5 years.

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

Over the course of 2020, talent assessments and succession plans were reviewed and where required, approved by the human resources committee.

Following Lou Eccleston's retirement on January 10, 2020, we announced the appointment of John McKenzie as interim CEO. The board conducted a rigorous search that considered both internal and external candidates, and we announced John McKenzie's appointment as CEO on August 17, 2020. Also on August 17, we announced that Frank Di Liso, Vice President, Corporate Finance and Administration, a member of the Finance department leadership team for over ten years, would serve as interim Chief Financial Officer. A search for the CFO that considers both internal and external candidates is underway.

Diversity

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

In late 2020, we completed our first Equity, Diversity & Inclusion survey to gather demographic data on our workforce, and employee attitudes and beliefs about inclusion at TMX Group. The results of this survey are currently being used to inform TMX Group's long-term strategy on how to best drive and support a diverse and inclusive workforce. Further details on the diversity of TMX Group's workforce and our strategic priorities about diversity will be included in TMX Group's 2021 environmental, social & governance report, which we expect to publish in May 2021.

In 2015 we adopted a *Diversity and the advancement of women* policy, which formalized practices we had followed for several years. The policy also established a gender diversity target of at least 33% women in executive positions (both senior executives and other executives). This goal was achieved in early 2020 and representation continued to increase throughout the year. As at December 31, 2020 approximately 35% of executive positions are held by women. We will be reviewing and updating this policy in 2021 to ensure it reflects a broader diversity lens beyond gender, in alignment with our long-term strategy.

Positions held by women ¹	December 2020	Formal target
Senior executives	2 of 8 (25%)	33% of executive positions by 2020 (achieved)
Executives	12 of 32 (38%)	
Senior managers	124 of 358 (35%)	
All other employees	396 of 1061 (37%)	

¹ Statistics based on available data.

We recognize the importance of continuing to support the advancement of gender equality, particularly within our industry, and are proud that we were recognized in 2020 as a parity certified organization by Women in Governance. The certification aims to recognize organizations that have achieved results by articulating a commitment to gender parity in the workplace, integrating it into the ecosystem of the organization and implementing mechanisms to achieve that commitment and sustain it over time. Initiatives to continue advancing gender equality within our organization are considered as part of our overall diversity and inclusion strategy.

6. Shareholder communication and engagement

The board oversees shareholder communication and engagement. Activities include:

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

We have a disclosure policy that sets out disclosure practices, names authorized spokespeople and helps ensure confidentiality. A

disclosure committee made up of management and employees ensures we comply with the disclosure policy and applicable regulations, evaluates whether information is material and reviews disclosure documents before final approval by the board (as necessary).

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

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

2020 engagement

In 2020, we met with investors at 10 investment or industry conferences and attended in person as well as virtual meetings with investors from 30 cities.

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

Board committees

The board has established five standing committees to help it carry out its responsibilities. Every director is invited to meetings of committees they do not sit on.

Finance and audit committee

Chair

William Linton

Members

Harry Jaako
Martine Irman
Kevin Sullivan
Claude Tessier
Eric Wetlaufer

2020 meetings

5

100% attendance

100% independent

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

100% financially literate

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

Oversees

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

Recent areas of focus

- Recommended the annual and interim financial statements and related management's discussion and analysis and media releases to the board for approval
- Reviewed significant judgments relating to:
 - fair value of financial instruments
 - goodwill impairment
 - adopted amendment to the leasing standard IFRS 16 (COVID-19 Related Rent Concessions)
 - TMX Group internal cost allocation model and transfer pricing
- Reviewed business plan, capital plan, including the normal course issuer bid and internal reorganizations
- Reviewed disclosure controls and procedures and internal control over financial reporting
- Reviewed and monitored the project related to the modernized clearing platform
- Reviewed the principles for management's process and use of non-GAAP measures
- Reviewed and approved the annual internal audit plan and monitored its execution
- Reviewed enterprise risk management activities and findings, risk management policy and risk appetite statements
- Reviewed independence and performance of our external auditor and approved the audit plan
- Reviewed and assessed management's reports on pension plan oversight
- Reviewed updates on cyber security

Governance and regulatory oversight committee

Chair

Marie Giguère

Members

William Linton

Jean Martel

Gerri Sinclair

Charles Winograd

2020 meetings

5 (including 1 special meeting)

100% attendance

100% independent

(according to

National Policy 58-201 – *Corporate*

Governance Guidelines and our

recognition orders)

Oversees

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

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

Recent areas of focus

- Reviewed the board and each committee charter and recommended amendments to certain charters
- Completed the evaluation and assessment of the chair of the board, the board, its committees and each director
- Recommended approval of TMX Group's first ESG report
- Received regular updates on ESG reporting
- Recommended the nominees to stand for election at the annual and special meeting of shareholders
- Recommended nominees to be appointed to the board
- Approved the statement of corporate governance practices
- Recommended the composition of the board's committees
- Received regular updates on key governance and regulatory developments
- Reviewed the board orientation and education policy, employee trading policy, timely disclosure confidentiality and insider trading policy and the director qualification policy
- Reviewed directors and officers insurance
- Reviewed conflict of interest policies and procedures and filed its annual report with the Ontario Securities Commission
- Reviewed the report of conflicts committee and approved the appointment of the independent committee members to the conflicts committee

Human resources committee

Chair

Eric Wetlaufer

Members

Nic Darveau-Garneau

Marie Giguère

Gerri Sinclair

Charles Winograd

2020 meetings

7 (including 2 special meeting)

100% attendance

100% independent

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

Derivatives committee

Chair

Luc Bertrand

Members

Christian Exshaw

Martine Irman

Kevin Sullivan

2020- meetings

2

100% attendance

100%

with expertise in derivatives

Oversees

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

Recent areas of focus

- Recommended the new CEO's compensation
- Reviewed peer group and compensation benchmarking
- Reviewed annual performance assessments of senior management and approved their compensation
- Reviewed the compensation discussion and analysis and recommended it to the board for approval
- Approved the 2021 compensation design and funding
- Reviewed high-potential talent management and succession planning
- Reviewed and approved executive officer appointments and organizational changes
- Reviewing talent, culture and respectful workplace policy
- Reviewed and recommended amendments to the performance share unit plan, restricted share unit plan and share option plan, and the allocation of grants to employees among those plans

Advises the board on

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

Recent areas of focus

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

Public venture market committee

Chair

Harry Jaako¹

Members

Luc Bertrand
Martine Irman
Moe Kermani¹
Gerri Sinclair¹
Kevin Sullivan¹

2020 meetings

4

100% attendance

'67%

committee members with currently relevant expertise in the Canadian public venture market (as defined by our recognition order requirements)

Advises the board on

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

Recent areas of focus

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

Ad-hoc committees

Special committee

Chair

Charles Winograd

Members

Marie Giguère
Martine Irman
William Linton

2020 meetings

9

100% attendance

Areas of focus

- Investigating the historical allegations against former CEO Lou Eccleston that were reported in a media article in November 2019
- Receiving the results of Ms. Rubin's investigation into the historical allegations, and the results of her post-investigation review
- Working to develop a plan to move forward to continue to improve our culture and work environment

CEO search committee

Chair

Charles Winograd

Members

Luc Bertrand
Nic Darveau-Garneau
Marie Giguère
William Linton
Gerri Sinclair
Eric Wetlaufer

2020 meetings

11

100% attendance

Areas of focus

- Conducting a search for a new CEO for TMX Group and making a recommendation to the board of a candidate for appointment to the office of the CEO

About TMX Group directors

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

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

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

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

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

The committee has identified 14 areas of expertise that are specifically related to our business strategy. These areas will evolve over time as we execute on our global growth strategy aimed at increasing our presence in key new markets around the world. The committee will also consider diversity criteria reflecting the communities in which TMX Group operates, including but not limited to gender, as well as age, geographic background and other under-represented groups, including racialized persons, Indigenous Peoples, people living with disabilities and members of the LGBTQ2+ community.

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

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

Recognition order requirements	Luc Bertrand	Nicolas Darveau-Garneau	Marie Giguère	Martine Irman	Moe Kermani	William Linton	Audrey Mascarenhas	John McKenzie	Kevin Sullivan	Claude Tessier	Eric Wetlaufer	Charles Winograd	TOTAL	
Independent (see page 33) Required: at least 50%		•	•	•	•	•	•		•	•	•	•	10	83%
Resident of Québec Required: at least 25% ¹	•		•							•			3	25%
Expertise in derivatives Required: at least 25%	•		•	•				•	•	•	•	•	8	67%
Currently relevant expertise in the Canadian public venture market Required: at least 25%					•	•	•	•	•				5	42%
Additional areas of expertise														
CEO/Senior officer experience working as a CEO or senior officer for a major organization	•		•	•	•	•	•	•	•	•	•	•	11	92%
Governance/board experience as a board member of a major or public company organization	•	•	•	•		•	•		•	•	•	•	10	83%
Regulated company experience working in an organization regulated by government or regulatory bodies	•	•	•	•		•		•	•		•	•	9	75%
Technology experience in businesses heavily dependent on information technology	•	•		•	•	•	•	•	•	•	•	•	11	92%
Strategy experience driving strategic direction and leading the growth of an organization	•	•		•	•	•	•	•	•	•	•	•	11	92%
Financial/risk financial accounting and reporting, corporate finance, internal controls and risk management	•	•	•	•		•	•	•	•	•	•	•	11	92%
Mergers and acquisitions experience in major mergers and acquisitions	•		•	•	•	•	•	•	•	•	•	•	11	92%
Marketing experience in marketing in the capital markets	•	•		•			•		•	•	•	•	8	67%
Human resources experience in compensation, benefit and pension programs, legislation and agreements	•		•	•	•	•			•		•	•	8	67%
Energy experience in the energy markets	•		•			•	•		•	•	•	•	8	67%
Broker/dealer experience working in the capital markets at a broker/dealer	•	•		•					•			•	5	42%
Clearing experience in cash, derivatives or energy clearing	•		•	•				•				•	5	42%
International experience working in an organization with global operations	•	•	•	•	•	•	•	•	•	•	•	•	12	100%
Environmental, Social & Governance experience in cybersecurity, IT/business resilience, privacy and data security, sustainable investing, community engagement, regulatory relationship management, human capital management, corporate governance, gender diversity or environmental footprint	•	•	•	•		•	•			•	•	•	9	75%

Determining director independence

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

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

Status of the 2021 nominated directors

	Independent	Status
Luc Bertrand	no	works for National Bank Group Inc.
Nicolas Darveau-Garneau	yes	
Marie Giguère	yes	
Martine Irman	yes	
Moe Kermani	yes	
William Linton	yes	
Audrey Mascarenhas	yes	
John McKenzie	no	TMX Group CEO
Kevin Sullivan	yes	
Claude Tessier	yes	
Eric Wetlaufer	yes	
Charles Winograd	yes	
Total	83%	

83% of this year's nominated directors are independent

That means the nominee is independent within the meaning of:

1. Section 1.4 of National Instrument 52-110 – *Audit Committees*

2. National Policy 58-201 — *Corporate Governance Guidelines*, and

3. Our recognition orders
A director is not independent if he or she has one of the following relationships with a TSX, TSXV, MX or Alpha market participant:

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

Director resignation

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

Building a diverse board

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

When identifying and considering qualified candidates for the board, the governance and regulatory oversight committee will also consider diversity criteria reflecting the communities in which TMX Group operates, including but not limited to gender, as well as age, geographic background and other under-represented groups, including racialized persons, Indigenous Peoples, people living with disabilities and members of the LGBTQ2+ community (the "other diversity characteristics").

The board has established a goal to achieve board composition in which each gender comprises at least 30% of the board's directors and at least one director reflects one of the other diversity characteristics by TMX Group's 2022 annual meeting. On an annual basis, the governance and regulatory oversight committee will recommend that the board adopt objectives for achieving the board diversity and inclusiveness goal set out in the board diversity policy, taking into account our unique regulatory obligations.

Gender diversity

25%

women

Our board diversity policy includes gender diversity as a factor to be considered when determining board composition. The board has established a goal to have at least 30%-women on the board by TMX Group's 2022 annual meeting.

This year's nominees include three women, representing 25% of the nominees. We measure the effectiveness of our approach to gender diversity by tracking the number of women on the board every year.

Age and tenure

60 years

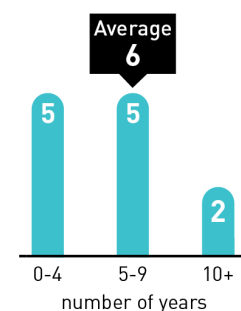
average age

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

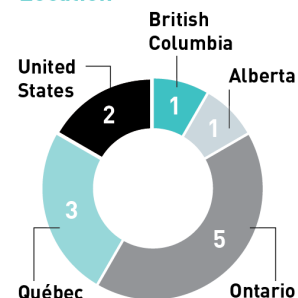
The board has decided not to adopt a mandatory retirement age, but has introduced a tenure limit of 12 years for directors appointed or elected to the board after May 2011, to be served in one-year terms.

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

Tenure



Location



Geographic location

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

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

Attending meetings

2020 meeting attendance

There were 54 board and committee meetings in 2020. Directors attended 99.5% of all meetings, in aggregate.

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

Due to the COVID-19 pandemic, directors attended 93% of all board and committee meetings by video conference.

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

2020 attendance

	Board	Derivatives committee	Finance and audit committee	Governance and regulatory oversight committee	Human resources committee	Public venture market committee	Special committee	CEO search committee	All board and committee meetings	
Luc Bertrand	11/11	2/2				4/4		11/11	28/28	100%
Nicolas Darveau-Garneau	11/11				7/7			11/11	29/29	100%
Christian Exshaw	10/11	2/2							12/13	92%
Marie Giguère	11/11			5/5	7/7		9/9	11/11	43/43	100%
Martine Irman	11/11	2/2	5/5			4/4	9/9		31/31	100%
Harry Jaako	11/11		5/5			4/4			20/20	100%
Moe Kermani ¹	3/3					1/1			4/4	100%
William Linton	11/11		5/5	5/5			9/9	11/11	41/41	100%
Jean Martel	11/11			5/5					16/16	100%
John McKenzie ²	3/3								3/3	100%
Gerri Sinclair	11/11			5/5	7/7	4/4		11/11	38/38	100%
Kevin Sullivan	10/11	2/2	3/3			4/4			19/20	95%
Claude Tessier ¹	3/3		2/2						5/5	100%
Eric Wetlaufer	11/11		5/5		7/7			11/11	34/34	100%
Charles Winograd	11/11		2/2	5/5	7/7		9/9	11/11	45/45	100%

1 Mr. Kermani and Mr. Tessier were appointed to the board on September 18, 2020.

2 Mr. McKenzie was appointed to the board on August 17, 2020.

Serving on other public boards

0

There are no board interlocks.

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

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

The governance and regulatory oversight committee has determined that none of this year's nominees is overcommitted, and none of them sits together on another public company board. See the director profiles starting on page 15 for details about other boards the nominees sit on.

Director education

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

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

Orientation

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

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

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

Continuing education

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

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

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

TMX Group staff regularly present to the board about different aspects of our business, and we arrange for third-party experts to present on specialized topics. The table below lists presentations our directors attended in 2020 as part of the continuing education program.

	Date	Presenter	Who attended
Environmental, Social and Governance	May 2020	Third-party expert	Full board
Cybersecurity	September 2020	Third-party expert	Full board
Agile Business	November 2020	TMX Group Board Member	Full board
Industry Trends – Future of Workplaces	November 2020	Third-party expert	Full board

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

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

Performance evaluation

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

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

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

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

Annual five-step assessment process

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

How we pay our directors

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

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

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

Director compensation includes:

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

Annual fee schedule

	2020	2021 (as of January 1, 2021)
Board retainer		
Chair of the board		
• cash	\$135,000	\$135,000
• DSUs	\$210,000	\$250,000
Directors		
• cash	\$45,000	\$60,000
• DSUs	\$70,000	\$110,000
Committee retainers		
Committee chairs		
• Finance and audit committee	\$20,000	\$35,000
• Human resources committee	\$15,000	\$30,000
• Other committees	\$10,000	\$20,000
Committee members		
• Finance and audit committee	\$6,000	\$15,000
• Human resources committee	\$6,000	\$15,000
• Other committees	\$3,000	\$10,000
Meeting attendance fees		
Board meetings		
Committee meetings	\$1,500	-
Travel fee (if return air travel time exceeds six hours)	\$1,500	-
	\$1,500	\$1,500

About DSUs

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

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

Some of our directors are not paid

The CEO does not receive director compensation because he is compensated in his role as CEO.

The following directors have chosen not to receive director compensation, or have asked that it be paid to their employers:

Does not receive compensation	Cash compensation is paid to his employer
Luc Bertrand	Christian Exshaw (CIBC)

Because these directors are not paid or granted DSUs, we do not impose an equity ownership requirement.

Changes to director compensation in 2021

After retaining an independent consultant in 2020 to review director compensation at the companies in our comparator group, the governance and regulatory oversight committee recommended and the board approved an "all-in" retainer structure and eliminated meeting fees for board and committee attendance.

The changes took effect on January 1, 2021.

Director compensation table

The table below lists all compensation earned by our directors in 2020.

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

All other compensation includes additional fees several directors earn for serving on the boards or committees of other subsidiaries or entities TMX Group has a significant investment in (see below for details).

