




Beijing Denver Sydney Calgary Tel Aviv Montreal Houston Boston Johannesburg Perth Vancouver Toronto



Notice of Annual and Special Meeting
of Shareholders and Management
Information Circular
June 11, 2008

What's Inside

Notice of Annual and Special Meeting of Shareholders of TSX Group Inc.	i
Management Information Circular	1
About This Document	1
Voting Information	2
Business of the Meeting	6
Consolidated Financial Statements	6
Election of Directors	6
Independence and Board Committees.....	16
Directors' Compensation and Equity Ownership Requirements	17
Director Equity Ownership	18
Appointment of Auditor and Auditor's Remuneration	19
Amendments to Restated Articles of Incorporation	20
Votes Required to Pass the Special Resolutions	21
Dissenting Shareholders' Rights.....	21
Disclosure of Compensation and Other Information	23
Composition of the Human Resources Committee.....	23
Human Resources Committee Report on Executive Compensation	23
Performance Graph	34
Compensation of Named Executive Officers	35
Securities Authorized for Issuance under Equity Compensation Plans	37
Pension Plans	38
Employment Contracts and Severance Arrangements	40
Total Compensation	40
Directors' and Officers' Liability Insurance	43
Indebtedness of Directors and Officers	43
Additional Items	44
Schedule A Resolution – Amendment to Restated Articles of Incorporation to Change the Name of the Corporation	46
Schedule B Resolution – Amendments to Restated Articles of Incorporation to Change the Issue, Transfer and Ownership Restrictions attaching to the Common Shares	47
Annex B-1 to Schedule B to the Restated Articles of Incorporation	48
Schedule C Record of Attendance by Directors in 2007	61
Schedule D Corporate Governance Practices	62
Schedule E TSX Group Inc. (The “Corporation”) Board Charter	70
Schedule F Dissent Provisions Section 185 of the Business Corporations Act (Ontario)	76

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

TSX Group Inc. (“TSX Group” or “we”) will hold our Annual and Special Meeting of Shareholders (the “Meeting”) at MaRS Centre Auditorium, 101 College Street, Toronto, Ontario, Canada on Wednesday, June 11, 2008 at 10:00 a.m. (Eastern Time).

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

1. to consider our financial statements for the year ended December 31, 2007, and the auditor’s report on those statements;
2. to elect our Directors;
3. to appoint KPMG LLP as our auditor at a remuneration to be fixed by the Directors;
4. to consider and, if deemed advisable, to approve the amendment to our Restated Articles of Incorporation to change our name from TSX Group Inc./Groupe TSX Inc. to TMX Group Inc./Groupe TMX Inc., as described in the Management Information Circular;
5. to consider and, if deemed advisable, to approve the amendments to our Restated Articles of Incorporation to reflect the fact that we have agreed to be subject to the restriction that no person or combination of persons acting jointly or in concert may beneficially own or exercise control or direction over more than 10% of any class or series of our voting shares, without the prior approval of Québec’s Autorité des marchés financiers, in addition to the approval of the Ontario Securities Commission, as described in the Management Information Circular; and
6. to transact any other business properly brought before the Meeting.

The full text of the resolutions referred to in items 4 and 5 above are set out in Schedules A and B to our Management Information Circular.

Pursuant to the *Business Corporations Act* (Ontario), registered TSX Group shareholders have the right to dissent and to be paid the fair value of their common shares in respect of the amendments to our Restated Articles of Incorporation described in item 5 above. This dissent right, and the procedures for its exercise, are described in the accompanying Management Information Circular under “Dissenting Shareholders’ Rights”. Only registered TSX Group shareholders are entitled to exercise the right to dissent. **If you fail to comply strictly with the dissent procedures described in the Management Information Circular you will lose any right to dissent or it may become unavailable.**

Shareholders at the close of business on May 5, 2008 will be entitled to vote at the Meeting.

Our Management Information Circular (the “Circular”) which accompanies this notice is your guide to the business to be considered at the Meeting. You will have an opportunity to ask questions and meet with management, the Board of Directors and your fellow shareholders. At the Meeting we will also report on our 2007 financial results.