	Annual fees						All other compensation	Total compensation	Allocation of annual fees	
	Board retainer		Committee retainers		Meeting attendance fees				paid in cash	taken as DSUs
	cash	DSUs	chair	member	board	committees				
Luc Bertrand (not paid)	-	-	-	-	-	-	\$57,000		\$57,000	-
Nicolas Darveau-Garneau	\$45,000	\$70,000	-	\$6,000	\$16,500	\$27,000	-	\$164,500	-	100%
Christian Exshaw (paid to CIBC)	\$45,000	-	-	\$3,000	\$15,000	\$3,000	-	\$66,000	\$66,000	-
Marie Giguère	\$45,000	\$70,000	\$10,000	\$6,000	\$16,500	\$48,000	\$10,500	\$206,000	\$68,000	67%
Martine Irman	\$45,000	\$70,000	-	\$12,000	\$16,500	\$30,000	-	\$173,500	-	100%
Harry Jaako	\$45,000	\$70,000	\$10,000	\$6,000	\$16,500	\$13,500	\$9,000	\$170,000	\$100,000	41%
Moe Kermani	\$11,250	\$46,667	-	\$1,000	\$4,500	\$1,500	-	\$64,917	\$3,650	94%
William Linton	\$45,000	\$70,000	\$20,000	\$3,000	\$16,500	\$45,000	\$60,000	\$259,500	\$124,750	52%
Jean Martel	\$45,000	\$70,000	-	\$3,000	\$16,500	\$7,500	\$17,500	\$159,500	\$44,750	72%
John McKenzie (not paid)	-	-	-	-	-	-	-	-	-	-
Gerri Sinclair	\$45,000	\$70,000	-	\$12,000	\$16,500	\$40,500	-	\$184,000	-	100%
Kevin Sullivan	\$45,000	\$70,000	-	\$10,000	\$15,000	\$13,500	-	\$153,500	-	100%
Claude Tessier	\$11,250	\$46,667		\$2,000	\$4,500	\$3,000	-	\$67,417	\$10,375	85%
Eric Wetlaufer	\$45,000	\$70,000	\$15,000	\$6,000	\$16,500	\$34,500	\$13,500 ¹	\$200,500	\$32,625	83%
Charles Winograd	\$135,000	\$210,000	-	-	-	-	-	\$345,000	\$67,500	59%

¹ Mr. Wetlaufer was compensated \$13,500 for his attendance at the meetings of the Special Committee in his capacity as chair of the human resources committee.

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

	MX rules and policies committee / TSX and Alpha rules committee	TSX Trust Company board	BOX Holdings Group, LLC and BOX Market, LLC board	Total
Luc Bertrand			\$57,000	\$57,500
Marie Giguère	\$10,500			\$10,500
Harry Jaako	\$9,000			\$9,000
William Linton		\$60,000		\$60,000
Jean Martel	\$17,500			\$17,500

Equity ownership

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

That means directors have to own at least \$510,000 (\$1,155,000 for the chair) in equity, represented by a combination of shares and DSUs. This requirement was increased on January 1, 2021 from \$345,000 for directors and \$1,035,000 for the chair.

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

The table below shows the value of the shares and DSUs each director held as at March 16, 2021. We calculated the value as follows:

- *TMX Group shares*: we used the closing price of our shares on TSX on March 16, 2021 (\$132.06)
- *DSUs*: we used the weighted average trading price of our shares on TSX for the five trading days ending on March 16, 2021 (\$127.51).

All of the directors meet their equity ownership requirement with the exception of Mr. Darveau-Garneau, who has until September 2023 to meet the minimum equity ownership requirement, Ms. Irman, who has until November 2024, and Mr. Kermani and Mr. Tessier, who have until September 2025.

as of March 16, 2021	2019		2020		Change		Value at March 16, 2021	Meets ownership requirement
	TMX Group shares (#)	DSUs (#)	TMX Group shares (#)	DSUs (#)	TMX Group shares (#)	DSUs (#)		
Luc Bertrand	590,000	-	585,000	-	(5,000)	-	\$77,255,100	n/a
Nicolas Darveau-Garneau	-	1,668	-	3,085	-	1,417	\$389,926	no
Marie Giguère	2,000	5,260	2,000	6,521	-	1,261	\$1,095,613	yes
Martine Irman¹	-	557	-	2,039	-	1,482	\$259,993	no
Moe Kermani	-	-	-	504	-	504	\$64,265	no
William Linton	-	14,671	-	16,109	-	1,438	\$2,054,059	yes
Kevin Sullivan	-	13,426	-	14,994	-	1,568	\$1,911,885	yes
Claude Tessier	-	-	1,200	462	1,200	462	\$217,382	no
Eric Wetlaufer	-	3,258	-	4,824	-	1,566	\$615,108	yes
Charles Winograd	-	38,828	-	41,900	-	3,072	\$5,342,669	yes

¹ Ms. Irman was previously employed at TD Securities Inc. and waived her board compensation until her retirement in November 2019. After her retirement, Ms. Irman began to receive her board compensation and was granted DSUs.

Compensation

This section of our circular describes executive compensation at TMX Group, including how we design and oversee our executive compensation program and how we link executive pay to our long-term success.

Our six named executives for 2020 were:

- John McKenzie, Chief Executive Officer
- Frank Di Liso, Interim Chief Financial Officer, Vice President Corporate Finance and Administration
- Jayakumar (Jay) Rajarathinam, President of CDCC and CDS and Chief Technology and Operations Officer
- Luc Fortin, President and Chief Executive Officer, Montréal Exchange (MX) and Global Head of Trading
- Cheryl Graden, SVP, Group Head of Legal and Business Affairs, Enterprise Risk Management and Government Relations and Corporate Secretary
- Louis (Lou) Eccleston, Former Chief Executive Officer

With the exception of Lou Eccleston, all of the named executives were members of the TMX Group Senior Management Team on December 31, 2020.

Having your say on executive pay

We want to make sure you understand how we pay our executives, and why, before you vote at the 2021 annual and special meeting. Last year, 91.23% of votes cast voted FOR our approach to executive compensation.

Please read through this section of the circular, and if you have questions about our executive compensation program or the pay decisions for 2020, you can reach us at:

(416) 947-4277 or (888) 873-8393 (toll-free)

TMXshareholder@tmx.com

What's inside

Compensation discussion and analysis

42 2020 Overview

45 Executive compensation at a glance

47 2020 compensation decisions

54 Share performance and executive pay

56 Compensation governance

57 Committee expertise

57 Independent advice

58 Managing compensation risk

60 Equity ownership

61 Compensation design and decision-making

61 1. Designing the program

64 2. Establishing the mix of components

64 3. Setting compensation and performance targets

64 4. Reviewing progress

65 5. Awarding compensation

66 2020 compensation review

66 Salary

66 Short-term incentive plan

69 Long-term incentive plan

Compensation details

76 Summary compensation table

78 Incentive plan awards

80 Retirement benefits

82 Termination and change of control provisions

Compensation discussion and analysis

2020 Overview

TMX Group is steadfast in our client-first commitment to serving the world's capital markets while focusing on generating long-term, profitable growth, and this is reinforced in our client-first vision statement: *To be an indispensable solution for companies around the world to raise capital and the preferred destination for traders and investors to prosper.*

Against a backdrop of unprecedented volatility and uncertainty given the COVID-19 pandemic, TMX Group continued to deliver strong financial results, highlighting the value of our diversified business model. Increased revenue from Equities and Fixed Income Trading, Global Solutions, Insights and Analytics, and Capital Formation activity on TSX and TSXV, generated overall revenue and earnings per share growth compared with 2019. TMX Group's 2020 results also serve as strong affirmation of the vitality of the Canadian capital markets ecosystem, and the crucial role that healthy, vibrant public markets play in fueling a resilient and competitive world-class economy.

While significant challenges remain on the near-term horizon across all industries and in our business environment due to the COVID-19 pandemic, TMX Group remains firmly focused on serving our clients with excellence, providing our markets with continuity, and executing against our global growth strategy.

Key financials

in millions of dollars	December 31, 2019	December 31, 2020	change
Revenue	\$806.9	\$865.1	7.2%
Operating expenses	\$424.5	\$449.2	5.8%
Income from operations	\$382.4	\$415.9	8.8%
Earnings per share (diluted)	\$4.38	\$4.91	12.1%

Data as reported in our financial statements.

Key initiatives and accomplishments

Response to the COVID-19 pandemic

- The health and safety of our people, our clients and the entire capital markets community was our top priority in 2020, and consistently guided the decisions we made. Effective March 17, 2020, we directed all staff, other than those who had to be physically present in the office to complete business critical tasks, to work from home, and transitioned approximately 95% of our workforce to working remotely.
- We undertook a number of initiatives to help support our key stakeholders most acutely affected by the ongoing crisis, including implementing blanket relief measures to lessen the administrative burden on our more than 3,200 listed issuers during the pandemic, and successfully advocating for amendments to the federal Government's COVID-19 response package to include public companies in the wage subsidy program.

Business initiatives

- In September 2020, we announced an agreement to acquire AST Investor Services Inc. (Canada), and its subsidiary AST Trust Company (Canada) (collectively, AST Canada), a leading provider of transfer agency, corporate trust and related services to Canadian public and private companies. This transaction will help to accelerate TSX Trust's growth and enhance its competitive position, deepening relationships with existing clients and broadening the scope and scale of its service offerings. We expect the acquisition to close within 12 months from the date of entering into the agreement (September 25, 2020).
- In December 2020, TSXV announced changes to its Capital Pool Company (CPC) program, following extensive consultation with stakeholders across the TSXV community. The CPC program is a unique listing vehicle offered exclusively by TSXV. It accounted for almost 50% of new TSXV listings in the past 10 years.
- At the end of March 2020, we launched ESG 101, a new hub of ESG resources, curated for TSX and TSXV issuers by TMX Group and many of Canada's leading ESG experts. The site includes a collection of guides, articles, events, podcasts and definitions to help issuers understand the fundamentals of ESG reporting, and connects issuers to the right people for answers, including ESG rating agencies.
- In October 2020, TSX published and filed for regulatory approval a proposed new Market on Close (MOC) Auction model, the first substantive changes to the MOC since its introduction in 2004. The new TSX MOC facility will provide an improved trading experience for market participants, better serve stakeholder needs for enhanced liquidity at the close, and enhance efficiencies in determining closing prices in Canada. We expect the facility to be launched in the second half of 2021, subject to regulatory approvals.
- TSX's Dark Trading offering continued to expand throughout 2020, with the successful introduction of new pricing programs and targeted sales campaigns. As a result, TSX DRK increased its continuous trading market share in TSX listed securities from 18% in 2019 to 26% in 2020.
- In December 2020, MX launched the S&P/TSX 60 ESG Index Futures (SEG)¹ and launched a new market-making program to support the growth of its Two-Year Government of Canada Bond Futures (CGZ). 97,912 CGZ contracts traded in 2020, with open interest of 25,585 contracts at December 31, 2020.
- Trayport successfully supported its trader and broker customers as they transitioned to working from home during the COVID-19 pandemic. Volumes were strong through December 31, 2020, with record volumes in both the European power and gas markets driven by the market volatility. Volumes for these power and gas products were up 10% and 14%, respectively compared with 2019.

¹ The S&P/TSX 60 Index, S&P/TSX Composite Index, S&P/TSX 60 ESG Index, S&P/TSX Composite ESG Index, S&P/TSX 60 Carbon Price Risk Index and S&P/TSX Composite Carbon Price Risk Index are products of the S&P Dow Jones Indices are products of S&P Dow Jones Indices LLC ("SPDJI") and TSX Inc. ("TSX"). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and TSX® is a registered trademark of TSX. SPDJI, Dow Jones, S&P and TSX do not sponsor, endorse, sell or promote any products based on the S&P/TSX Indices and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions or interruptions of the S&P/TSX Indices or any data related thereto.

Company leadership changes

CEO and CFO

In January 2020, we announced the retirement of **Lou Eccleston**, our former Chief Executive Officer.

- Effective January 10, 2020, **John McKenzie** assumed the role of interim Chief Executive Officer in addition to his role as Chief Financial Officer, and on August 17, 2020, he was appointed Chief Executive Officer and became a member of the TMX Group Limited Board of Directors.
- Also on August 17, 2020, **Frank Di Liso**, Vice President, Corporate Finance and Administration, a member of the Finance department leadership team for over 10 years, was appointed interim Chief Financial Officer. A search for the CFO that considers both internal and external candidates is underway.

Other named executives

In February 2021, we made organizational changes designed to improve the execution of our growth strategies and business plans, with a focus on best serving the needs of our clients and stakeholders. The changes included expanded mandates for three of this year's named executives:

- As Chief Operating Officer, **Jay Rajarathinam's** mandate expanded beyond overall technology strategy to also include the development and execution of the integrated operations and enterprise strategy for TMX Group, focusing on enabling business growth through technology, innovation and optimizing operations. He also oversees TMX Datalinx, bringing together our data with analytics and technology to design and deliver new client-centric, data-driven solutions and capabilities, and assess new growth opportunities. Jay stepped down as President of CDS and CDCC effective February 10, 2021, to allow him to focus on his new accountabilities.
- In addition to continuing in his role as President and Chief Executive Officer of Montréal Exchange and Global Head of Trading, **Luc Fortin's** mandate expanded to include oversight of TMX's post-trade businesses, CDCC and CDS, and enterprise client management. This provides enhanced alignment between global trading and post-trade and will enhance our ability to better serve our clients.
- As Chief Legal and Enterprise Corporate Affairs Officer, **Cheryl Graden's** mandate expanded to include oversight of corporate communications, in addition to her existing accountabilities related to TMX Group's legal, regulatory affairs, government relations and risk management functions. This change reflects the important relationship between legal affairs and public affairs, and ensures alignment in our enterprise approach to advocacy across all stakeholder groups in support of an effective and productive capital markets ecosystem.

Other key leadership changes

- We appointed **Cindy Bush** as Chief Human Resources Officer on December 7, 2020. She is responsible for leading all aspects of TMX Group's Human Resources function in support of TMX Group's corporate objectives, including strategy development and execution, workplace culture, performance management, employee communications, and talent development and acquisition. Cindy has more than 25 years of experience in human resources, talent strategies and culture transformation at companies based in Canada, the United States, the United Kingdom and France.

Executive compensation at a glance

Executive compensation at TMX Group is carefully designed to link executive pay with our business strategy, organizational culture, company and individual performance and shareholder returns – all within a well-defined risk framework. It balances short-term and longer-term awards to make sure we meet annual objectives while continuing to provide shareholder value over the longer term.

2020 compensation program

The human resources committee oversees compensation, including compensation design, decision-making, risk, policies and programs.

Despite the extraordinary circumstances that the COVID-19 pandemic presented in 2020, we continued to deliver strong financial results. Our 2020 short-term incentive scorecard includes 100% financial measures: 70% tied to income from operations and 30% tied to revenue. While the committee did not make any significant design changes to our compensation program in 2020, it did divide the revenue measure in the short-term incentive plan equally between recurring revenue and transaction-based revenue (see page 66 for details). This change was introduced at the beginning of 2020, to reflect the different volatilities of the two revenue streams, and to mitigate the impact of market conditions (both positive and negative) on short-term incentive funding. There were no changes to the compensation program, performance metrics or targets, or executive pay arising from COVID-19.

2020 compensation decisions

- **Salaries** (page 66) – increased for some executives to recognize new accountabilities and changes in the competitive market.
- **Short-term incentives** (page 67) – performance was above the financial targets that drive our short-term incentive plan funding, resulting in bonuses above target for all named executives.
- **Long-term incentives** (page 70) – were granted at target, in the form of performance share units, restricted share units and options.
- **Vested 2018 long-term incentive awards** (page 72) – paid out higher than grant values, aligned with the increase in our share price over the past three years and, for performance share units, our relative total shareholder return performance against the S&P/TSX Composite Index.

CEO and interim CFO appointments

Lou Eccleston retired from TMX Group on January 10, 2020. The human resources committee and a special committee, in consultation with its external advisors, reviewed the terms of his retirement. These are noted in the summary compensation table on page 76.

Our compensation philosophy

Be competitive

Executives earn competitive pay when corporate and individual performance meet established objectives

Pay for performance

Executives earn more when our performance is high, and less when our performance is low

Align with shareholders

Long-term incentive plan payouts are directly linked to our share price performance

Be well governed

Executive compensation is overseen by a committee with the right expertise, using a process that demonstrates high standards of good governance

Manage risk

Compensation risk is identified, measured and managed within acceptable risk tolerance

Be easily understood

We want our stakeholders to understand how we pay our executives, and why

**2020 shareholder vote:
91.23% FOR our approach to
executive compensation.**

John McKenzie was appointed CEO on August 17, 2020. At that time, his target compensation was adjusted to include a salary of \$750,000, short-term incentive target of 150% of salary, and long-term incentive target of 200% of salary. On December 31, 2020, changes were made to his participation in the TMX Group registered pension plan to provide for a transition from the defined benefit portion to the defined contribution portion of the plan (see page 80 for more information).

Frank Di Liso was interim CFO from August 17, 2020 to December 31, 2020, as well as Vice President, Corporate Finance and Administration. To recognize his additional responsibilities during this time, he received:

- a cash allowance of \$10,000 per month
- an annual bonus of up to 40% of the cumulative monthly cash allowance, based on the achievement of performance objectives related to the interim CFO role.

2020 actual compensation snapshot

	Salary	Short-term incentive	Long-term incentive	2020 compensation	Percent at risk	Compared to target
John McKenzie¹ Chief Executive Officer (CEO)	\$720,170	\$1,204,500	\$1,310,250	\$3,234,920	78%	+51.1%
Frank Di Liso¹ Interim CFO Vice President, Corporate Finance and Administration	\$265,000	\$143,000	\$129,000	\$537,000	51%	+14.3%
Jay Rajarathinam President of CDCC and CDS Chief Technology and Operations Officer	\$430,000	\$723,000	\$537,500	\$1,690,500	75%	+12.3%
Luc Fortin President and Chief Executive Officer, Montréal Exchange (MX) and Global Head of Trading	\$415,000	\$500,000	\$498,000	\$1,413,000	71%	+6.4%
Cheryl Graden SVP, Group Head of Legal and Business Affairs, Enterprise Risk Management and Government Relations	\$340,000	\$380,000	\$389,000	\$1,109,000	69%	+23.1%

¹ Includes compensation for interim roles (see above).

² Compensation was above target because the short-term incentive paid out above target, and John McKenzie, Frank Di Liso and Cheryl Graden received one-time RSU awards. See page 66 for more information.

2021 compensation decisions

Review of short and long-term incentive programs

The committee reviews the executive compensation program every year, and in 2020 it reviewed the design features of the short-term and long-term incentive plans against competitive market practices. The committee did not make any changes to the program design for 2021, but is considering changes to the plans for implementation in 2022, with a specific focus on performance measurement and the mix of restricted share units, performance share units and options as part of the long-term incentive plan.