Shareholders who are unable to attend the Meeting in person are asked to complete, sign and return the enclosed proxy. We have provided instructions on how to complete and return your proxy with the enclosed proxy form and in the Circular. Our transfer agent, CIBC Mellon Trust Company, must receive your proxy no later than 5:00 p.m. (Eastern Time) on Monday, June 9, 2008, or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting. You must send your proxy to our transfer agent by either using the postage prepaid envelope provided or by mailing the proxy to

CIBC Mellon Trust Company at P.O. Box 721, Agincourt, Ontario, Canada, M1S 0A1. You may also fax your proxy to CIBC Mellon Trust Company at (416) 368-2502, Attention: Proxy Department.

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

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

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Sharon C. Pel", is written over a vertical line that serves as a signature separator.

Sharon C. Pel
Senior Vice President, Legal and Business Affairs
Toronto, Ontario
May 6, 2008

Management Information Circular

All information is as at April 17, 2008, and does not give effect to the combination with Montréal Exchange Inc. which was completed on May 1, 2008, unless otherwise indicated.

About This Document

This Management Information Circular (the “Circular”) explains the business to be considered at the annual and special meeting of shareholders (the “Meeting”) of TSX Group Inc. (“TSX Group” or “we”) to be held on Wednesday, June 11, 2008 at the place and for the purposes set out in the accompanying Notice of Annual and Special Meeting of Shareholders.

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

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

All references to common shares issued and outstanding, common shares reserved for issuance, deferred share units, restricted share units and share options reflect the impact of the two-for-one share split which was effective on May 17, 2005.

Voting Information

What will I be voting on?

You will be voting on:

- The election of our Directors (see page 6);
- The appointment of KPMG LLP as our auditor (see page 19) at a remuneration to be fixed by the Directors (see page 19);
- The amendment to our Restated Articles of Incorporation to change our name from TSX Group Inc./Groupe TSX Inc. to TMX Group Inc./Groupe TMX Inc., as described in this Circular (see page 20); and
- The amendments to our Restated Articles of Incorporation to reflect the fact that we have agreed to be subject to the restriction that no person or combination of persons acting jointly or in concert may beneficially own or exercise control or direction over more than 10% of any class or series of our voting shares, without the prior approval of Québec's Autorité des marchés financiers (the "Autorité"), in addition to the approval of the Ontario Securities Commission, as described in this Circular (see page 20).

How will these matters be decided at the Meeting?

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

The special resolutions set out in the Circular must be approved by at least 66 $\frac{2}{3}$ % of the votes cast, by proxy or in person.

How many votes do I have?

Subject to the share ownership and voting restriction noted below, you will have one vote for every common share you own at the close of business on May 5, 2008, the record date for the Meeting.

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

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

What are the share ownership and voting restrictions and why are we amending the Restated Articles of Incorporation?

Our Restated Articles of Incorporation currently provide that no person or company or combination of persons or companies, acting jointly or in concert, may beneficially own or exercise control or direction over more than 10% of our common shares without the prior approval of the Ontario Securities Commission. We have agreed to be subject to the same restriction in favour of the Autorité, as a condition to its approval of the combination with Montréal Exchange Inc. Accordingly, we need to amend our Restated Articles of Incorporation to reflect that condition.

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

How many common shares are eligible to vote?

On May 5, 2008, there were 81,880,941 common shares of TSX Group outstanding and eligible to vote.

Dissent Rights

Pursuant to the *Business Corporations Act* (Ontario) (“OBCA”), registered TSX Group shareholders have the right to dissent and to be paid the fair value of their common shares in respect of the special resolution amending our Restated Articles of Incorporation to insert the restriction that no person or combination of persons acting jointly or in concert may beneficially own or exercise control or direction over more than 10% of any class or series of our voting shares, without the prior approval of the Autorité (the “Share Ownership Resolution”) (see page 20). This dissent right, and the procedures for its exercise, are described in this Circular under “Dissenting Shareholders’ Rights” (see page 21). Only registered TSX Group shareholders are entitled to exercise this right to dissent. **If you fail to comply strictly with the dissent procedures described in this Circular, you will lose any right to dissent, or it may become unavailable.**

How do I vote?

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

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

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

Can I vote by proxy?

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

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

How will my proxy be voted?

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

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

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

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

- FOR the election as Directors of the proposed nominees whose names are set out on the following pages;
- FOR the appointment of KPMG LLP as our auditor at a remuneration to be fixed by the Directors;
- FOR the amendment to our Restated Articles of Incorporation to change our name from TSX Group Inc./Groupe TSX Inc. to TMX Group Inc./Groupe TMX Inc., as described in this Circular (see page 20); and
- FOR the amendments to our Restated Articles of Incorporation to reflect the fact that we have agreed to be subject to the restriction that no person or combination of persons acting jointly or in concert may beneficially own or exercise control or direction over more than 10% of any class or series of our voting shares, without the prior approval of the Autorité, in addition to the approval of the Ontario Securities Commission, as described in this Circular (see page 20).

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

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

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

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

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

- Delivering a properly executed form of proxy with a later date; or
- Stating clearly, in writing, that you want to revoke your proxy and by delivering this written statement to the attention of our Senior Vice President, Legal and Business Affairs no later than the close of business on June 10, 2008 (or, if the Meeting is adjourned, the business day before any adjourned meeting), or to the Chair of the Meeting before the start of the Meeting or any adjourned meeting; or
- In any other manner permitted by law.

Who counts the votes?

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

How do I contact the Transfer Agent?

By mail at: CIBC Mellon Trust Company
P.O. Box 7010, Adelaide Street Postal Station
Toronto, Ontario M5C 2W9

By telephone at: (416) 643-5500 (Toronto Area)
1 (800) 387-0825 (North America)

By fax at: (416) 643-5501

By e-mail: inquiries@cibcmellon.com

Is my vote confidential?

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

How are proxies solicited?

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

How can a Non-Registered Shareholder vote by mail?

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

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

How can a Non-Registered Shareholder vote in person at the Meeting?

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

Business of the Meeting

Consolidated Financial Statements

At the Meeting, you will consider our audited consolidated financial statements for the year ended December 31, 2007, and the auditor's report on those financial statements. They are included in our 2007 Annual Report, which was mailed with this Circular to those registered shareholders and beneficial shareholders who have requested it. You may obtain additional copies of the 2007 Annual Report, in English or French, from our Investors Relations department upon request or at the Meeting.

Election of Directors

Our articles of incorporation provide for our board of Directors (the "Board" or "Board of Directors") to consist of a minimum of three and a maximum of twenty-four Directors. As of May 1, 2008, the number of Directors in office is seventeen. The Board has set the number of Directors to be elected at the Meeting at seventeen.

On December 10, 2007 we entered into a Combination Agreement with Montréal Exchange Inc. ("MX") to combine our organizations (the "Combination"). The Combination was completed on May 1, 2008 (the "Effective Date"). As a condition to obtaining the necessary approval for the Combination, on April 9, 2008, we provided a written undertaking to the Autorité in which we agreed that 25% of our Directors will be residents of Québec. This undertaking became effective on the Effective Date. We also agreed in the Combination Agreement that five members of the Board will, during a three-year period following the Effective Date, be designated by MX as nominees. The MX nominees must, amongst other qualifications, be residents of Québec. The MX has designated Messrs. Bertrand, Normand, Turmel, Verreault and Ms. Chicoyne who joined the Board on May 1, 2008, as its nominees for election as Directors.

The Governance Committee of the Board is currently conducting a search process for a new Chief Executive Officer. Our new Chief Executive Officer will also be a member of the Board. Accordingly, this will result in the size of our Board being increased to eighteen directors.


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


The persons named in the form of proxy are our Directors who intend to vote at the Meeting for the election of the nominees to the Board whose names are set out below unless you give specific instructions on the form of proxy to withhold that vote. If, before the Meeting, any of the listed nominees becomes unable or unwilling to serve as a Director, the persons named in the form of proxy will have the discretion to vote for a properly qualified substitute. Each Director elected will hold office until our next annual meeting of shareholders or until his or her successor is elected or appointed.


Our Director Qualification Policy provides that in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" will tender his or her resignation to the Board promptly following our annual meeting. An "uncontested election" means the number of nominees for election is the same as the number of directors to be elected to the Board. The Governance Committee will consider the resignation and recommend to the Board the action to be taken. The Board will make its decision and announce it in a press release within 90 days following the annual meeting, including the reasons for rejecting the resignation, if applicable. A Director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or the Governance Committee at which the resignation is considered.


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


A Record of Attendance of Directors at meetings of the Board and its committees held during the year ended December 31, 2007 is also set out in Schedule C to this Circular.