2021 target compensation for the named executives

Compensation changes were recommended for some of the named executives based on their new roles and accountabilities. See the profiles starting on page 47 for information about 2020 and 2021 compensation for each named executive.

2020 compensation decisions

John McKenzie

Chief Executive
Officer

John McKenzie was appointed interim CEO on January 10, 2020, while he also maintained his role as CFO, including oversight of the capital formation business. He also served as a company director for TMX Group's post-trade businesses, CDS and CDCC.

He was appointed Chief Executive Officer of TMX Group on August 17, 2020, responsible for the overall leadership of TMX Group and the establishment of the long-term strategy to drive sustainable performance, consistent with the interests of all stakeholders, including shareholders, clients, and employees.

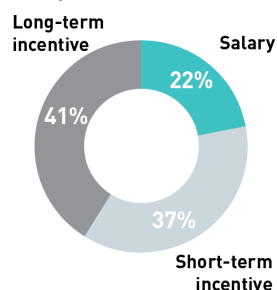
In 2020, John and his team delivered strong financial performance amid market volatility during the global COVID-19 pandemic. Overall revenue grew by 7%, driven by growth in Equities and Fixed Income Trading, Global Solutions, Insights and Analytics, and Capital Formation activity on TSX and TSXV. Diluted EPS increased by 12%, which was largely driven by increased revenue.

John continued to drive shareholder value during the year through the initiation of a normal course issuer bid (NCIB) in March 2020 that resulted in the repurchase of 473,400 shares throughout the year and a dividend increase from \$0.66 to \$0.70. Overall total shareholder return remained strong at 15.49%.

Under John's leadership, TMX Group continued to accelerate its growth strategy during the year through commercial expansion initiatives, including:

- enhancing the competitive position of TSX Trust through an agreement to acquire AST Canada, a leading provider of transfer agency, corporate trust and related services to Canadian public and private companies
- continuing the expansion of Trayport services and products to the North American market through our agreement with the Nodal exchange, a Washington DC-based derivatives exchange serving commodities markets.
- continuing the globalization of our derivative markets, including preparations for the launch of extended trading hours in Asia in 2021.

2020 actual compensation mix



Total direct compensation

	2019 actual ¹	target ²	2020 actual ¹	2021 target
Salary	\$415,000	\$720,170	\$720,170	\$750,000
Short-term incentive	\$290,500	\$860,300	\$1,204,500	\$1,125,000
Long-term incentive				
• PSUs	\$224,100	\$224,100	\$224,100	\$600,000
• RSUs	\$168,075	\$168,075	\$918,075	\$450,000
• Options	\$168,075	\$168,075	\$168,075	\$450,000
Total	\$1,265,750	\$2,140,720	\$3,234,920	\$3,375,000
At risk		66%		78%

¹ Compensation as CFO.

² Includes compensation in interim CEO role.

2020 compensation

John's target total direct compensation for his role as CFO remained the same in 2020 (salary of \$415,000, short-term incentive target of 100% of salary and long-term incentive target of 135% of salary).

To recognize his additional responsibilities while he was interim CEO, the board approved the following:

- monthly cash allowance of \$25,000
- annual bonus of up to 100% of the cumulative monthly cash allowance, with payment tied to the achievement of defined performance objectives for the interim CEO role
- a one-time RSU award of \$750,000 on February 20, 2020, that vest and pay out over three years.

When he was appointed CEO on August 17, 2020, his target compensation was adjusted as follows:

- salary increased from \$415,000 to \$750,000
- short-term incentive target increased from 100% to 150% of salary
- long-term incentive target increased from 135% to 200% of salary.

His 2020 compensation in the table above is a combination of his compensation as CFO, interim CEO and CEO. His annual long-term incentive was awarded at his CFO target (\$560,250) on February 20, 2020, in addition to the one-time RSU award of \$750,000 in recognition of his interim CEO role. His 2020 short-term incentive was paid at 140% of his target award (\$1,204,500). See page 68 for details.

2021 compensation

John's target total direct compensation did not change. His 2021 long-term incentive was awarded at target (\$1,500,000) on February 18, 2021.

CEO compensation aligned with shareholder value

Our compensation program is designed to align CEO compensation with the experience of our shareholders. As a result, a significant portion of CEO compensation is designed to be at risk, including long-term incentives which are structured to deliver compensation based on our share price and total shareholder returns over various performance cycles.

John McKenzie was appointed interim CEO on January 10, 2020 and CEO on August 17, 2020. The table below compares the total direct compensation for his first year as CEO, including his interim role, to the actual value of that compensation as at December 31, 2020. It also compares what he has earned with what our shareholders have earned over the same time period. We assess CEO pay and performance over the long-term, and will add CEO pay and performance data in future years.

For comparison, both CEO total direct compensation and the value earned by shareholders have been indexed to \$100. Overall, both John's total direct compensation and TMX Group's shareholder return have increased over the period, in alignment with our pay for performance philosophy.

CEO total direct compensation

Change in value of \$100 investment during the year

Compensation year	CEO pay	Value as of December 31, 2020	Measurement period	CEO pay	Shareholders
2020	\$3,234,920	\$3,339,054	Jan 1, 2020 to Dec 31, 2020	\$103	\$115

CEO pay includes the total direct compensation awarded each year (salary, short-term incentive award and long-term incentive grant value).

Value as of December 31, 2020 includes the realized and realizable value of total direct compensation in 2020, as of December 31, 2020.

Realized value:

- salary and short-term incentive award paid in 2020 (a blend of CFO, interim CEO cash allowance/bonus and CEO pay in 2020)
- the value of the first tranche of his one-time RSU award in 2020, which vested and paid out on December 31, 2020.

Realizable value includes:

- the value of outstanding RSUs and PSUs that were awarded in 2020, calculated using \$126.62 (the weighted average trading price of a common share for the 30 trading days immediately preceding December 31, 2020), and assuming a performance factor of 100% for PSUs
- the in-the-money value of options outstanding, using \$127.14 (the closing price of a TMX Group share on December 31, 2020).

Frank Di Liso

Interim CFO
Vice President
Corporate Finance
& Administration

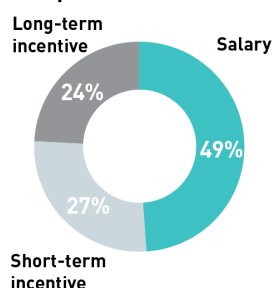
Frank Di Liso was appointed interim CFO on August 17, 2020, while he also maintained his role as Vice President Corporate Finance and Administration. In his capacity as interim CFO, Frank is responsible for the financial management of the company, including financial planning and reporting, tax and treasury, corporate strategy and development and investor relations.

In 2020, Frank and his team led the financial discipline across the enterprise, with lower than targeted operating expenses that contributed to the 12% increase in diluted EPS. In addition, focused investor relations activity resulted in TMX Group closing the valuation gap against both its global and U.S. peers in 2020. He also supported and executed on high shareholder value initiatives, including a dividend increase and completion of our NCIB program into January 2021.

Frank and his team evaluated a number of corporate development opportunities and played a key role in securing the successful agreement to acquire AST Canada. Internally, Frank continued to identify opportunities to streamline administrative and reporting processes, including leveraging cloud technology solutions to enhance the organization's ability to accurately plan for operating expenses.

Total direct compensation

2020 actual
compensation mix



	2019 actual	target ¹	2020 actual ¹	2021 target ²
Salary	\$213,750	\$265,000	\$265,000	\$340,000
Short-term incentive	\$66,000	\$106,000	\$143,000	\$136,000
Long-term incentive				
• PSUs	\$34,200	\$39,600	\$39,600	\$39,600
• RSUs	\$25,650	\$29,700	\$59,700	\$29,700
• Options	\$25,650	\$29,700	\$29,700	\$29,700
Total	\$365,250	\$470,000	\$537,000	\$575,000
At risk		44%		41%

¹ Includes compensation in interim CFO role.

² 2021 target is annualized and includes interim CFO allowance and target bonus.

2020 compensation

Frank's target total direct compensation for his role as Vice President, Corporate Finance and Administration remained the same for 2020 (salary of \$220,000, short-term incentive target of 40% of salary and long-term incentive target of 45% of salary).

To recognize his additional responsibilities as interim CFO, the board approved the following:

- monthly cash allowance of \$10,000
- annual bonus of up to 40% of the cumulative monthly cash allowance, with payment tied to the achievement of defined performance objectives for the interim CFO role.

His 2020 compensation in the table above is a combination of his compensation as VP Corporate Finance & Administration and interim CFO. His annual long-term incentive was awarded at target (\$99,000) on February 20, 2020, and he also received a one-time RSU award of \$30,000 in recognition of his greater responsibilities during John McKenzie's tenure as interim CEO. His 2020 short-term incentive was paid at 135% of his target award (\$143,000). See page 68 for details.

2021 compensation

Frank's target total direct compensation did not change. His 2021 long-term incentive was awarded at target (\$99,000) on February 18, 2021. He continues to be eligible for his interim CFO compensation until a CFO is appointed.

Jay Rajarathinam

President CDCC and CDS
Chief Technology and Operations Officer

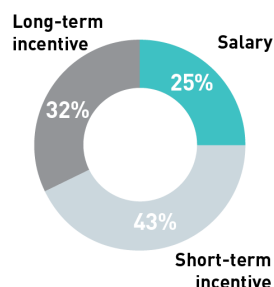
Before the organizational changes in early 2021, Jay Rajarathinam served as President of CDCC and CDS and Chief Technology and Operations Officer. He was responsible for leading our post trade services and operations, and for setting and executing the technology strategy in support of all TMX Group businesses. This included overseeing several enterprise functions, including data management and analytics, information security, procurement and vendor management.

In 2020, Jay and his team continued to deliver technology solutions in support of growth initiatives across all business units, including system enhancements to support new product launches in MX / CDCC, a Trayport analytics solution, integration of TMX Money and Matrix sites to enhance client experience, and state of the art technology infrastructure in the TMX Market Centre. Jay and his team also focused on enhancing business resiliency through key systems capacity monitoring and rigorous disaster recovery testing.

Jay and his team also supported the implementation of risk and clearing enhancements in support of extended derivative trading hours and the launch of new derivative products. In early 2021, Jay was appointed Chief Operating Officer, responsible for oversight of technology, integrated operations, enterprise strategy and innovation for TMX Group, and TMX Datalinx. He stepped down as President of CDS and CDCC effective February 10, 2021, to allow him to focus on his new accountabilities.

Total direct compensation

2020 actual compensation mix



	2019 actual	target	2020 actual	2021 target
Salary	\$430,000	\$430,000	\$430,000	\$530,000
Short-term incentive	\$376,250	\$537,500	\$723,000	\$662,500
Long-term incentive				
• PSUs	\$215,000	\$215,000	\$215,000	\$265,000
• RSUs	\$161,250	\$161,250	\$161,250	\$198,750
• Options	\$161,250	\$161,250	\$161,250	\$198,750
Total	\$1,343,750	\$1,505,000	\$1,690,500	\$1,855,000
Other payments ¹	\$320,000	-	\$394,236	-
At risk		71%		71%

¹ Other payments in 2019 and 2020 reflect additional discretionary payments to ensure his total compensation remains competitive with the global market for senior executives in information and technology roles.

2020 compensation

Jay's target total direct compensation did not change (salary of \$430,000, short-term incentive target of 125% of salary and long-term incentive target of 125% of salary).

His 2020 long-term incentive was awarded at target (\$537,500) on February 20, 2020, and his 2020 short-term incentive was paid at 135% of his target award (\$723,000). See page 68 for details.

In addition, the human resources committee recommended and the board approved an additional payment of \$394,236 to ensure Jay's 2020 total cash compensation remained competitive with a global market for senior executives in information and technology roles.

2021 compensation

In recognition of Jay's expanded role as Chief Operating Officer, his salary increased from \$430,000 to \$530,000. His short-term and long-term incentive targets did not change. His 2021 long-term incentive was awarded at target (\$662,500) on February 18, 2021.

Jay is no longer eligible to receive a discretionary payment to ensure his total cash compensation remains competitive with a global market for senior executives in information and technology roles, as this was taken into consideration in setting his 2021 target compensation above.

Luc Fortin

President and Chief Executive Officer, MX and Global Head of Trading

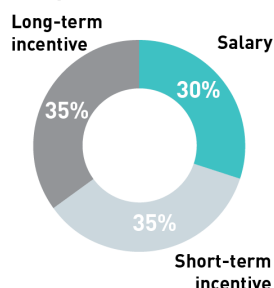
Luc Fortin is responsible for leading growth and new product development across all TMX markets including derivatives, fixed income and equities trading and delivering a best-in-class experience to our global trading clients. In 2021, his mandate expanded to include oversight of TMX Group's post-trade businesses, CDCC and CDS, as well as enterprise client management. To enable Luc to focus on his new accountabilities, oversight of TMX Datalinx was moved to Jay Rajarathinam.

In 2020, Luc and his team continued to drive product innovation with the launch of 4 new derivative products including cannabis futures, CORRA futures, Two-Year Government of Canada Bond futures, and S&P/TSX 60 ESG futures.

Luc's team also successfully published and filed for regulatory approval of a proposed new Market on Close (MOC) Auction model, which will provide market participants with enhanced liquidity and an improved trading experience. In addition, his team continued the expansion of TSX's Dark Trading offering, resulting in an increase in market share in TSX listed securities from 18% in 2019 to 26% in 2020.

Despite the very challenging environment, Luc and his team also continued to achieve key milestones in support of the anticipated launch of MX's extended trading hours in May 2021, which will allow domestic and international clients to manage their exposure to Canadian markets during non-regular business hours.

2020 actual compensation mix



Total direct compensation

	2019 actual	target	2020 actual	2021 target
Salary	\$400,000	\$415,000	\$415,000	\$425,000
Short-term incentive	\$280,000	\$415,000	\$500,000	\$531,250
Long-term incentive				
• PSUs	\$192,000	\$199,200	\$199,200	\$212,500
• RSUs	\$144,000	\$149,400	\$149,400	\$159,375
• Options	\$144,000	\$149,400	\$149,400	\$159,375
Total	\$1,160,000	\$1,328,000	\$1,413,000	\$1,487,500
At risk		69%		71%

2020 compensation

In 2020, Luc's salary was increased from \$400,000 to \$415,000. His short-term and long-term incentive targets did not change.

His 2020 long-term incentive was awarded at target (\$498,000) on February 20, 2020, and his 2020 short-term incentive was paid at 120% of his target award (\$500,000). See page 68 for details.

2021 compensation

In recognition of Luc's expanded role, his salary was increased from \$415,000 to \$425,000. His short-term incentive target was increased from 100% to 125% of salary, and his long-term incentive target was increased from 120% to 125% of salary. His 2021 long-term incentive was awarded at target (\$531,250) on February 18, 2021.

Cheryl Graden

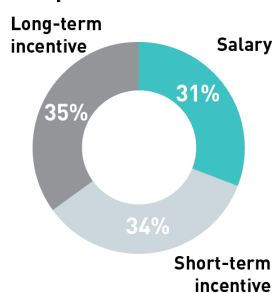
SVP, Group Head of Legal and Business Affairs, Enterprise Risk Management and Government Relations

Cheryl Graden is responsible for advising TMX Group on all legal, regulatory and corporate governance matters that arise out of its operations and business initiatives. Over the last few years, her role has expanded to include the oversight of Enterprise Risk Management and Government Relations. In 2021, her role was further expanded to include Corporate Communications, reflecting the important relationship between legal affairs and public affairs, and to ensure alignment in our enterprise approach to advocacy across all stakeholder groups.

In 2020, Cheryl and her team advised management and supported the business on many corporate development initiatives including the agreement to acquire AST Canada. Cheryl and her team also focused on working closely with regulators and all levels of government to reduce regulatory burden for TMX Group and its issuers and to promote fairness for all market participants, as well as helping the company produce its inaugural ESG report.

Cheryl's team also championed a number of initiatives to enhance TMX Group's ability to operate effectively, including a refreshed corporate policy compliance program and centralized contract management solution. Cheryl and her team were heavily involved in pandemic response management throughout 2020 and also continued to expand the organization's enterprise risk management program to ensure an integrated and enterprise-wide view of TMX Group objectives and risks.

2020 actual compensation mix



Total direct compensation

	2019 actual	target	2020 actual	2021 target
Salary	\$340,000	\$340,000	\$340,000	\$375,000
Short-term incentive	\$190,400	\$272,000	\$380,000	\$300,000
Long-term incentive				
• PSUs	\$115,600	\$115,600	\$115,600	\$127,500
• RSUs	\$86,700	\$86,700	\$186,700	\$95,625
• Options	\$86,700	\$86,700	\$86,700	\$95,625
Total	\$819,400	\$901,000	\$1,109,000	\$993,750
At risk		62%		62%

2020 compensation

Cheryl's compensation for 2020 remained the same (salary of \$340,000, short-term incentive target at 80% of salary and long-term incentive target at 85% of salary).

Her 2020 long-term incentive was awarded at target (\$289,000) on February 20, 2020, and she also received a one-time RSU award of \$100,000 in recognition of her support on the CEO retirement. Her 2020 short-term incentive was paid at 140% of her target award (\$380,000). See page 68 for details.

2021 compensation

In recognition of Cheryl's expanded role, her salary was increased from \$340,000 to \$375,000. Her short-term and long-term incentive targets did not change. Her 2021 long-term incentive was awarded at target (\$318,750) on February 18, 2021.

Share performance and executive pay

The graph below compares our total cumulative shareholder return over the past five years with the cumulative total return of the S&P/TSX Composite Index. It assumes \$100 was invested in our common shares and in the index on December 31, 2015, and that dividends were reinvested during the five year period.

The graph also shows total direct compensation paid to the named executives in each year, also indexed to \$100 for comparison. This includes:

- salary paid
- short-term incentive paid
- grant value of long-term incentives awarded
- currency allowance paid to former CEO from 2016 to 2018
- interim CFO and interim CEO compensation paid in 2020.