 <p>Wayne C. Fox ⁽¹⁾ Chair of TSX Group Oakville, Ontario, Canada</p> <p>Common Shares: nil Deferred Share Units: 45,136 Equity at Risk: \$1,707,811⁽⁴⁾ Options: nil</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since April 29, 1997 • Independent 		<p>Mr. Fox, 60, is the Chair of TSX Group and a Corporate Director. Until September 2005, he was Vice-Chair and Chief Risk Officer, Treasury, Balance Sheet and Risk Management, Canadian Imperial Bank of Commerce (chartered bank). In the previous five years, Mr. Fox held several increasingly senior positions in CIBC and in several CIBC affiliates. In addition, he was a member of the Steering Committee on Regulatory Capital, Institute of International Finance Inc. and on the Board of Governors of McMaster University and Junior Achievement of Central Ontario. In 2006, Mr. Fox became an accredited director through the Directors College program at McMaster University. Mr. Fox also serves on the board of World Federation of Exchanges, CanadaHelps.org Inc. and is Governor Emeritus of Appleby College. Mr. Fox is also a member of the Accounting Standards Oversight Council.</p>					
Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
Board (Chair)		20/20		32/33	97%	Year	Amount
Governance Committee		5/5				2007	\$275,000
Human Resources Committee		6/6				2006	\$266,667
Public Venture Market Committee		1/2					
Equity Ownership (as at December 31, 2007)							
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements	
2007	-	45,136	45,136	\$1,707,811	\$250,000	Yes	
2006	-	38,109	38,109	\$1,441,930	\$150,000	Yes	
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
-			-			-	


 <p>Luc Bertrand Deputy CEO, TSX Group President and CEO, MX Montréal, Québec, Canada</p> <p>Common Shares: 726,214 ⁽⁶⁾ Deferred Share Units: nil Equity at Risk: \$33,166,193⁽⁷⁾ Options: 44,205</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since May 1, 2008 • Non-Independent (Deputy CEO of TSX Group) 		<p>Mr. Bertrand, 53, is the Deputy CEO of TSX Group, a position he assumed on May 1, 2008. Mr. Bertrand has served as MX's President and Chief Executive Officer since March 2000. He was elected to the Board of Governors of MX in 1992, served as Vice Chairman in 1996 and as Chairman in 1998 and 1999. Mr. Bertrand is also Chairman of the board of directors of Montréal Climate Exchange Inc. and the Canadian Resources Exchange Inc. In addition, he serves on the boards of directors of the Canadian Derivatives Clearing Corporation, Boston Options Exchange, and Market Regulation Services Inc. From 1996 to 2002, he served as Governor of the Canadian Investor Protection Fund. He also served as Governor of the Canadian Securities Institute. A participant in the securities industry for over 25 years, Mr. Bertrand has held various management positions in the securities industry throughout his career.</p>					
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Bourse de Montréal Inc.			Mar 2007 – May 1, 2008			-	

	Tullio Cedraschi⁽¹⁾ Montréal, Québec, Canada Common Shares: nil Deferred Share Units: 16,085 Equity at Risk: \$608,608 ⁽⁴⁾ Options: nil TSX Group Board Details: <ul style="list-style-type: none"> • Director since September 25, 2001 • Independent 	Mr. Cedraschi, 69, was President and Chief Executive Officer of CN Investment Division (investment operations) until his retirement on January 31, 2008, a position he held for more than five years. Mr. Cedraschi serves on the board of directors of Freehold Resources Ltd. and Helix Investments (Canada) Inc. He is also a Governor Emeritus of McGill University and a Governor of the National Theatre School.																		
	<table border="1"> <thead> <tr> <th>Board/Committee Membership</th> <th>Attendance</th> <th colspan="2">Attendance (Total)</th> <th colspan="2">Total Compensation</th> </tr> <tr> <td>Board</td> <td>18/20</td> <td rowspan="3">29/31</td> <td rowspan="3">94%</td> <th>Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Governance Committee</td> <td>5/5</td> <td>2007</td> <td>\$132,500</td> </tr> <tr> <td>Human Resources Committee (Chair)</td> <td>6/6</td> <td>2006</td> <td>\$113,267</td> </tr> </tbody> </table>	Board/Committee Membership	Attendance	Attendance (Total)		Total Compensation		Board	18/20	29/31	94%	Year	Amount	Governance Committee	5/5	2007	\$132,500	Human Resources Committee (Chair)	6/6	2006
Board/Committee Membership	Attendance	Attendance (Total)		Total Compensation																
Board	18/20	29/31	94%	Year	Amount															
Governance Committee	5/5			2007	\$132,500															
Human Resources Committee (Chair)	6/6			2006	\$113,267															
Equity Ownership (as at December 31, 2007)																				
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements														
2007	-	16,085	16,085	\$608,608	\$250,000	Yes														
2006	-	12,858	12,858	\$486,508	\$150,000	Yes														
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships		Public Board Interlocks															
Freehold Resources Ltd.			January 1998 - Present		-															