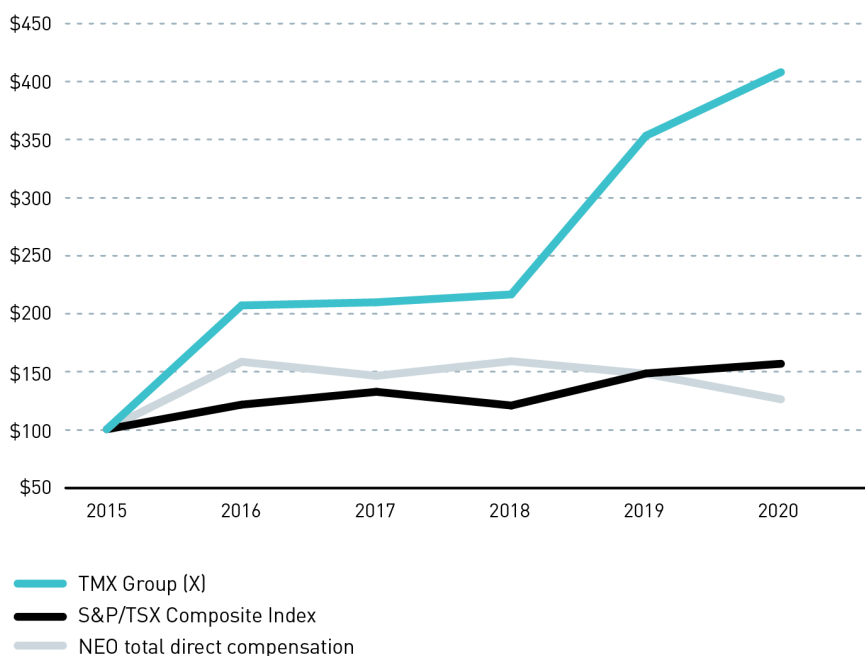
It does not include one-time sign-on awards, pensions or all other compensation as disclosed in the summary compensation table.

TMX Group's share price has outperformed the S&P/TSX Composite Index. At the same time, what our executives earn – which includes long-term incentive awards that are directly linked to our share price – is consistent with our performance.

The human resources committee and the board believe that the executive compensation program provides competitive pay, aligns executives' interests with those of our shareholders, reflects good governance practices, aligns with our risk profile and is easily understood.

Total shareholder return

(as of December 31)



as of December 31

	2015	2016	2017	2018	2019	2020
TMX Group (X)	\$100	\$206	\$209	\$216	\$352	\$406
S&P/TSX Composite Index	\$100	\$121	\$132	\$120	\$148	\$156
Total direct compensation paid to the named executives	\$100	\$158	\$146	\$158	\$148	\$126

For comparability year over year, we include the active CEO, CFO and three most highly compensated named executives as of December 31 of each year.

Linking pay to performance

Our short-term incentive plan is tied to measures that are directly linked to our financial performance and corporate strategy. Our scorecard in 2020 continued to be comprised of 100% financial goals, with two key measures that drive share price: income from operations and revenue (both recurring and transaction revenue). See page 67 for details.

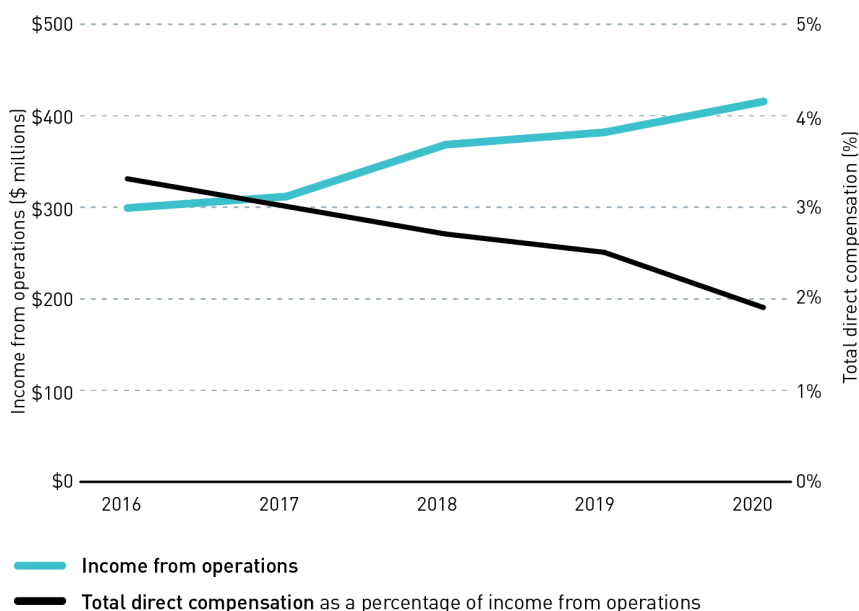
A large part of executive compensation is awarded as long-term incentives linked to our share price performance. The value of outstanding long-term incentive awards changes in direct proportion to the change in our total shareholder return. See page 68 for details.

To align their interests with those of our shareholders, the named executives have to own equity in TMX Group. The equity ownership requirement varies by level (see page 60).

To encourage business decisions that are in the long-term interests of TMX Group and its shareholders, the CEO is required to maintain his minimum equity ownership requirement for 12 months after retirement, resignation or termination without cause.

Pay for performance analysis

(as of December 31)



as of December 31

	2016	2017	2018	2019	2020
Income from operations¹ (\$ millions)	\$300.1	\$312.6	\$369.0	\$382.4	\$415.9
Total direct compensation of the named executives ² (\$ millions)	\$10.0	\$9.3	\$10.0	\$9.4	\$8.0
Total direct compensation as a percentage of income from operations	3.3%	3.0%	2.7%	2.5%	1.9%

¹ 2016 income from operations does not include strategic realignment costs of \$21 million, and 2017 does not include acquisition costs of \$13.8 million.

² For comparability year over year, we include the active CEO, CFO and three most highly compensated named executives as of December 31 of each year.

Compensation governance

The TMX Group board, the human resources committee and management are all involved in compensation design, decision-making, oversight and risk management.

Turn to page 20 for more information about the board, its responsibilities and priorities in 2020

Board

Has final approval of our executive compensation philosophy, guidelines and plans, and CEO compensation

The human resources committee is responsible for all aspects of human resources at TMX Group. Turn to page 29 for more information about the committee and its activities in 2020

Human resources committee

Oversees compensation for executives, including compensation design, decision-making, risk, policies and program

Compensation design

Establishes our compensation philosophy

Recommends the design of our executive compensation programs and any material changes to the plans

Oversees our employee benefits plans

Compensation decision-making

Reviews and recommends the CEO's compensation to the board

Reviews and approves compensation for the CEO's direct reports, including the named executives

Compensation risk

Makes sure compensation risk is properly identified, measured and managed within our risk tolerance

Finance & audit committee

Oversees the adequacy and effectiveness of our risk management policies, processes and systems for all principal risks, including risks related to compensation

Turn to page 27 for more information about the committee and its activities in 2020.

TMX Group management

TMX Group human resources

Manages compensation, benefits, pension and other human resources programs, working with finance to monitor costs, financial performance, potential payouts and risks

Strategy and risk committee

Oversees the implementation of risk management policies and processes

Committee expertise

The human resources committee currently has five members. The average committee tenure 6.4 years.

Members are required to have a good understanding of issues related to human resources and compensation. Most have experience in financial management and risk, and have worked as a senior executive at a major organization. Every member meets our requirements for independence (see page 33).

The table below lists the directors on the committee and their relevant experience. You can read more about them in their profiles starting on page 15. You will also find more information about their skills on page 32.

	Committee member since	Independent	Human resources experience in compensation, benefit and pension programs, legislation and agreements	Financial and risk experience in financial accounting and reporting, corporate finance, internal controls and risk management	Senior executive experience as a CEO or senior officer for a major organization
Eric Wetlaufer (chair)	2012	yes	yes	yes	yes
Nicolas Darveau- Garneau	2019	yes	no	yes	no
Marie Giguère	2018	yes	yes	yes	yes
Gerri Sinclair	2012	yes	yes	yes	yes
Charles Winograd	2012	yes	yes	yes	yes

Independent advice

The committee retains an independent advisor for advice about executive compensation, including compensation philosophy, governance, decision-making and risk, and for information about compensation trends.

In 2020, the committee retained Willis Towers Watson for the following services:

- advising the committee and management on relevant competitive market trends and executive compensation governance matters
- assisting with compensation considerations for the transition and appointment of new incumbents in senior management team roles (interim and permanent) including CEO, CFO and CHRO
- reviewing compensation levels and design for the other named executives
- reviewing minimum equity ownership guidelines
- reviewing the committee charter
- reviewing the management information circular
- providing ongoing executive compensation consulting support as needed.

For non-executive compensation related fees, the chair of the committee pre-approves any services Willis Towers Watson provides to management and other committees of the board.

The table to the right shows the fees paid to Willis Towers Watson in the past two years. Non-executive compensation fees in 2020 include:

- reviewing the TMX Group and subsidiary board of director compensation levels as part of the regular review every two years. The advisor team worked directly with the governance and regulatory oversight committee, with approval from the human resources committee
- reviewing sales incentive plan designs across the organization for TMX Group management. The advisor team for this engagement was different from the executive compensation advisor team noted above

	2019	2020
Executive compensation related fees	\$163,292	\$276,102
Non-executive compensation related fees	-	\$143,840
Insurance broker and placement services • provided to TMX Group management	\$74,712	\$103,333
Total	\$238,004	\$523,275

Consulting fees excluding applicable taxes.

Insurance broker and placement services are retained under an annual fixed fee contract. The table above includes the prorated fees for the percentage of the contract covered in the year.

- fees for insurance broker and placement services to TMX Group, using a different team from the advisor teams retained for the work described above.

The committee evaluates the independence of Willis Towers Watson and the executive compensation consulting team each year. In 2020, the committee concluded that the advisors are independent of TMX Group management, well qualified in human resources and compensation, and effectively represent the interests of shareholders when working with the committee and board. The committee considered the following in its evaluation.

- Members of the Willis Towers Watson executive compensation consulting team are not responsible for selling other Willis Towers Watson services to TMX Group and receive no incentive or other compensation based on the fees charged to TMX Group for other services provided by Willis Towers Watson or any of its affiliates.
- The Willis Towers Watson executive compensation consulting team is separate and distinct from the team that provides insurance broker and placement services to TMX Group management.
- The executive compensation consultants do not have a business or personal relationship with any of the committee members or senior management, and do not own any TMX Group shares other than possibly through mutual funds.
- Willis Towers Watson has strict protocols and processes to mitigate actual or potential conflicts of interests and all consultants are required to adhere to a code of conduct.

Managing compensation risk

An acceptable level of risk is a necessary component of our business strategy. Identifying and effectively managing risk is integral to our business operations and financial performance.

The board is responsible for overseeing risk at TMX Group. It oversees the adequacy and effectiveness of our risk management framework and establishes our risk tolerance.

The finance and audit committee oversees our enterprise risk management approach, and the adequacy and effectiveness of our risk management policies, processes and systems for all principal risks, including risks related to executive compensation.

The human resources committee ensures compensation risk is properly identified, measured and managed within our risk tolerance. It does this in three ways:

1. Compensation governance

Senior executives have to own equity in TMX Group

The equity ownership requirement varies by level.

The CEO has to hold his equity after he leaves

The CEO has to maintain his equity ownership requirement for a year after leaving the company.

Executives are not allowed to hedge

Executives and directors are not allowed to:

- sell TMX Group securities short, or buy or sell call or put options for TMX Group shares
- buy any financial instrument (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in market value of TMX Group equity securities the executive or director has received as compensation or holds directly or indirectly.

Compensation can be clawed back

If we have to restate our financial statements because of intentional misconduct by the CEO or any member of the senior management team, and the restatement would have resulted in lower incentive awards, the executive has to repay incentive compensation received in the two years before the date of the restatement (after February 2014). This includes:

- all or part of his or her short-term incentive awards
- all of his or her vested and unvested long-term incentive awards.

Severance is reasonable

Severance arrangements are not excessive. Severance is limited to no more than two years of salary, benefits and short-term incentive awards at target.

2. Compensation design

Regular review of executive compensation

Program is designed considering prevailing market practices and industry trends, investor feedback and the competitive market for talent.

A significant amount of executive pay is at risk

Executives with more responsibility have a higher amount of pay that is variable and not guaranteed. We call this pay at risk.

Incentive plans are aligned with business strategy

The human resources committee makes sure the performance measures and targets used for the short-term incentive are aligned with the business plan approved by the board, and with our risk tolerance.

Incentive plans are aligned with shareholder experience

The value of all long-term incentives is directly linked to our share price over several time horizons.

Incentive awards are capped

Short-term incentive funding and individual awards have maximum payment caps as part of the design. The long-term incentive has a cap on the PSU performance multiplier.

3. Compensation decision-making

Formal decision-making process

The human resources committee uses a formal process to ensure compensation design is effective and compensation decisions are appropriate.

Regular review of business risks

Management regularly monitors performance and potential payouts to manage any inherent risks.

Scenario testing

Scenarios are modeled to understand potential payment outcomes.

Oversight of payouts

The human resources committee reviews total annual payouts under all incentive plans and provides oversight and governance of sales incentive plans, including reviewing the compensation of non-executive employees who earn more than \$1 million annually.

Use of discretion

The committee has the discretion to adjust the overall funding for our annual short-term incentive pool, long-term incentive pool and the compensation of individual executives when there are exceptional circumstances.

Equity ownership

To align their interests with those of our shareholders, members of the senior management team are required to own a minimum level of equity in TMX Group. The equity ownership requirement varies by level.

Newly appointed executives covered under the policy have four years to meet their equity ownership requirement. When an executive is promoted to a position that has a higher equity ownership requirement, due to either a change in the multiple of salary and/or a significant salary increase, more time is allowed to meet the new requirement, but the executive is still expected to meet the original requirement within the original four years. TMX Group shares, RSUs and DSUs qualify for meeting the requirement.

Executives who have not yet met their equity ownership requirement can convert some or all of their short-term incentive award into DSUs. See page 75 for more information. Once an executive meets the requirement, he or she does not have to make additional contributions to offset reductions in market value, but is expected to make additional contributions if his or her equity ownership level falls below the requirement because of an increase in salary.

To encourage business decisions that are in the long-term interest of TMX Group and its shareholders, the CEO is required to maintain the 3x salary equity ownership for one year after leaving the company.

The table below shows the equity holdings for the named executives, who were employees as of December 31, 2020.

We have presented ownership levels based on the following:

- TMX Group shares: the higher of purchase price or the weighted average trading price of our common shares for the five trading days immediately preceding December 31, 2020 (\$128.23)
- RSUs and DSUs: the higher of grant price or the weighted average trading price of our common shares for the five trading days immediately preceding December 31, 2020 (\$128.23).

	Required ownership as a multiple of salary	TMX Group shares	DSUs	RSUs	Total	Ownership at December 31, 2020 as a multiple of salary
John McKenzie	3x	3,348	7,499	11,930	\$2,920,733	3.9x
Frank Di Liso¹	-	66	1,370	1,307	\$351,735	1.6x
Jay Rajarathinam	2x	1,411	1,676	5,546	\$1,106,995	2.6x
Luc Fortin²	2x	1,409	0	4,894	\$809,403	1.95x
Cheryl Graden	2x	429	4,356	4,055	\$1,133,503	3.3x

¹ Frank Di Liso does not have ownership requirements as Interim CFO.

² Luc Fortin met his ownership requirement previously in November 2020.

Compensation design and decision-making

The human resources committee uses a five-step process each year to make sure executive compensation at TMX Group is aligned with our performance, is competitive, and motivates and rewards our executives.

The committee does not determine compensation using a formula. It considers internal guidelines, company and scorecard results, employment contract requirements, and external compensation data and advice, and uses business judgement and discretion to award compensation that aligns with our performance and promotes our long-term success.



1. Designing the program

At the beginning of the year, the committee reviews our compensation philosophy and our executive compensation program, in consultation with the independent consultant. It reviews changes brought forward by management and approves those it feels are appropriate, taking into consideration compensation risk, and recommends them to the board for approval. The committee did not make any material changes to the program for 2020.

The table below summarizes the compensation program approved for 2020. The program rewards executives over different time horizons: annual compensation, compensation paid over the mid and long-term, and benefits they receive over their full career with TMX Group.

Read more on page 66	Annual compensation		Why we use it
	Salary	Fixed annual salary, set based on level of responsibility, capabilities, knowledge, experience and performance in the role	<ul style="list-style-type: none"> to attract and retain top performing executives
	Short-term incentive	Annual cash bonus that depends on corporate and individual performance compared to pre-approved goals	<ul style="list-style-type: none"> to motivate and reward executives for achieving or exceeding annual corporate and individual performance goals aligned with achieving our financial and strategic objectives
Read more on page 68	Long-term compensation		Why we use it
	Performance share units (PSUs)	PSUs vest 35 months after the grant based on three-year performance compared to a relevant index. They are paid in cash based on our share price	<ul style="list-style-type: none"> to motivate and reward executives for creating shareholder value over the medium and long term
	Restricted share units (RSUs)	RSUs vest 35 months after the grant. They are paid in cash based on our share price	<ul style="list-style-type: none"> granted at the beginning of each year to recognize the executive's contribution to the growth, profitability and sustainability of the business and to motivate and retain talent
	Options	Options vest 25% each year beginning on the first anniversary of the grant. We may also award performance-based options that have performance vesting conditions specific to each grant. Options expire after 10 years. Their value depends on our share price on the day they are exercised	<ul style="list-style-type: none"> can also be granted when there are internal appointments, promotions, external hires at senior levels, or for retention and in other special circumstances
	Deferred share units (DSUs)	Executives can choose to receive their short-term incentive as DSUs instead of cash. We also grant DSUs as a long-term incentive award. DSUs can only be redeemed after the executive leaves the company. They are paid in cash based on our share price	

Read
more on
page 80

Benefits		Why we use it
Pension	Defined benefit or defined contribution plan – type of plan depends on level and length of time with the company	<ul style="list-style-type: none"> • to be market competitive • to attract and retain qualified executives • to support the overall wellbeing of employees
Benefits	Group benefits plan that all employees participate in, including the named executives. Benefits depend on the local market, but can include: <ul style="list-style-type: none"> • extended health • dental • financial protection in the event of death, accident or disability • health and wellness spending accounts • other optional benefits 	
Perquisites	Varies by level, but can include: <ul style="list-style-type: none"> • an annual cash allowance • paid parking • annual medical exam • home security services 	

Compensation benchmarking

Because of the unique nature of TMX Group, there is not a specific sample of companies that exactly matches our industry, geography, size and scope. We collect several market references to benchmark the competitiveness of executive compensation. This review helps us to assess our compensation structure each year and make any adjustments to target pay levels for the upcoming year.

The most recent benchmarking review was completed in 2020, using the market samples below to benchmark compensation for the CEO and other named executives. We believe these market samples are appropriate because the companies in each group:

- compete with us for talent
- have similar executive positions we can use as a market reference.

Data sources, screening criteria and benchmark matches

	International stock exchanges	Financial services and technology	Large Canadian financial institutions	Canadian general industry	U.S. financial services & technology
Source	Public filings ¹	Public filings ¹	WTW CDB ²	WTW CDB ²	WTW CDB ²
Screening criteria	<ul style="list-style-type: none"> • publicly traded • international stock exchanges • no size restrictions 	<ul style="list-style-type: none"> • publicly traded • Canadian financial services & technology organizations • international stock exchanges with market capitalization less than \$30 billion 	<ul style="list-style-type: none"> • large five Canadian banks and two global insurers 	<ul style="list-style-type: none"> • publicly traded • cross-industry, excluding metals & mining, oil & gas, chemicals • revenues of \$300 million to \$5 billion 	<ul style="list-style-type: none"> • U.S. general industry: • publicly traded • U.S. financial services & technology organizations • revenues of \$300 million to \$5 billion

¹ Most recent public disclosure, including management information circulars or remuneration reports

² Willis Towers Watson's 2020 Executive Compensation Data Bank (WTW CDB)

	International stock exchanges	Financial services and technology	Large Canadian financial institutions	Canadian general industry	U.S. financial services & technology
Sample size and peer group companies	11 companies: <ul style="list-style-type: none"> • ASX Limited • Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. • CBOE Global Markets, Inc. • CME Group Inc. • Deutsche Börse Aktiengesellschaft • Euronext N.V. • Hong Kong Exchanges & Clearing Limited • Intercontinental Exchange Group, Inc. • London Stock Exchange Group plc. • Nasdaq, Inc. • Singapore Exchange Limited 	15 companies: <ul style="list-style-type: none"> • ASX Limited • BlackBerry Limited • Canadian Western Bank • CBOE Global Markets, Inc. • Cogeco Communications • The Descartes Systems Group Inc. • Euronext N.V. • E-L Financial Corporation Limited • Sagen MI Canada Inc. (formerly Genworth MI Canada Inc.) • Intact Financial Corporation • Laurentian Bank of Canada • Nasdaq, Inc. • Open Text Corporation • Shaw Communications Inc. • Singapore Exchange Limited 	8 companies: <ul style="list-style-type: none"> • Bank of Montreal • The Bank of Nova Scotia • Canadian Imperial Bank of Commerce • Royal Bank of Canada • The Toronto-Dominion Bank • Manulife Financial • Sun Life Financial 	35 companies	69 companies
				Participating organizations in Willis Towers Watson's 2020 General Industry Executive Compensation Data Bank in Canada and the U.S. who meet the above screening criteria	

Benchmark matches

John McKenzie	CEO	CEO	SEVP level	CEO	–
Frank Di Liso	CFO	CFO	Blend of EVP & SVP levels	CFO / top financial roles	–
Jay Rajarathinam	CTO/top information & technology roles (where disclosed)	CTO/top information & technology roles (where disclosed)	Blend of EVP & SVP levels	CTO/top information & technology roles	CTO/top information & technology roles
Luc Fortin	Segment heads & business unit leaders (where disclosed)	Segment heads & business unit leaders (where disclosed)	Blend of EVP & SVP levels	Segment head roles	–
Cheryl Graden	Top legal (where disclosed)	Top legal (where disclosed)	SVP level	General counsel / top legal	--

2. Establishing the mix of components

We focus our executives on performance, emphasizing longer-term performance, by making sure the majority of their total direct compensation is variable and not guaranteed. Executives with more responsibility have a higher amount of variable pay. We call this pay at risk.

The table to the right shows the target total direct compensation mix for 2020 for each of the named executives. The actual mix depends on company and individual performance – see page 67 for this year's results.

	Salary	Short-term incentive	2020 pay at risk		
			PSUs	RSUs	Options
John McKenzie ^{1,2}	34%	40%	10%	8%	8%
Frank Di Liso ^{1,2}	56%	24%	8%	6%	6%
Jay Rajarathinam	29%	35%	14%	11%	11%
Luc Fortin	31%	31%	15%	11%	11%
Cheryl Graden ²	37%	30%	13%	10%	10%

¹ Includes compensation for interim roles (see page 76).

² Does not include one-time RSU awards (see page 70).

3. Setting compensation and performance targets

At the beginning of each year, the human resources committee approves target compensation for the CEO for the upcoming year, as well as the CEO's compensation recommendations for his direct reports (including the named executives). This includes reviewing and approving any changes to salary, short and long-term incentive target awards, benefits and other perquisites.

As part of this process, the committee:

- reviews the CEO's performance objectives for the year and recommends them to the board for approval
- approves the annual performance objectives for the CEO's direct reports, based on the CEO's assessment of their individual performance and compensation
- reviews the measures, targets and weightings for the financial scorecard for the short-term incentive plan, ensuring they align with the annual business plan approved by the board
- reviews corporate non-financial measures and business unit performance goals that support the achievement of the short-term incentive plan targets.

The board reviews and approves:

- the CEO's performance objectives for the year
- any changes to the measures or weightings in the annual scorecard for the short-term incentive plan.

4. Reviewing progress

Throughout the year, the committee reviews our progress by:

- monitoring interim results against scorecard targets
- monitoring performance and results against objectives and the alignment with our risk framework
- reviewing potential payouts to manage risk
- approving compensation changes related to new senior management team appointments
- commissioning and reviewing competitive market research as required.

5. Awarding compensation

At the end of each year, the CEO:

- evaluates the performance of his direct reports (including the named executives) against their individual performance objectives, taking into consideration their contribution to scorecard results and the financial and non-financial performance of their line of business or functional area
- makes a compensation recommendation to the committee based on his assessment.

The human resources committee:

- approves the funding for the short-term incentive pool based on performance against the financial scorecard and its overall assessment of performance against non-financial measures tied to our strategy
- has discretion to adjust the pool funding up or down based on our non-financial performance, and if unexpected or exceptional circumstances arise
- approves the funding for long-term incentive awards
- assesses the CEO's overall performance and specific accomplishments against his objectives, considering financial and non-financial components
- recommends the CEO's total compensation to the board for approval, including his short-term incentive award, grants of long-term incentives and any adjustments to salary or other compensation elements
- reviews the performance assessments and compensation recommendations prepared by the CEO for his direct reports, including the other named executives, and approves their total compensation.

The board:

- considers the committee's evaluation and compensation recommendations for the CEO
- approves the CEO's total compensation for the year, with independent advice from the committee's independent advisor. The CEO does not participate in these discussions.

2020 compensation review

This section explains our compensation program in more detail, and the compensation decisions for 2020. You will find a consolidated discussion for each named executive starting on page 47.

Salary

The table below shows the salary changes made in 2020:

- John's salary was increased to \$750,000 on August 17, 2020, when he was appointed CEO. While he was interim CEO (January 10 to August 16, 2020), he received a cash allowance of \$25,000 per month (a total of \$179,545 in 2020) as well as his salary as CFO.
- While he was interim CFO, Frank received a cash allowance of \$10,000 per month (a total of \$45,000 in 2020), as well as his salary as VP, Corporate Finance and Administration.

	2019 (ending salary)	2020 (ending salary)	change
John McKenzie	\$415,000	\$750,000 ¹	+81%
Frank Di Liso	\$220,000	\$220,000 ²	-
Jay Rajarathinam	\$430,000	\$430,000	-
Luc Fortin	\$400,000	\$415,000	+3.8%
Cheryl Graden	\$340,000	\$340,000	-

¹ Total salary and allowance paid in 2020 was \$720,170, reflecting his roles during the year as CFO, interim CEO and CEO.

² Total salary and allowance paid in 2020 was \$265,000, reflecting his roles during the year as VP, Corporate Finance and Administration and interim CFO.

Short-term incentive plan

Each named executive's incentive target is set as a percentage of salary based on his or her role. Performance objectives for each executive are approved at the beginning of the year, and aligned with achieving our financial and strategic objectives.

TMX Group scorecard

Short-term incentives for all named executives are based on funding calculated using a performance scorecard, which is based entirely on TMX Group's corporate financial performance. The committee approves the design of the performance scorecard at the beginning of each year, and sets threshold, target and maximum performance goals tied to achieving our financial goals, in line with our corporate strategy. It reviews the interim results every quarter. If performance falls below threshold for one of the approved measures, the funding generated for that measure can be zero.

At the end of the year, the committee assesses our financial results prepared in accordance with generally accepted accounting principles (GAAP) against the pre-defined targets. The committee also evaluates any adjustments to financial results proposed by management that it believes are exceptions or not a reflection of core business performance. The chair of the finance and audit committee, and the committee's independent advisor, Willis Towers Watson, also review these adjustments (and their impact on proposed incentive funding).

In assessing the reasonability of proposed adjustments, the committee considers a range of factors, including whether the adjustment better reflects core business performance, year-over-year consistency in adjustments applied, and impact on overall incentive funding.

The committee also undertakes a holistic assessment of how the organization performed against strategic non-financial objectives. Although these objectives are not included in the scorecard calculation, they are key drivers of our financial performance, and connect to the strategic priorities established during the business planning process and that are approved by the board. The committee can use its discretion to adjust short-term incentive funding up or down based on our non-financial performance, and if there are unexpected or exceptional circumstances.

Then the committee assesses each executive's individual performance based on several factors, including:

- overall contribution to corporate financial and non-financial performance
- the executive's business or functional unit performance
- the executive's individual performance on other key priorities as determined at the beginning of the year.

The committee does not use a formula to calculate the final award, and there are no weights aligned with these factors. Once the incentive funding has been determined, individual awards are allocated based on an assessment of the executive's achievement of his or her personal objectives, considering business/functional unit financial and non-financial measures and results against the objectives that were set at the beginning of the year. We take a holistic approach, within the context of the overall funding generated by the scorecard. The CEO, the committee and the board use discretion in determining final individual awards.

2020 TMX Group scorecard results

The 2020 scorecard included two key financial measures that support shareholder value creation: income from operations (weighted 70%) and revenue (weighted 30%). In 2020, the revenue growth measure was divided equally between recurring revenue and transaction-based revenue (defined below). This change was introduced at the beginning of 2020, to reflect the different volatilities of the two revenue streams, and to mitigate the impact of market conditions (both positive and negative) on short-term incentive funding. We define the two forms of revenue as follows:

- recurring revenue: substantially all of Global Solutions, Insights and Analytics, as well as sustaining listing fees, custody fees, transfer agency fees, and other access/subscription based revenue
- transaction-based revenue: all other revenue (mainly equities, fixed income and derivative trading and clearing fees, CDS settlement & depository fees, and initial and additional listing fees).

The table below shows the threshold, target and maximum performance goals that were approved at the beginning of the year, our results and the calculated score.

Despite the extraordinary circumstances the COVID-19 pandemic presented, TMX Group continued to deliver strong financial results in 2020, exceeding targets across all performance measures. The committee approved a final scorecard result of 132.5% of target (see below for details). No discretion was applied.

		Threshold 50	Target 100	Maximum 200	Approved 2020 results	score	x	weighting	=	weighted score	calculated score
Income from operations	70%	344.9 (85% of target)	405.8	466.7 (115% of target)	426.5	134.0%	x	70%	=	93.8%	
Recurring revenue	15%	415.0 (95% of target)	436.8	458.6 (105% of target)	448.3	152.7%	x	15%	=	22.9%	132.5%
Transaction revenue	15%	373.1 (90% of target)	414.6	456.1 (110% of target)	416.8	105.5%	x	15%	=	15.8%	

The 2020 results we used in the short-term incentive scorecard are different from what appears on page 42 and in our 2020 annual financial statements. For scorecard purposes, the committee approved certain adjustments as described on page 68. These adjustments resulted in an overall \$10.5 million increase to income from operations for scorecard purposes.

As part of its annual review, the committee assessed our financial results prepared in accordance with GAAP against the pre-defined targets, and approved some adjustments to income from operations for 2020. The table below shows the adjustments that management recommended and the committee approved, and the impact they had on the scorecard funding.

	Income from operations (\$M)	Overall score
2020 TMX reported results	\$415.9	120.3%
<i>Adjustments:</i>		
AST Canada transaction costs	\$1.7	
Net litigation settlement costs	\$12.4	
Reduction in commodity tax provision	-\$1.3	
Lower accounting expense related to CEO pension	-\$2.3	
Total adjustments	\$10.5	
2020 Adjusted results for scorecard	\$426.5	132.5%

The first three adjustments are consistent with the adjustments made to our publicly disclosed adjusted EPS results throughout 2020. These adjustments are generally consistent with similar items adjusted for in previous years scorecard results. For example, in 2019 we excluded costs related to our acquisition of Visotech, and savings from the forfeiture of compensation upon CEO retirement, and in 2018 we adjusted for a commodity tax provision.

2020 awards

The table below shows the short-term incentive award paid to each named executive for 2020, compared to target and 2019 (TMX's 2019 scorecard funding was below target at 71.2%).

The committee approved payments for the named executives that ranged between 120% and 140% of target. The incentive target and short-term incentive awards for John McKenzie and Frank Di Liso also include payments related to their interim roles in 2020.

Please turn to page 47 for a review of each named executive's individual performance in 2020.

	Salary	x	Incentive target as a percentage of salary	=	Incentive target	2020 short-term incentive award min: \$0 max: 2x target	Compared to target	Compared to 2019
John McKenzie	\$720,170	x	100%/150% ¹	=	\$860,300	\$1,204,500	+40%	+315%
Frank Di Liso	\$265,000	x	40%	=	\$106,000	\$143,000	+35%	+117%
Jay Rajarathinam	\$430,000	x	125%	=	\$537,500	\$723,000	+35%	+92%
Luc Fortin	\$415,000	x	100%	=	\$415,000	\$500,000	+20%	+79%
Cheryl Graden	\$340,000	x	80%	=	\$272,000	\$380,000	+40%	+100%

¹ John McKenzie was eligible for a target incentive of 100% of salary as CFO/interim CEO, and 150% of salary as CEO.

Long-term incentive plan

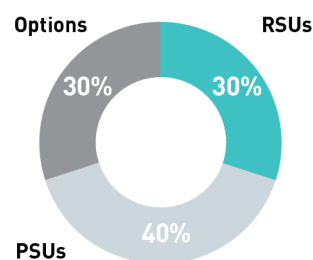
The long-term incentive is granted in the form of PSUs, RSUs and options, as shown in the graph to the right.

The long-term incentive pay mix did not change in 2020: awards were allocated 40% to performance share units, 30% to restricted share units and 30% to options.

About PSUs, RSUs and options

The human resources committee can, with the required regulatory approval or shareholder approval, amend, suspend or terminate the PSU, RSU and share option plans at any time, in whole or in part. The committee, together with board, approved an increase to our share option reserve (approved by shareholders on May 12, 2020), and in December 2020, approved other administrative changes to the plan documentation. See page 73 for more information about the plans.

2020 Long-term incentive target allocation



	Performance share units	Restricted share units	Options
Who participates	Mainly directors or above, but the CEO can also select employees below the level of director to participate.		
How we calculate the number of units or options awarded	We divide the dollar amount awarded as PSUs and RSUs by the weighted average trading price of our common shares on TSX for the five trading days immediately before the grant date		We divide the dollar amount awarded as options by a Black-Scholes value to calculate the number of options awarded (see page 76 for details)
Dividend equivalents	Dividend equivalent units are earned and reinvested over the vesting period		Options do not qualify for dividend equivalents
Transferability	Can only be transferred or assigned if the employee dies		
Vesting	Vest 35 months after the grant date based on three-year performance. The number of units that vest is calculated by multiplying the units awarded (plus the units granted as dividend equivalents) by a performance multiplier that is determined by our three-year total shareholder return compared to a relevant index (see page 70)	Vest 35 months after the grant date	Time-based options vest 25% each year for four years starting on the first anniversary of the grant date
Payout	<p>The final payout is in cash.</p> <p>We calculate it by multiplying the units that vest (plus the units granted as dividend equivalents) by the weighted average trading price of our common shares on TSX for the 30 trading days immediately before the vesting date</p>	<p>The final payout is in cash.</p> <p>We calculate it by multiplying the units awarded (plus the units granted as dividend equivalents) by the weighted average trading price of our common shares on TSX for the 30 trading days immediately before the vesting date</p>	<p>Executives can buy TMX Group common shares with their vested options (called exercising the options)</p> <p>An option's exercise price is normally the weighted average trading price of our common shares on TSX for the five trading days immediately before the grant date</p> <p>The value of the option is the difference between its exercise price (set at the time of the grant), and the price of a TMX Group share at the time of exercise. An option with an exercise price that is higher than the price of a TMX Group common share has no value (known as underwater or out of the money options)</p> <p>Options that are not exercised expire at the end of 10 years (excluding earlier expiry dates linked to termination)</p> <p>If an option's expiry date falls within a blackout period or outside a trading window (as defined in the share option plan), the expiry date will normally be extended to 10 business days after the end of the blackout period or into the next trading window</p>

2020 awards

The table below shows the long-term incentives granted to each named executive for 2020. The awards were granted on February 20, 2020.

We calculated the number of PSUs and RSUs granted to each named executive by dividing the dollar amount awarded by \$117.51 (the weighted average trading price of our common shares on TSX for the five trading days before the grant date of February 20, 2020). We used a Black-Scholes value of \$10.32 to calculate the number of options awarded to each named executive – see page 76 for details.

The 2020 long-term incentive awards shown include the following special RSU awards, in addition to the annual long-term incentive awards:

- John McKenzie: \$750,000 in recognition of his appointment to interim CEO
- Frank Di Liso: \$30,000 in recognition of his greater responsibilities during John's tenure as interim CEO
- Cheryl Graden: \$100,000 in recognition of her support in the CEO retirement.