	Raymond Chan Calgary, Alberta, Canada Common Shares: 10,000 Deferred Share Units: 2,238 Equity at Risk: \$468,479 ⁽⁴⁾ Options: nil TSX Group Board Details: <ul style="list-style-type: none"> • Director since July 26, 2006 • Independent 	Mr. Chan, 52, has been Chief Executive Officer and a Director of Baytex Energy Trust (energy income trust) since September 2003 following the reorganization of Baytex Energy Ltd. Prior thereto, Mr. Chan was Senior Vice-President and Chief Financial Officer and a Director of Baytex Energy Ltd. since October 1998. Mr. Chan is a chartered accountant and has held senior executive positions in the Canadian oil and gas industry since 1982. Mr. Chan also serves on the board of the Alberta Children's Hospital Foundation.																		
	<table border="1"> <thead> <tr> <th>Board/Committee Membership</th> <th>Attendance</th> <th colspan="2">Attendance (Total)</th> <th colspan="2">Total Compensation</th> </tr> <tr> <td>Board</td> <td>20/20</td> <td rowspan="3">26/26</td> <td rowspan="3">100%</td> <th>Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Finance and Audit Committee</td> <td>6/6</td> <td>2007</td> <td>\$122,000</td> </tr> <tr> <td></td> <td></td> <td>2006</td> <td>\$75,500</td> </tr> </tbody> </table>	Board/Committee Membership	Attendance	Attendance (Total)		Total Compensation		Board	20/20	26/26	100%	Year	Amount	Finance and Audit Committee	6/6	2007	\$122,000			2006
Board/Committee Membership	Attendance	Attendance (Total)		Total Compensation																
Board	20/20	26/26	100%	Year	Amount															
Finance and Audit Committee	6/6			2007	\$122,000															
				2006	\$75,500															
Equity Ownership (as at December 31, 2007)																				
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements														
2007	10,000	2,238	12,238	\$468,479	\$250,000	Yes														
2006	10,000	1,170	11,170	\$428,069	\$150,000	Yes														
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships		Public Board Interlocks															
Baytex Energy Trust			Sept 2003 - Present		-															
Crew Energy Inc.			Sept 2003 – Sept 2006		Audit Committee Reserves Committee															
C1 Energy Ltd.			Dec 2003 – May 2006		Audit Committee Compensation Committee Reserves Committee															
Defiant Resources Corporation			Dec 2004 – March 31, 2008		Audit Committee Governance and Compensation Committee Reserves Committee															

	<p>Denyse Chicoyne Montréal, Québec, Canada</p> <p>Common Shares: 73,895 ⁽⁶⁾ Deferred Share Units: nil Equity at Risk: \$3,374,785 ⁽⁷⁾ Options: nil</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since May 1, 2008 • Independent 	<p>Ms. Chicoyne, 55, is a Corporate Director. She serves on the board of directors of Richelieu Hardware Ltd., Canada Post Corporation and Holt, Renfrew & Co. Limited. Ms. Chicoyne has worked in the securities industry as a top ranked analyst for brokerage firms such as BMO Nesbitt Burns, Nesbitt Thomson, McNeil Mantha and was also senior analyst and portfolio manager for the Caisse de dépôt et placement du Québec. Ms. Chicoyne is also a member of the CFA Institute.</p>
---	---	--


Public Board Membership During Last Five Years ⁽⁵⁾		Public Board Committee Memberships	Public Board Interlocks
Richelieu Hardware Ltd.	March 2005 - Present	Audit Committee	-
Groupe Laperrière & Verreault Inc.	Sept 2004 - August 2007	Audit Committee	
Bourse de Montréal Inc.	March 2007 – May 1, 2008	Human Resources Committee Audit Committee (Chair)	