	Salary	x	Long-term Incentive target as a percentage of salary	=	Incentive target ¹	2020 long-term incentive award	Form of award		
							PSUs 40%	RSUs 30%	Options 30%
John McKenzie	415,000	x	135%	=	560,250	1,310,250	224,100	918,075 ²	168,075
Frank Di Liso	220,000	x	45%	=	99,000	129,000	39,600	59,700 ²	29,700
Jay Rajarathinam	430,000	x	125%	=	537,500	537,500	215,000	161,250	161,250
Luc Fortin	415,000	x	120%	=	498,000	498,000	199,200	149,400	149,400
Cheryl Graden	340,000	x	85%	=	289,000	389,000	115,600	186,700 ²	86,700

¹ Based on salary at the time of the long-term incentive grant on February 20, 2020.

² Includes a special RSU award.

PSU performance conditions

Grant date: February 20, 2020

Vesting date: December 31, 2022

Performance period: January 1, 2020 to December 31, 2022

Multiplier range: 0 to 200% of PSUs

PSU performance measure

The performance multiplier will be based on the TMX Group three-year total shareholder return (expressed as a compound annual growth rate over the performance period) compared to the threshold, target and maximum total return of the S&P/TSX Composite Index (compound annual growth rate), assuming reinvested dividends, as described in the table below.

Threshold 0	Target 100	Maximum 200
15 percentage points below the total return of the S&P/TSX Composite Index (compound annual growth rate) for the performance period	Match the total return of the S&P/TSX Composite Index (compound annual growth rate) for the performance period	15 percentage points above the total return of the S&P/TSX Composite Index (compound annual growth rate) for the performance period

If performance falls between threshold and maximum, we will calculate the performance multiplier using a straight line interpolation. If the TMX Group total shareholder return is higher than the S&P/TSX Composite but negative over the performance period, the performance multiplier will be capped at 100%.

We believe the S&P/TSX Composite Index is a reasonable benchmark because it reflects the performance of the broad Canadian equities market. TMX Group is one of the companies included in the Index.

Payout of PSUs awarded for 2018

Grant date: February 22, 2018

Grant price: \$76.28

Vesting date: January 22, 2021

Performance period: January 1, 2018 to December 31, 2020

The table below shows the payout value of the PSUs granted on February 22, 2018 that vested on January 22, 2021. See below for details about how we calculated the payout.

	2018 grant value of PSUs	Number of PSUs granted	+	Number of PSUs received as dividend equivalents	x	PSU performance multiplier see below	x	Price of TMX Group shares on TSX for the 30 trading days immediately before vesting	=	Payout	Payout as a percentage of grant value
John McKenzie	\$130,680	1,713	+	134	x	200%	x	\$126.36	=	\$466,733	357%
Frank Di Liso	\$33,000	433	+	34	x	200%	x	\$126.36	=	\$117,977	357%
Jay Rajarathinam	\$150,645	1,975	+	154	x	200%	x	\$126.36	=	\$538,119	357%
Luc Fortin	\$127,050	1,666	+	130	x	200%	x	\$126.36	=	\$453,927	357%
Cheryl Graden	\$95,370	1,250	+	98	x	200%	x	\$126.36	=	\$340,582	357%

How we calculated the payout

We calculated the payout at the end of the performance period in two steps:

- we calculated how many units vested by multiplying the units awarded (plus the units earned as dividend equivalents) by the performance multiplier
- we multiplied the number of vested units by the weighted average trading price of our common shares on TSX for the 30 trading days immediately before the vesting date.

How we calculated the performance multiplier

The performance multiplier was 200%, based on the TMX Group three-year total shareholder return from January 1, 2018 to December 31, 2020 (expressed as a compound annual growth rate over the performance period), compared to the total return of the S&P/TSX Composite Index (compound annual growth rate) during the same period, assuming reinvested dividends.

Threshold	Target	Maximum
0	100	200
15 percentage points below the total return of the S&P/TSX Composite Index (compound annual growth rate) for the performance period	Total return of the S&P/TSX Composite Index (compound annual growth rate) for the performance period: 6.0%	15 percentage points or more above the total return of the S&P/TSX Composite Index (compound annual growth rate) for the performance period

TMX Group three-year total shareholder return (compound annual growth rate):

25.2%

This is 19.2 percentage points above the target, which resulted in a performance multiplier of

200%

Payout of RSUs awarded for 2018

The table below shows the payout value of the RSUs granted on February 22, 2018 that vested on January 22, 2021. The payout value of RSUs is based on the number of units granted (plus the units earned as dividend equivalents), multiplied by the weighted average trading price of our common shares on TSX for the 30 trading days immediately before the vesting date.

	2018 grant value of RSUs	Number of RSUs granted	+	Number of RSUs received as dividend equivalents	x	Price of TMX Group shares on TSX for the 30 trading days immediately before vesting	=	Payout	Payout as a percentage of grant value
John McKenzie	\$130,680	1,713	+	134	x	\$126.36	=	\$233,367	179%
Frank Di Liso	\$33,000	433	+	34	x	\$126.36	=	\$58,989	179%
Jay Rajarathinam	\$150,645	1,975	+	154	x	\$126.36	=	\$269,059	179%
Luc Fortin	\$127,050	1,666	+	130	x	\$126.36	=	\$226,964	179%
Cheryl Graden	\$95,370	1,250	+	98	x	\$126.36	=	\$170,291	179%

Options exercised in 2020

The table below shows the options the named executives exercised in 2020. The gain is the difference between the option's exercise price and the actual market price of a TMX Group share on the TSX at the time of exercise.

	Grant date	Number of options	Exercise price	Gain
John McKenzie ¹	February 13, 2014	8,671	\$50.15	\$667,159
Frank Di Liso	February 23, 2016	1,403	\$40.14	\$126,074
Luc Fortin	August 12, 2016	3,806	\$60.73	\$264,392
	February 23, 2017	9,794	\$72.23	\$561,409
	February 22, 2018	7,779	\$76.28	\$411,149
	February 25, 2019	4,274	\$83.93	\$192,778
Jay Rajarathinam	February 23, 2017	5,000	\$72.23	\$290,211

¹ John McKenzie exercised options that were due to expire on February 12, 2021.

More information about the share option plan

- The human resources committee administers the share option plan on behalf of the board, to comply with TSX requirements and all laws that apply.
- The committee determines the vesting schedule and term of options.
- We do not provide financial assistance for participants to exercise their options.
- See *Termination and change of control provisions* on page 82 for information about what happens to vested and unvested options when a named executive stops working for TMX Group.

Securities authorized for issue under the plan

As of December 31, 2020	Number of securities to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Remaining contractual life	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders (TMX Group share option plan)	1,205,874	\$79.27	5.47 years	2,422,574

2020 activity

- 240,183 options granted
- 140,693 options cancelled
- 540,590 options exercised and shares issued

Plan limits

- Maximum number of TMX Group shares that can be issued under the share option plan: 3,947,180 (equivalent to approximately 7% of total shares outstanding as at December 31, 2020).
- Maximum number of TMX Group shares issued to any one participant: 5% of total shares outstanding.
- Maximum number of TMX Group shares issued to insiders as a whole within any one year period: 10% of total shares outstanding.
- Maximum number of TMX Group shares issuable to insiders as a whole: 10% of total shares outstanding.

Plan status as of December 31	2019		2020	
	#	% of shares outstanding	#	% of shares outstanding
Shares issued on exercise of options	2,061,730	3.7%	2,602,320	4.6%
Options granted and outstanding	1,646,974	2.9%	1,205,874	2.1%
Options available for future grants	620,578	1.1%	2,422,574	4.3%
Total	4,329,282	7.7%	6,230,768	11.1%

Burn rate, overhang and dilution

as of December 31	2016	2017	2018	2019	2020
Burn rate Total options granted during the year, as a percentage of the weighted average of TMX Group shares outstanding	1.2%	1.1%	0.7%	0.7%	0.4%
Overhang Outstanding options plus the options available to grant, as a percentage of total TMX Group shares outstanding	6.3%	5.6%	4.9%	4.0%	6.4%
Dilution Outstanding options, as a percentage of total TMX Group shares outstanding	3.2%	3.4%	3.1%	2.9%	2.1%

Making changes to the plan

The board requires shareholder approval to make any of the following changes to the plan:

- increase the number of TMX Group shares reserved for issuance under the share option plan or to remove or exceed any insider participation limit under the plan
- reduce the exercise price of an option (including cancelling and then reissuing an option at a reduced exercise price to the same participant)
- expand the category of people who qualify to participate in the plan (except as already allowed by the plan)
- extend the term of an option granted beyond its original expiry date (except as already allowed by the plan)
- allow the issuance of deferred or restricted share units or any other provision that results in participants receiving TMX Group shares when no cash consideration is received by TMX Group
- allow options granted under the share option plan to be transferable or assignable (except when a participant dies, which is already allowed by the plan)
- amend, modify or delete any of the amendment provisions described in our share option plan

The board or the human resources committee can make the following changes without shareholder approval as long as it receives all necessary regulatory reviews and/or approvals:

- terminate the plan
- change the vesting provisions of outstanding options
- add or change any form of financial assistance provisions to the plan
- make necessary adjustments to the issuable shares or the exercise of outstanding options when there is a share split, share dividend, combination or exchange of shares, merger, consolidation or spin-off, other distribution of TMX Group assets to shareholders (other than normal cash dividends) or any other alteration of the share capital affecting TMX Group shares
- make changes necessary to comply with laws or regulatory requirements
- other administrative changes.

Plan changes in 2020

On May 12, 2020, TMX shareholders approved the following changes to the share option plan:

- an increase to the number of shares reserved for issuance under the share option plan
- an additional provision where the board or the human resources committee may not, without the approval of shareholders, amend, modify or delete any of the amendment provisions contained in our share option plan.

As a result, the number of TMX Group Shares reserved for issuance under the share option plan increased by an additional 1,901,486 TMX Group shares, replenishing a portion of the shares reserved under the share option plan. The total number of TMX Group shares reserved for issuance under the share option plan is 3,947,180 (or approximately 7% of total TMX Group shares outstanding as at December 31, 2020).

We also made administrative changes to our share option plan, RSU plan and PSU plan in December 2020, including:

- removing any uncertainty about the interpretation of termination date (as defined in the plans) and clarifying the treatment of outstanding awards when a participant leaves TMX Group
- ensuring that plan participants will never receive an amount pursuant to the plans that is less than required by applicable employment standards legislation
- confirming that if we amend or terminate the plans in the future, this will not constitute a constructive dismissal of any participants from their employment.

The changes to the share option plan in December did not require shareholder approval and were approved by the human resources committee and board.

TMX Group executive DSU plan

All executives can choose to convert all or part of their short-term incentive award into DSUs. DSUs can be redeemed for cash only when the executive retires or leaves the company.

Executives can convert up to an amount equal to two times annual salary, plus equity ownership requirements for members of the senior management team and select senior executives (turn to page 60 for information about equity ownership requirements).

We calculate the number of DSUs awarded by dividing the dollar amount the executive is deferring by the weighted average trading price of our common shares on TSX for the five trading days immediately before the deferral date. DSUs earn dividend equivalents that are credited as additional units at the same rate as dividends paid on TMX Group common shares.

When DSUs are redeemed, we calculate the payout by multiplying the units awarded (plus the units earned as dividend equivalents) by the weighted average trading price of our common shares on TSX for the 30 trading days immediately before the redemption date (five trading days for DSUs granted before 2010).

The human resources committee can amend, suspend or terminate the DSU plan at any time, in whole or in part, with regulatory or shareholder approval as required.

Compensation details

Summary compensation table

The table below shows the total compensation awarded to the named executives for the last three years ending December 31.

		Salary (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan Annual incentive plan (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
John McKenzie Chief Executive Officer	2020	540,625	1,142,175	168,075	1,204,500	1,252,635	184,945	4,492,955
	2019	415,000	392,175	168,075	290,500	364,196	4,258	1,634,204
	2018	385,154	261,360	134,640	365,000	498,559	3,965	1,648,678
Frank Di Liso Interim CFO Vice President Corporate Finance and Administration	2020	220,000	99,300	29,700	143,000	22,000	49,248	563,248
	2019	213,750	59,850	25,650	66,000	21,375	3,334	389,959
	2018	190,000	66,000	34,000	100,000	19,000	3,273	412,273
Jay Rajarathinam President of CDCC and CDS Chief Technology and Operations Officer	2020	430,000	376,250	161,250	723,000	64,500	417,998	2,172,998
	2019	430,000	376,250	161,250	376,250	64,500	346,248	1,754,498
	2018	415,000	301,290	155,210	595,000	62,250	342,794	1,871,544
Luc Fortin President and Chief Executive Officer, MX and Global Head of Trading	2020	415,000	348,600	149,400	500,000	62,250	11,443	1,486,693
	2019	400,000	336,000	144,000	280,000	60,000	10,106	1,230,106
	2018	368,865	254,100	130,900	368,800	55,330	8,870	1,186,865
Cheryl Graden SVP, Group Head of Legal and Business Affairs, Enterprise Risk Management, Government Relations & Corporate Secretary	2020	340,000	302,300	86,700	380,000	51,000	4,780	1,164,780
	2019	340,000	202,300	86,700	190,400	51,000	3,883	874,283
	2018	340,000	190,740	98,260	340,000	51,000	3,781	1,023,781
Lou Eccleston Former Chief Executive Officer	2020	41,250	0	0	0	6,188	16,318	63,756
	2019	990,000	1,906,100	816,900	1,039,500	148,500	29,154	4,930,154
	2018	825,000	1,497,375	771,375	1,546,875	123,750	726,958	5,491,333

Former CEO

Lou Eccleston retired on January 10, 2020. His salary ceased and his Canadian benefits and pension participation ended on January 10, 2020. His enhanced U.S. benefits coverage continues until July 2022. His 2017 RSU and PSU grants were paid after they vested on January 23, 2020, according to the original schedule. His 2018 and 2019 RSU and PSU grants were forfeited. His share options continue to vest and remain exercisable under retirement treatment, except his 2017 grant of performance options, which were forfeited. His DSUs were redeemed on the 12-month anniversary of his retirement date, in line with his original employment agreement and post-retirement equity hold requirement.

Salary

Salaries have been pro-rated where applicable.

- John McKenzie's salary was increased from \$415,000 to \$750,000 upon his appointment to CEO. His allowance for his time as interim CEO [\$179,545] in 2020 is included in all other compensation.
- Frank Di Liso's allowance for his time as interim CFO (\$45,000) in 2020 is included in all other compensation.

Share-based awards

Includes PSUs and RSUs. We calculated the number of units awarded by dividing the dollar amount by the weighted average trading price of our common shares on TSX for the five trading days immediately before the date of the award.

- John McKenzie's 2020 amount includes his \$392,175 RSU/PSU award, plus a one-time RSU award of \$750,000 in recognition of his appointment to interim CEO.
- Frank Di Liso's 2020 amount includes his \$69,300 RSU/PSU award, plus a one-time RSU award of \$30,000 in recognition of his increased responsibilities during John's tenure as interim CEO.
- Cheryl Graden's 2020 amount includes her \$202,300 RSU/PSU award, plus a one-time RSU award of \$100,000 in recognition of her support with the CEO retirement.

	Award	Grant date	Grant price
2020	PSUs & RSUs	February 20	\$117.51
2019	PSUs & RSUs	February 25	\$83.93
	PSUs & RSUs (former CEO)	March 7 ¹	\$83.17
2018	PSUs & RSUs	February 22	\$76.28

Option-based awards

We calculated the grant date fair value of the awards using the data in the table to the right.

	Award	Grant date	Exercise price	Accounting fair value
2020	Options	February 20	\$117.51	\$10.32
2019	Options	February 25	\$83.93	\$8.42
	Options (former CEO)	March 7 ¹	\$83.17	
2018	Options	February 22	\$76.28	\$8.41

¹ Lou Eccleston's 2019 RSU, PSU and option grants were made later, further to his sign-off on his amended employment agreement in March 2019.

Calculating the fair value of options

We used a Black-Scholes methodology to calculate the fair value of options, using the following assumptions (the same assumptions we used for accounting purposes):

	Grant date	Expected life (years)	Expected volatility	Risk-free interest rate	Expected dividend yield
2020	February 20	2 to 5	13.9 to 14.5%	1.67 to 1.72%	2.2%
2019	February 25 March 7 (former CEO)	2 to 5	16.5 to 17.4%	2.16 to 2.21%	3.0%
2018	February 22	2 to 5	16.8 to 17.5%	2.16 to 2.45%	2.6%

Annual incentive plan

- John McKenzie's 2020 amount also includes bonus paid in recognition of his time as interim CEO.
- Frank Di Liso's 2020 amount also includes bonus paid in recognition of his time as interim CFO. Frank elected to defer 50% of his 2019 short-term incentive award into DSUs.
- Jay Rajarathinam's 2018 amount includes a \$395,000 short-term incentive award and an additional \$200,000 linked to his previous personal incentive plan award. Jay elected to defer 50% of his 2019 short-term incentive award into DSUs.
- Cheryl Graden elected to defer 35% of her 2018 short-term incentive award into DSUs.

Pension value

The compensatory change for each named executive. See the pension tables starting on page 80.

John McKenzie participates in the non-contributory defined benefit component of our registered pension plan. The increase in pension value in 2020 is the result of his salary increase upon appointment to CEO. On December 31, 2020, changes were made to John's participation in the TMX Group registered pension plan to provide for a transition from the defined benefit portion to the defined contribution portion of the plan (see page 80 for details).

All other compensation

Includes:

- premiums for term life insurance, AD&D and other perquisites maintained for the benefit of the named executives
- employer contributions to the Employee Share Purchase Plan

Lou Eccleston also received the following:

- 2020: \$16,220 for tax advice.
- 2019: \$26,958 for tax advice.
- 2018: a currency allowance of \$701,282 related to his 2018 cash compensation paid in February 2019 (calculated using the 2018 average exchange rate of \$1.00 CAD = \$0.772 USD), and \$23,641 for tax advice.

John McKenzie also received the following:

- 2020: a \$179,545 allowance for his time as interim CEO (this was based on \$25,000 per month for the time in role from January 10 – August 16, 2020).

Frank Di Liso also received the following:

- 2020: a \$45,000 allowance for his time as interim CFO (this was based on \$10,000 per month for the time in role from August 17 – December 31, 2020).

Jay Rajarathinam also received the following:

- 2020: an additional payment of \$394,236 was approved by the board to ensure his total compensation was competitive with a global market for talent and \$15,342 for tax advice.
- 2019: an additional payment of \$320,000 was approved by the board to ensure his total compensation was competitive with a global market for talent, and \$19,472 for tax advice.
- 2018: a performance award of \$320,000 for transformational contributions to TMX Group and in recognition of his additional responsibilities as President, CDS & CDCC, and \$18,869 for tax advice.

Incentive plan awards

The table below shows all outstanding long-term incentive awards as of December 31, 2020. It does not include DSUs that executives received because they chose to defer their short-term incentive award. See page 60 for more information and a list of all outstanding DSUs.

Option-based awards

The value of unexercised in-the-money options is the difference between the option's exercise price and \$127.14 (the closing price of a TMX Group share on December 31, 2020).

Share-based awards

We calculate the market or payout value of share-based awards that have not vested, or have vested but are not paid out or distributed, by multiplying the number of units by \$126.62 (the weighted average trading price of a common share for the 30 trading days immediately preceding December 31, 2020). PSUs assume performance below threshold and a payout of \$0. For any share-based award where we know what the payment is (for example, awards that vested and were paid in early 2021), we have included the actual payments known.

Option-based awards

	Grant date	Number of securities underlying unexercised options	Share option exercise price	Share option expiration date	Value of unexercised in-the-money options
John McKenzie	Feb 12, 2015	9,920	\$47.12	Feb 11, 2025	\$793,798
	Feb 23, 2016	9,987	\$40.14	Feb 22, 2026	\$868,869
	Feb 23, 2017	13,994	\$72.23	Feb 22, 2027	\$768,411
	Feb 22, 2018	16,012	\$76.28	Feb 21, 2028	\$814,370
	Feb 25, 2019	19,958	\$83.93	Feb 24, 2029	\$862,385
	Feb 20, 2020	16,286	\$117.51	Feb 19, 2030	\$156,834
Frank Di Liso	Feb 23, 2017	2,009	\$72.23	Feb 22, 2027	\$110,314
	Feb 22, 2018	4,036	\$76.28	Feb 21, 2028	\$205,271
	Feb 25, 2019	3,047	\$83.93	Feb 24, 2029	\$131,661
	Feb 20, 2020	2,878	\$117.51	Feb 19, 2030	\$27,715
Jay Rajarathinam	Feb 23, 2017	7,278	\$72.23	Feb 22, 2027	\$399,635
	Feb 22, 2018	13,840	\$76.28	Feb 21, 2028	\$703,902
	Feb 25, 2019	19,150	\$83.93	Feb 24, 2029	\$827,472
	Feb 20, 2020	15,625	\$117.51	Feb 19, 2030	\$150,469
Luc Fortin	Feb 23, 2017	3,264	\$72.23	Feb 22, 2027	\$179,226
	Feb 22, 2018	7,778	\$76.28	Feb 21, 2028	\$395,589
	Feb 25, 2019	12,822	\$83.93	Feb 24, 2029	\$554,039
	Feb 20, 2020	14,477	\$117.51	Feb 19, 2030	\$139,414
Cheryl Graden	Feb 23, 2016	3,743	\$40.14	Feb 22, 2026	\$325,641
	Feb 23, 2017	5,799	\$72.23	Feb 22, 2027	\$318,423
	Feb 22, 2018	11,688	\$76.28	Feb 21, 2028	\$594,452
	Feb 25, 2019	10,300	\$83.93	Feb 24, 2029	\$445,063
	Feb 20, 2020	8,401	\$117.51	Feb 19, 2030	\$80,902

Share-based awards

Grant date	Type of award	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
July 11, 2016	DSUs	1,370		\$173,407
Feb 22, 2018	RSUs	1,847	\$233,367	
	PSUs	1,847	\$466,733	
Feb 25, 2019	RSUs	2,100	\$265,957	
	PSUs	2,800	-	
Feb 20, 2020	RSUs	1,461	\$185,029	
	PSUs	1,949	-	
Feb 20, 2020 ¹	RSUs	6,522	\$825,773	
Feb 22, 2018	RSUs	467	\$58,989	
	PSUs	467	\$117,977	
Feb 25, 2019	RSUs	321	\$40,630	
	PSUs	427	-	
Feb 20, 2020 ¹	RSUs	519	\$65,731	
	PSUs	344	-	
Feb 22, 2018	RSUs	2,129	\$269,059	
	PSUs	2,129	\$538,119	
Feb 25, 2019	RSUs	2,014	\$255,069	
	PSUs	2,687	-	
Feb 20, 2020	RSUs	1,402	\$177,524	
	PSUs	1,870	-	
Feb 22, 2018	RSUs	1,796	\$226,964	
	PSUs	1,796	\$453,927	
Feb 25, 2019	RSUs	1,799	\$227,849	
	PSUs	2,399	-	
Feb 20, 2020	RSUs	1,299	\$164,456	
	PSUs	1,732	-	
Feb 22, 2018	RSUs	1,348	\$170,291	
	PSUs	1,348	\$340,582	
Feb 25, 2019	RSUs	1,083	\$137,161	
	PSUs	1,444	-	
Feb 20, 2020 ¹	RSUs	1,624	\$205,602	
	PSUs	1,006	-	

Option-based awards

	Grant date	Number of securities underlying unexercised options	Share option exercise price	Share option expiration date	Value of unexercised in-the-money options
Lou Eccleston ⁴	Nov 17, 2014	67,500	\$53.00	Jan 9, 2023	\$5,004,450
	Feb 12, 2015	107,822	\$47.12	Jan 9, 2023	\$8,627,916
	Feb 23, 2017	75,927	\$72.23	Jan 9, 2023	\$4,169,152
	Feb 22, 2018	45,860	\$76.28	Jan 9, 2023	\$2,332,440
	Mar 7, 2019	72,765	\$83.17	Jun 5, 2023	\$3,199,477

Share-based awards

Grant date	Type of award	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Feb 12, 2015	DSUs	6,266	\$796,016	

¹ Share-based awards that vested in January 2021

RSUs and PSUs awarded on February 22, 2018 vested on January 22, 2021. To provide complete disclosure, we show the actual amounts paid instead of using the standard assumptions at December 31, 2020. These were redeemed using \$126.36, the weighted average trading price of our common shares for the 30 trading days immediately preceding the vesting date, and a 200% performance multiplier for the PSUs.

² Interim CEO RSU Award

In recognition of his appointment to interim CEO, an RSU award of \$750,000 was granted to John McKenzie on February 20, 2020. The award will vest equally over three years. The first tranche vested on December 31, 2020 and was paid in January 2021 (\$272,497 calculated using \$126.62, the weighted average trading price of our common shares for the 30 trading days immediately preceding December 31, 2020).

³ Additional RSU Awards

Frank Di Liso and Cheryl Graden received one-time RSU awards in addition to their annual LTIP award (Frank Di Liso \$30,000 and Cheryl Graden \$100,000), with the same terms and conditions as their annual RSU award.

⁴ Former CEO

Lou Eccleston forfeited his 2018 and 2019 RSU and PSU grants on his retirement. His share options continued to vest and remain exercisable under retirement treatment, except for his 2017 performance options, which he also forfeited. His DSUs were redeemed on the 12-month anniversary of his retirement date, in line with his original employment agreement and post retirement equity hold requirement (calculated using \$127.04, which was the weighted average trading price of our common shares for the 30 days immediately preceding January 10, 2021).

Incentive plan awards – value vested or earned in 2020

The table below includes:

- option-based awards: the gain the named executives would have received if they had exercised all options that vested in 2020 on the day the options vested
- share-based awards:
 - for all named executives, includes the value of RSUs and PSUs that were granted on February 22, 2018 and vested on January 22, 2021 (performance period ended December 31, 2020)
 - for John McKenzie, includes the value of his 2018 RSUs and PSUs (\$700,100) plus the first tranche of his interim CEO RSUs that were awarded on February 20, 2020 and vested on December 31, 2020 (\$272,497)
- non-equity awards: the short-term incentive award for 2020, paid on February 26, 2021.

	Long-term incentive plan [see page 68]		Short-term incentive plan [see page 66]
	Option-based-awards — value vested during the year	Share-based-awards — value vested during the year	Non-equity incentive plan compensation — value earned during the year
John McKenzie	\$653,775	\$972,597	\$1,204,500
Frank Di Liso	\$214,414	\$176,966	\$143,000
Jay Rajarathinam	\$462,917	\$807,178	\$723,000
Luc Fortin	\$497,260	\$680,891	\$500,000
Cheryl Graden	\$607,110	\$510,872	\$380,000
Lou Eccleston	\$5,126,903	-	-

Retirement benefits

We offer retirement benefits to the named executives through the TMX Group registered pension plan. The pension plan has both *defined benefit* and *defined contribution* components.

Defined benefit

- non-contributory defined benefit component of the TMX Group registered pension plan
- closed to new participants in 2009
- named executives who participate: John McKenzie

The Income Tax Act (Canada) limits the benefits that can be paid by defined benefit pension plans. We maintain a supplementary plan to top up the benefits earned under the defined benefit plan. The supplementary plan is funded through a retirement compensation arrangement.

Our defined benefit component and supplementary plan provide an annual pension benefit. The total annual benefit is capped at 100% of the executive's final salary, calculated as follows:

Years of credited service x 2% x the average of the best three consecutive years of pensionable earnings.
Pensionable earnings = salary plus short-term incentive, capped at 50% of salary, commencing in 2006.

Normal retirement age is 65, but executives can choose to retire:

- before 65 if they are at least 60 or when their age plus service equals 85. They will receive a full pension.
- on or after the first day of the month after their 55th birthday. Their pension will be reduced by 0.25% for each month that retirement is before they turn 60 (or when their age plus service equals 85).

The annual pension is payable for life. If the executive dies, his or her spouse will receive 60% of the annual pension for life. Otherwise, pension payments are guaranteed for 120 months. In addition, executives are guaranteed the greater of:

- the commuted value of their accrued pension benefit
- 10% of their pensionable earnings accumulated each year with interest.

Changes to John McKenzie's defined benefit

On December 31, 2020, changes were made to John McKenzie's participation in the TMX Group registered pension plan to provide for a transition from the defined benefit portion to the defined contribution portion of the plan. Effective December 31, 2022, he will no longer accrue future pension benefits under the defined benefit component of the TMX Group registered pension and the supplementary plan. In addition, the average of the best three consecutive years of pensionable earnings used to determine the total annual benefit of the executive will be frozen as at December 31, 2022. Effective January 1, 2023, he will participate in the defined contribution component of the TMX group registered pension plan and the non-registered savings plan for any contributions exceeding the limits as per pension legislation.

Defined benefit obligation

The table below shows the total estimated annual benefits payable to John McKenzie under the defined benefit and supplementary retirement plans, and the present value of our accrued obligation:

	Number of years credited service	Annual benefits payable ¹		Opening present value of defined benefit obligation January 1, 2020	Compensatory change	Non-compensatory change	Closing present value of defined benefit obligation December 31, 2020
		at year end	at age 65				
John McKenzie	20.3	\$272,804	\$299,638	\$4,453,710	\$1,252,635	\$918,077	\$6,624,422

¹ Annual benefits payable based on final average earnings at December 31, 2020 and service projected to December 31, 2022, when future benefit accrual will cease as of that date (excluding any reduction for early retirement).

Opening present value is the value of the projected pension earned for service up to December 31, 2019, calculated using the actuarial methods and assumptions disclosed in note 25 of our 2020 annual financial statements.

Compensatory change is the value of the projected pension earned for service in 2020, calculated using the actuarial methods and assumptions disclosed in note 25 of our 2020 annual financial statements, plus gains or losses related to changes in compensation levels or actuarial assumptions.

Non-compensatory change includes interest accrued on the opening present value, plus gains and losses not related to changes in compensation levels or actuarial assumptions.

Closing present value is the projected pension earned for service up to December 31, 2020, calculated using the actuarial methods and assumptions disclosed in our 2020 financial statements. It represents the actuarial present value of our total obligation to John at December 31, 2020.

Defined contribution

- non-contributory defined contribution component of the TMX Group registered pension plan
- records kept by Sun Life
- named executives who participate: Frank Di Liso, Jay Rajarathinam, Luc Fortin, and Cheryl Graden (and formerly Lou Eccleston)

We contribute 15% of each named executive's salary to the plan every year (10% for Frank Di Liso).

The defined contribution plan is governed by pension legislation that limits annual contributions. We automatically credit any contributions that exceed this limit to a non-registered savings plan on an after-tax basis.

The table below shows the amounts accumulated in the defined contribution component of the TMX Group registered pension plan and the non-registered savings plan, at the start and the end of the year. The compensatory change is the amount TMX Group contributed for each executive in 2020.

	Accumulated value at start of year (January 1, 2020)	Compensatory change	Accumulated value at year end (December 31, 2020)
Frank Di Liso	\$327,045	\$22,000	\$383,795
Jay Rajarathinam	\$205,647	\$64,500	\$297,673
Luc Fortin	\$208,790	\$62,250	\$300,450
Cheryl Graden	\$603,496	\$51,000	\$709,524
Lou Eccleston	\$758,638	\$6,188	\$219,308 ¹

¹ At his retirement date of January 10, 2020, Lou Eccleston's accumulated value was \$773,213.

Termination and change of control provisions

What our named executives are entitled to if they stop working with TMX Group

What the executive is entitled to

	If he or she:			If his or her employment is terminated:	
	resigns voluntarily	retires ¹	dies	without cause	with cause
Salary	Stops on the date of resignation	Stops on the date of retirement	Stops on the date of death	As required by law or according to employment agreements (see below)	Stops on the termination date
Short-term incentive	Forfeited	Pro-rated based on time worked during the fiscal year	Pro-rated based on time worked during the fiscal year	Paid out at target or based on a historical average, or according to employment agreements (see below)	Forfeited
Performance share units	Forfeited	Continue to vest according to the vesting schedule	PSUs vest in full as of the date of death and are paid out with a performance factor of 100%	Vesting is pro-rated to the date of termination assuming a performance factor of 100%, or according to employment agreements (see below) If a participant is 55, on the date of termination, PSUs are treated under the retirement provisions of the plan	Forfeited
Restricted share units	Forfeited	Continue to vest according to the vesting schedule	RSUs vest in full as of the date of death and are paid out	Vesting is pro-rated to the date of termination, or according to employment agreements (see below) If a participant is 55, on the date of termination, RSUs are treated under the retirement provisions of the plan	Forfeited
Share options	Unvested options are forfeited Vested options must be exercised within 30 days of the date of resignation	Unvested options vest according to the original schedule Vested options must be exercised within the later of 36 months of the retirement date or 90 days from the day the last option vests Options granted before September 18, 2015: <ul style="list-style-type: none"> Unvested options are forfeited on the date of retirement Vested options must be exercised within 36 months of the date of retirement 	Unvested options vest immediately. Vested options must be exercised within 12 months of the date of death	Unvested options are forfeited, or according to employment agreements (see below) Vested options must be exercised within 90 days of the date of termination If a participant is 55, on the date of termination, options are treated under the retirement provisions of the plan	All vested and unvested options are forfeited
Deferred share units	Canadian employees must file a notice of redemption by December 15 of the year after the year of resignation or retirement We redeem all DSUs owned by U.S. employees on the date of resignation or retirement		We redeem all DSUs within 90 days of the date of death (for Canadian employees) or 30 days (for U.S. employees)	Canadian employees must file a notice of redemption by December 15 of the year after the year employment is terminated We redeem all DSUs owned by U.S. employees on the termination date, or according to employment agreement	
Benefits and perquisites	Benefits and perquisites end on the date of resignation	Retirement benefits continue if applicable. All other benefits and perquisites end on the retirement date	Dependent survivors retain their benefits coverage for two years. Perquisites end on the date of death	Benefits and perquisites continue for the executive's severance period (see below)	Benefits and perquisites end on the date of termination

¹ Retired executives who start working again are required to contact us to find out whether they lose their rights to unvested PSUs, RSUs, and options granted after September 18, 2015.

Employment agreements

We have employment agreements with our named executives covering key compensation and other employment terms, including:

- salary, short-term and long-term incentives
- participation in our pension plan, benefits and perquisites programs
- obligation to own TMX Group equity (see page 60) (does not apply to Frank Di Liso)
- post-employment ownership requirements for the CEO
- 24-month non-competition and non-solicitation for the CEO
- 12-month non-competition and non-solicitation requirements for the other named executives (except Frank Di Liso)
- sign-on awards and relocation support, where applicable.

The employment agreements for John McKenzie, Jay Rajarathinam and Luc Fortin also provide for specified entitlements if their employment is terminated without cause (see below).

We do not have change of control agreements with our named executives. A change of control on its own would not trigger any specific compensation. If the executive's employment is terminated after a change of control, the information in this section will apply.

Termination without cause

	Severance period	Entitlements
John McKenzie	24 month severance period	<p>Severance: salary and short-term incentive at target for the severance period. Pension and benefits: continue for the severance period. Short-term incentive: pro-rated to the date of termination with a performance factor of 100%.</p> <p>If he secures equivalent alternate full-time employment after a termination without cause:</p> <ul style="list-style-type: none"> • severance payments, pension and benefits stop on the effective date of the commencement of new employment • he receives a lump sum equivalent to 50% of the total severance payments that would have been made during the rest of the severance period.
Jay Rajarathinam	<p>Depends on the timing of termination:</p> <ul style="list-style-type: none"> • between 24 and 60 months, severance period is 14 months • between 60 and 96 months, severance period is 18 months • after 96 months, severance period is calculated on a sliding scale to a maximum of 24 months (after reaching 18 years of service) 	<p>Severance: salary and short-term incentive at target for the severance period. Pension and benefits: continue for the severance period. Short-term incentive: pro-rated to the date of termination with a performance factor of 100%.</p> <p>Also qualifies for relocation support.</p> <p>If he secures equivalent alternate full-time employment after a termination without cause:</p> <ul style="list-style-type: none"> • severance payments, pension and benefits stop on the effective date of the acceptance of new employment • he receives a lump sum equivalent to 50% of the total severance payments that would have been made during the rest of the severance period.
Luc Fortin	<p>Depends on the timing of termination:</p> <ul style="list-style-type: none"> • between 24 and 60 months, severance period is 14 months • between 60 and 96 months, severance period is 16 months • after 96 months, severance is per applicable laws 	<p>Severance: salary and short-term incentive at target for the severance period. Pension and benefits: continue for the severance period. Short-term incentive: pro-rated to the date of termination with a performance factor of 100%.</p> <p>If he secures equivalent alternate full-time employment after a termination without cause:</p> <ul style="list-style-type: none"> • severance payments, pension and benefits stop on the effective date of the acceptance of new employment • he receives a lump sum equivalent to 50% of the total severance payments that would have been made during the rest of the severance period.

What we would pay the named executives if they stopped working with TMX Group on December 31, 2020

The table below includes the amounts triggered by each termination event – it does not include the value of options and DSUs that were considered vested at December 31, 2020.

We calculated the value of PSUs, RSUs and options using \$126.62, the weighted average trading price of a common share for the 30 trading days immediately preceding December 31, 2020 (or the actual amounts of RSU/PSU awards that vested December 31, 2020, or shortly after year-end in January 2021).

These amounts are estimates. What we would actually pay depends on several things, including our share price at the time the executive stopped working, and the executive's age and years of service. Note that Lou Eccleston is not included in the table because he did not receive any incremental payments when he retired.

		What the executive would have received If he or she had			If his or her employment had been terminated	
		resigned voluntarily	retired	died ¹	without cause ²	with cause
John McKenzie³	Cash	-	not eligible	-	\$4,935,000	-
	PSUs, RSUs and options	-	-	\$3,958,754	\$1,783,354	-
	Pension	-	-	-	\$522,000	-
	Benefits	-	-	-	\$17,260	-
	Total	-	-	\$3,958,754	\$7,257,614	-
Frank Di Liso	Cash	-	not eligible	-	as required by law	-
	PSUs, RSUs and options	-	-	\$660,986	\$273,541	-
	Pension	-	-	-	-	-
	Benefits	-	-	-	-	-
	Total	-	-	\$660,986	as required by law	-
Jay Rajarathinam⁴	Cash	-	not eligible	-	\$1,691,450	-
	PSUs, RSUs and options	-	-	\$3,203,604	\$1,328,553	-
	Pension	-	-	-	\$75,250	-
	Benefits	-	-	-	\$100,721	-
	Total	-	-	\$3,203,604	\$3,195,974	-
Luc Fortin	Cash	-	not eligible	-	\$1,408,533	-
	PSUs, RSUs and options	-	-	\$2,844,642	\$1,150,874	-
	Pension	-	-	-	\$72,625	-
	Benefits	-	-	-	\$10,068	-
	Total	-	-	\$2,844,642	\$2,642,100	-
Cheryl Graden	Cash	-	not eligible	-	as required by law	-
	PSUs, RSUs and options	-	-	\$2,022,024	\$825,789	-
	Pension	-	-	-	-	-
	Benefits	-	-	-	-	-
	Total	-	-	\$2,022,024	as required by law	-

¹ Standard acceleration of vesting under long-term incentive plans if an employee dies.

² No acceleration of long-term incentives if a named executive is terminated without cause, and our standard plan provisions would apply.

³ The incremental annual pension benefit shown for John McKenzie represents the present value as of December 31, 2020 of the incremental annual pension benefit he would be entitled to if his employment had been terminated without cause on December 31, 2020. The value includes two additional years of service in the defined benefit component of the pension plan and the supplementary plan. The present value of the incremental annual pension benefit is \$27,000, payable at his earliest retirement age 55 (excluding any reduction for early retirement). This value has been determined using the same actuarial assumptions as the December 31, 2020 year-end pension plan liabilities that are disclosed in our financial statements, with the exception that the pension benefit is assumed to commence at age 55, subject to reduction in pension for early commencement.

⁴ Jay Rajarathinam's benefits also include international benefits and tax support.

Other information

Insurance and indemnification

We have indemnification agreements and liability insurance to protect directors, officers and some employees and others who act on our behalf:

- The indemnification agreements indemnify them from and against liability and costs if there is an action or suit against them related to the carrying out of their duties, with certain limitations as set out by law.
- Our liability insurance policy includes \$60 million for any loss (including defence costs), subject to a deductible of \$500,000 for each loss. We paid a premium of \$200,748 in 2020. The policy is renewable on May 1, 2021.

Loans to directors and officers

We had no loans outstanding to any directors or officers at any time in 2020, or on December 31, 2020.

TMX Group Limited (the “Corporation”) Board Charter

1. General

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

All terms used herein and not otherwise defined shall have the meaning given in the Ontario Securities Commission’s amended and restated recognition order recognizing each of the Corporation, TSX Inc., and Alpha Exchange Inc. as an exchange dated February 8, 2019, as amended from time to time and Decision of the Autorité des marchés financiers recognizing each of the Corporation, TMX Group Inc. and Bourse de Montréal Inc. as an exchange, and the Bourse de Montréal Inc. as a self-regulatory organization, dated May 2, 2012 as amended from time to time.

The Board will appoint a competent executive management team to run the day-to-day operations of the Corporation and will oversee and supervise the management of the business of the Corporation by that team, including overseeing the management of the regulatory and public interest responsibilities of the Corporation. The Board will oversee the Corporation’s systems of (i) corporate governance; and (ii) internal controls over financial reporting, to ensure that the Corporation reports adequate and fair financial information to shareholders and engages in ethical and legal corporate conduct.

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

2. Appointment and Supervision of Management

The Board will:

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

3. Strategic Planning

The Board will:

- Maintain a strategic planning process and review and approve annually a corporate strategic plan and vision which takes into account, among other things, the opportunities and risks of the business on a long-term and short-term basis.
- Ensure the strategic and operational plans are consistent with the corporate vision.
- Supervise the implementation and effectiveness of the Corporation's strategic and operational plans taking into consideration its risk appetite statement.
- Monitor the Corporation's performance against both short-term and long-term strategic plans, operational plans and annual performance objectives.

4. Risk Management

The Board will:

- Confirm that the Corporation has adequate risk management policies, processes and systems in place to identify and manage its key enterprise risks.
- Confirm that management processes are in place to address and comply with applicable regulatory, corporate, securities and other compliance matters.
- Review and approve annually the Corporation's enterprise risk management policy and its risk appetite statement.
- Confirm that processes are in place to comply with the Corporation's by-laws, Codes of Conduct, all recognition orders and exemption orders issued in respect of the Corporation by applicable securities regulatory authorities, and all other significant policies and procedures.

5. Financial Reporting and Management

The Board will:

- Approve the Corporation's financial statements, and all related management's discussion and analysis and press releases, and review and oversee the Corporation's compliance with applicable audit, accounting and financial reporting requirements.
- Approve annual operating and capital budgets.
- Confirm the integrity of the Corporation's system of internal controls, which include internal control over financial reporting and disclosure controls and procedures (as such terms are defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*).
- Review operating and financial performance results relative to established strategy, budgets and objectives.
- Review and assess the adequacy of the Finance and Audit Committee Charter on an annual basis.

6. Public Interest Responsibilities

The Board will confirm that management has a system in place to conduct the business and operations of the Corporation in a manner that is consistent with the public interest.

7. Shareholder Communication

The Board will:

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

8. Corporate Governance

The Board will:

- Establish an appropriate system of corporate governance including practices to permit the Board to function independently of management, non-independent directors and, for so long as any Maple nomination agreement is in effect, directors related to original Maple shareholders.
- Establish committees and approve their respective charters and the limits of authority delegated to each committee.
- As required, establish a CEO Search Committee, or instruct the Governance and Regulatory Oversight Committee or the Human Resources Committee, to recommend to the Board for approval a candidate for appointment as CEO.
- Determine Board member qualifications and reflect them in the Director Qualification Policy.
- Establish appropriate processes for the regular evaluation of the effectiveness of the Board, its chair, all the committees of the Board and their respective chairs, and all the members of the Board and its committees.
- Review on an annual basis whether any two or more Board members sit on the board of another corporation (other than any of the Corporation's subsidiaries) and whether the composition of the Board needs to be changed to eliminate these interlocks.
- Approve the nomination of directors.
- Review the adequacy and form of directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.
- Ensure that each director attends a minimum of 75% of Board and committee meetings (unless there are exceptional circumstances), keeping in mind the principle that the Board believes that all directors should attend all meetings of the Board and each committee on which he or she sits, and review in advance all the applicable materials for such meetings.

9. Codes of Conduct

The Board will:

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

10. The Chair of the Board

The Chair of the Board is selected by the Board on an annual basis from the Directors elected by the shareholders. He/she provides leadership to the Board in matters relating to the effective execution of all Board responsibilities and works with the CEO to ensure that the organization fulfills its responsibilities to stakeholders including shareholders, employees, customers, governments and the public. The Chair of the Board will be a director other than the CEO, must be independent and, for so long as any Maple nomination agreement is in effect, must be unrelated to original Maple shareholders.

The Chair of the Board will:

- Provide effective leadership so that the Board can function independently of management by ensuring that the Board meets regularly without management and non-independent directors and, for so long as a Maple nomination agreement is in effect, directors related to original Maple shareholders, and that the Board may engage outside advisors as required subject to any approvals determined by the Board.
- Establish procedures to govern the Board's work including:
 - together with the corporate secretary, scheduling meetings of the Board and its committees;
 - chairing all meetings of the Board;
 - encouraging full participation, stimulating debate, facilitating consensus and ensuring clarity regarding decision-making;
 - developing the agenda for Board meetings with input from other Board members and management;
 - together with the corporate secretary, ensuring proper and timely information is delivered to the Board;
 - ensuring that the Board has appropriate administrative support; and
 - addressing complaints, questions and concerns regarding Board matters.
- Ensure the Board fully exercises its responsibilities and duties and complies with applicable governance and other policies.

- Meet or communicate regularly with the CEO regarding corporate governance matters, corporate performance and feedback from Board members.
- Act as a liaison between the Board and management.
- Serve as advisor to the CEO and other senior officers.
- Together with the Board's Governance and Regulatory Oversight Committee, establish appropriate committee structures, including the assignment of Board members and the appointment of committee chairs.
- Ensure that adequate orientation and ongoing training programs are in place for Board members.
- Together with the Board's Governance and Regulatory Oversight Committee, establish performance criteria for the Board and for individual Board members and co-ordinate the evaluation of performance and reporting against these criteria.
- Work with the Board or appropriate Board committee to establish performance criteria for the CEO and to facilitate the evaluation of the CEO's performance.
- Work with the Board's Human Resources Committee to establish and manage a succession program for the CEO's position.
- Oversee matters relating to shareholder relations and chair meetings of the shareholders.
- Work with the CEO to represent the Corporation to external stakeholders including shareholders, the investment community, governments and communities.
- The Chair of the Board's performance will be measured against the following key metrics:
- The effectiveness with which the Board functions, including satisfaction of Board members regarding the functioning of the Board.
- The extent to which the Corporation carries out its responsibilities to shareholders, employees, customers, governments, and the public.
- The quality of communications between the Board and management, including satisfaction of members of management and Board members regarding this communication.

11. The Chief Executive Officer

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

The CEO will:

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

How to vote

How to vote at our 2021 annual and special meeting

Wednesday, May 12, 2021

2:00 p.m. (Eastern time)

You can vote your TMX Group common shares if you owned them at the close of business on March 16, 2021.

TMX Group

Virtual only meeting via live webcast online at
<http://web.lumiagm.com/281203339>

Two ways to vote

- 1 at our virtual meeting
- 2 by proxy, using your proxy or voting instruction form

Who can vote

You can vote your TMX Group common shares if you owned them at the close of business on March 16, 2021. There are some restrictions – see the note on the next page.

How many votes you have

You have one vote for every share you held on March 16, 2021. On March 16, 2021, there were 56,242,325 shares outstanding and eligible to vote.

What you're voting on

We need a simple majority of votes (50% plus one vote) cast for each item to be approved.

**The board recommends
you vote FOR the first three items
and AGAINST the fourth item**

	Where to read about it
appointing our auditor	page 8
electing our directors	page 9
voting on our approach to executive compensation	page 9
voting on the shareholder proposal	page 10

Voting restrictions

No person or company, or combination of people or companies acting together, can beneficially own (directly or indirectly) or exercise control or direction over more than 10% of our common shares (except if approved in advance by the Ontario Securities Commission and Québec's Autorité des marchés financiers). No person or company can exercise the right to vote more than 10% of the votes attached to our common shares.

As of March 16, 2021, our directors and officers were not aware of any person or company, or combination of people or companies acting together, who beneficially owned (directly or indirectly) or exercised control or direction over more than 10% of our common shares.

Counting the votes

Our transfer agent, TSX Trust Company, counts and tabulates the proxies.

Your vote is private

Your vote is kept confidential unless it's clear that you want your position to be communicated to management, or as necessary to meet legal requirements.

Questions?

Contact our transfer agent, TSX Trust Company:

tel (416) 361-0930 (Toronto area)

tel 1-866-393-4891 (North America)

fax (416) 595-9593

email TMXInvestorservices@tmx.com

How to vote if you're a registered shareholder

You're a registered shareholder if you hold your shares directly with TMX Group.

How to vote at our virtual meeting

1. Log in at <http://web.lumiagm.com/281203339> at least 15 minutes before the meeting starts
2. Click on "I have a control number"
3. Enter your control number (on your proxy form)
4. Enter the password: `tmxgroup2021`
5. Vote!

You have to be connected to the internet at all times to be able to vote – it's your responsibility to make sure you stay connected for the entire meeting.

How to vote by proxy

Voting by proxy means appointing someone (your proxyholder) to attend the meeting and vote according to instructions you've provided.

Two ways to vote

- 1 at our virtual meeting
- 2 by proxy, using the proxy form we sent you

1. Appoint someone to be your proxyholder

Charles Winograd, chair of the board, and John McKenzie, CEO, will be your proxyholders unless you appoint someone else.

If you want to appoint someone else to be your proxyholder, cross out the chair and CEO's names, and write in the name of the person you're appointing. Your proxyholder does not have to be a TMX Group shareholder, but he or she does need to understand that your vote will not be counted unless he or she attends the virtual meeting and votes your shares for you.

The person you appoint will need to contact TSX Trust Company at tsxtrustproxyvoting@tmx.com to request a control number to be represented or voted at the meeting. It is the responsibility of the TMX Group shareholder to advise their proxy (the person they appoint) to contact TSX Trust to request a control number. Without the control number, proxyholders will not be able to participate in the meeting.

2. Provide your voting instructions

Use the form to specify how you want to vote on each item. Your proxyholder has to follow these instructions.

If you do not specify how you want your shares to be voted, your proxyholder can vote your shares as he or she sees fit. In this situation, Charles Winograd and John McKenzie will vote your shares:

- *for each director*
- *for our auditor*
- *for our approach to executive compensation*
- *against the shareholder proposal.*

If there are amendments to the items or other items are properly brought before the meeting, your proxyholder can vote as he or she sees fit. As of the date of this circular, management was not aware of any proposed amendments or other matters to be presented at the meeting.

3. Send in your proxy form

Sign and date the form, and mail it to our transfer agent **by 2:00 p.m. (Eastern time) on May 10, 2021**. You can send it to TSX Trust Company by mail, voting online or fax.

TSX Trust Company

100 Adelaide Street
West, Suite 301
Toronto, Ontario
M5H 1S3
Fax (416) 595-9593

How to revoke your proxy

You can revoke your proxy by:

- delivering a letter to the Chief Legal and Enterprise Corporate Affairs Officer and Corporate Secretary by 2:00 p.m. (Eastern time) on May 10, 2021 (or, the last business day before the meeting, if it is postponed), stating that you want to revoke your proxy
- any other way allowed by law.

How to change your vote

You can also change your vote by sending in another properly completed and signed proxy form with a later date, as long as it is received by 2:00 p.m. (Eastern time) on May 10, 2021 or the last business day prior to the date the meeting is reconvened if it is adjourned.

How to vote if you're a beneficial shareholder

You're a beneficial shareholder if you hold your shares through an intermediary (a bank, securities broker, trust company, clearing agency or other financial institution).

Your intermediary will vote your shares, but you have the right to tell it how to vote.

How to vote at our virtual meeting

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or voting instruction form. Do not fill out your voting instructions
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the voting instruction form
3. Get a control number by contacting TSX Trust Company at tsxtrustproxyvoting@tmx.com by 2:00 p.m. (Eastern) on May 10, 2021
4. Log in at <http://web.lumiagm.com/281203339> at least 15 minutes before the meeting starts
5. Click on "I have a control number"
6. Enter your control number
7. Enter the password: `tmxgroup2021`
8. Vote!

You have to be connected to the internet at all times to be able to vote – it's your responsibility to make sure you stay connected for the entire meeting.

How to vote by proxy

1. Complete the proxy or voting instruction form, indicating your voting instructions on each item
2. Sign the form and follow instructions provided on the voting information form with respect to the voting deadline and submission of your voting instruction form.
3. If you change your mind and want to vote at the meeting, follow the instructions on your voting information form to see if this is possible and what steps you need to take.

How to change your vote

If you have provided voting instructions to your intermediary and change your mind about how you want to vote, or you decide to attend the meeting and vote at the meeting, contact your intermediary to find out what to do.

About your voting materials

Your intermediary sent you this circular and a proxy or voting instruction form unless you told them not to send you voting information. If we sent you these materials directly, your intermediary gave us your name, address and information about your shareholdings in accordance with securities regulatory requirements. By choosing to send these materials to you directly, we have assumed responsibility for delivering them to you and for following your voting instructions.

Two ways to vote

- 1 at our virtual meeting
- 2 by proxy, using the proxy or voting instruction form your intermediary sent you

For more information

Please contact TMX Group if you have any additional questions or require further clarification.

General Enquiries

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T +1 416 947-4277

info@tmx.com



tmx.com