	<p>Raymond Garneau Montréal, Québec, Canada</p> <p>Common Shares: 1,000 Deferred Share Units: 14,375 Equity at Risk: \$582,287 ⁽⁴⁾ Options: nil</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since November 25, 2003 • Independent 	<p>Mr. Garneau, 73, is a Corporate Director. Until May 2005, he was Chairman of the Board of Industrial Alliance Insurance and Financial Services Inc. (life insurance and financial services company), a position he held since 2000, and its wholly-owned subsidiaries: The National Life Assurance Company of Canada, Industrial Alliance Pacific Insurance and Financial Services, Industrial Alliance Auto and Home Insurance and Industrial Alliance Trust Company. From 1996 to 2000, he was Chairman of the Board and CEO of Industrial Alliance Insurance and Financial Services Inc. Mr. Garneau is a director of La Fondation Jean-Louis-Lévesque and the C.D. Howe Foundation and is President of the Montreal Cancer Institute.</p>
--	--	--


Board/Committee Membership	Attendance	Attendance (Total)		Total Compensation	
Board	20/20	31/31	100%	Year	Amount
Governance	5/5			2007	\$132,500
Human Resources Committee	6/6			2006	\$109,067

Equity Ownership (as at December 31, 2007)						
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements
2007	1,000	14,375	15,375	\$582,287	\$250,000	Yes
2006	1,000	11,269	12,269	\$464,765	\$150,000	Yes

Public Board Membership During Last Five Years ⁽⁵⁾		Public Board Committee Memberships	Public Board Interlocks
Industrial Alliance Insurance and Financial Services Inc.	Dec 1988 – May 4, 2005	Executive Committee Investment Committee Human Resources and Corporate Governance Committee Ethics Committee	-

	<p>John A. Hagg⁽¹⁾ Calgary, Alberta, Canada</p> <p>Common Shares: 5,000 Deferred Share Units: 15,623 Equity at Risk: \$783,027⁽⁴⁾ Options: nil</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since May 29, 2001 • Independent 	<p>Mr. Hagg, 60, is a Corporate Director and an independent businessman. He serves on the board of directors of Tristone Capital Global Inc., Global Railway Industries Ltd., The Fraser Institute and Alberta Mentor Foundation for Youth. Mr. Hagg is also Chairman of the Board of Strad Energy Services Ltd., Chairman of the Board of Clark Builders and a member of the Advisory Board of Northern Plains Capital LLP. Prior to December, 2001 he was Chairman of Northstar Energy Corporation.</p>
---	---	---

Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
						Year	Amount
Board		18/20		26/28	93%	2007	\$125,000
Human Resources Committee		6/6				2006	\$109,067
Public Venture Market Committee		2/2					
Equity Ownership (as at December 31, 2007)							
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements	
2007	5,000	15,623	20,623	\$783,027	\$250,000	Yes	
2006	5,000	12,566	17,566	\$667,360	\$150,000	Yes	
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Global Railway Industries Ltd.		Dec 2005 - Present		Audit Committee Compensation Committee		-	
Berry Petroleum Company		Jan 1993 – August 2005		Compensation Committee			

	<p>Harry A. Jaako⁽¹⁾⁽²⁾ West Vancouver, British Columbia, Canada</p> <p>Common Shares: nil Deferred Share Units: 11,317 Equity at Risk: \$428,201⁽⁴⁾ Options: nil</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since August 1, 2001 • Independent 	<p>Mr. Jaako, 55, is President and a Director and Principal of Discovery Capital Management Corp. (DCMC) and is also President and a Director of British Columbia Discovery Fund (VCC) Inc., a British Columbia venture capital fund managed by DCMC. He has held these director and officer positions for more than five years, during which time and prior thereto he was also the Chairman, Co-Chief Executive Officer and a Principal of Discovery Capital Corporation (a publicly-traded venture capital company), the former parent company of DCMC. Incidental to the venture capital business of DCMC and its former parent company, Mr. Jaako also serves as Chairman and Director of Paradigm Environmental Technologies Inc., and as a Director of Texada Software Inc., Tri-Link Technologies Inc., and Vigil Health Solutions Inc. Mr. Jaako is also the Honorary Consul for Estonia in Alberta and British Columbia.</p>
--	--	--

Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
						Year	Amount
Board		18/20		26/28	93%	2007	\$126,500
Finance and Audit Committee		6/6				2006	\$104,867
Public Venture Market Committee (Chair)		2/2					
Equity Ownership (as at December 31, 2007)							
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements	
2007	-	11,317	11,317	\$428,201	\$250,000	Yes	
2006	-	9,558	9,558	\$361,646	\$150,000	Yes	
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Discovery Capital Corporation		July 2000 – Sept 2007		-		-	
Texada Software Inc.		Oct 21, 2003 - Present		Audit Committee			
Vigil Health Solutions Inc.		Dec 3, 2003 - Present		Compensation Committee Governance Committee			
Tir Systems Ltd.		Oct. 1991 – June 2007		Compensation Committee Corporate Governance & Nominating Committee			



J. Spencer Lanthier⁽¹⁾
Toronto, Ontario, Canada

Common Shares: nil
Deferred Share Units: 12,519
Equity at Risk: \$473,681⁽⁴⁾
Options: nil

TSX Group Board Details:

- Director since February 8, 2000
- Independent

Mr. Lanthier, 67, is a Corporate Director who also serves on the boards of Torstar Corporation, Ellis-Don Inc., Gerdau Ameristeel Corporation, Rona Inc. and Zarlink Semiconductor Inc. Mr. Lanthier is also Chairman of the Board of Wellspring and a member of the Advisory Committee of Birch Hill Equity Partners III, L.P. When he retired in 1999, Mr. Lanthier was a partner of KPMG Canada and from 1993 until 1999 he was Chairman and Chief Executive of KPMG Canada.

Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
Board		20/20				Year	Amount
Finance and Audit Committee (Chair)		6/6		31/31		2007	\$139,500
Governance Committee		5/5		100%		2006	\$117,567
Equity Ownership (as at December 31, 2007)							
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements	
2007	-	12,519	12,519	\$473,681	\$250,000	Yes	
2006	-	9,845	9,845	\$372,505	\$150,000	Yes	
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
Torstar Corporation		July 2002 – Present		Audit Committee and Pension Committee		-	
Gerdau Ameristeel Corporation		May 2000 – Present		Audit Committee and Human Resources Committee			
Rona Inc.		May 2006 – Present		Audit Committee			
Zarlink Semiconductor Inc.		May 2003 - Present		Audit Committee and Nominating and Corporate Governance Committee			
Emergis Inc.		Feb 2003 – Jan 2008		Audit Committee			
Intertape Polymer Group Inc.		June 2001 – May 2005		Audit Committee Nominating & Governance Committee			



Jean Martel⁽¹⁾
Montréal, Québec, Canada


Common Shares: 2,000
Deferred Share Units: 11,900
Equity at Risk: \$527,020⁽⁴⁾
Options: nil


TSX Group Board Details:


- Director since October 26, 1999
- Independent

Mr. Martel, 55, is a partner of Lavery, de Billy LLP, a Québec based law firm where he has been practicing securities, financial and regulatory law in Montreal since 1999. From 1995 to 1999, he was Chairman and President and CEO of the Commission des valeurs mobilières du Québec, the Québec securities regulator, and from 1988 to 1994, he acted as Assistant Deputy Minister of Finance of Québec, with overall responsibilities for financial institutions and financial sector policy in that province. He serves on the Board of Directors of the Business Development Bank of Canada, Market Regulation Services Inc., the Office Franco-Québécois pour la Jeunesse and many of their committees. He also chairs the Independent Review Committee of the Investment Funds of the Québec Bar.


Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation	
Board		20/20				Year	Amount
Finance and Audit Committee		6/6		28/28		2007	\$128,000
Public Venture Market Committee		2/2		100%		2006	\$107,867
Equity Ownership (as at December 31, 2007)							
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements	
2007	2,000	11,900	13,900	\$527,020	\$250,000	Yes	
2006	2,000	9,708	11,708	\$444,082	\$150,000	Yes	
Public Board Membership During Last Five Years ⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks	
-			-			-	

 <p>Owen McCreery⁽¹⁾ Thornhill, Ontario, Canada</p> <p>Common Shares: 4,000 Deferred Share Units: 9,826 Equity at Risk: \$525,306⁽⁴⁾ Options: nil</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since July 9, 2002 • Independent 	<p>Mr. McCreery, 65, is a Consultant (consulting services) and a Corporate Director. Mr. McCreery has been employed in various organizations as an accountant, a financial analyst, a portfolio manager and a partner/director. Mr. McCreery joined Beutel Goodman & Co. Ltd. in 1973 where he held various positions, including Financial Analyst/Portfolio Manager. He subsequently became President of Beutel Goodman & Co. Ltd. in 1994, a position he held until his retirement in 1999.</p>								
	Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation		
Board Finance and Audit Committee		20/20 6/6		26/26		100%		Year	Amount
								2007	\$122,000
								2006	\$102,167
Equity Ownership (as at December 31, 2007)									
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements			
2007	4,000	9,826	13,826	\$525,306	\$250,000	Yes			
2006	4,000	8,515	12,515	\$475,702	\$150,000	Yes			
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks			
-			-			-			

 <p>John P. Mulvihill⁽¹⁾⁽³⁾ Toronto, Ontario, Canada</p> <p>Common Shares: nil Deferred Share Units: 14,534 Equity at Risk: \$549,923⁽⁴⁾ Options: nil</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since June 12, 1996 • Independent 	<p>Mr. Mulvihill, 60, is Chairman, Mulvihill Capital Management Inc. (investment counsel), a position he has held for more than five years. Mr. Mulvihill serves on the board of University Health Network as Vice Chairman and is a Director of 15 exchange-traded funds listed on Toronto Stock Exchange (Core Canadian Dividend, Government Strip Bond Trust, Pro-AMS U.S., Pro-AMS 100 Plus (Cdn), Pro-AMS 100 Plus (US), Pro-AMS RSP Split Share, Premium Canadian, Premium 60 Plus, Premium Global Plus, Premium Canadian Bank, Premium Split Share, Premium Global Telecom, World Financial Split Corp., Top 10 Canadian Financial Trust and Top 10 Split Trust).</p>								
	Board/Committee Membership		Attendance		Attendance (Total)		Total Compensation		
Board Governance Committee (Chair)		18/20 5/5		23/25		92%		Year	Amount
								2007	\$120,500
								2006	\$103,667
Equity Ownership (as at December 31, 2007)									
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements			
2007	-	14,534	14,534	\$549,923	\$250,000	Yes			
2006	-	11,601	11,601	\$438,947	\$150,000	Yes			
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships			Public Board Interlocks			
-			-			-			

 <p>Carmand Normand Montréal, Québec, Canada</p> <p>Common Shares: 6,999 ⁽⁶⁾ Deferred Share Units: nil Equity at Risk: \$319,644⁽⁷⁾ Options: nil</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since May 1, 2008 • Independent 	<p>Mr. Normand, 62, is a Corporate Director who has served since October 2006 as the Executive Chairman of the board of Addenda Capital Inc. Prior to that, from 1996 to 2006 he held the positions of Chairman of the board of directors, Chief Executive Officer and Chief Investment Officer of Addenda Capital Inc. Mr. Normand is also a director of the Laurentian Bank of Canada.</p>
---	--


Public Board Membership During Last Five Years ⁽⁵⁾		Public Board Committee Memberships	Public Board Interlocks
Addenda Capital Inc.	Oct 2006 – Present	-	-
Laurentian Bank of Canada	July 2004 - Present	Governance Committee Human Resources Committee	
Bourse de Montréal Inc.	March 2007 – May 1, 2008	Audit Committee	


 <p>Kathleen M. O'Neill Toronto, Ontario, Canada</p> <p>Common Shares: nil Deferred Share Units: 8,597 Equity at Risk: \$325,285⁽⁴⁾</p> <p>TSX Group Board Details:</p> <ul style="list-style-type: none"> • Director since April 26, 2005 • Independent 	<p>Ms. O'Neill, 54, is a Corporate Director. Prior to January 2005, she was an Executive Vice President, BMO Bank of Montreal. Prior to joining BMO Bank of Montreal in 1994, Ms. O'Neill was with PricewaterhouseCoopers for 19 years including eight years as a tax partner. Ms. O'Neill is a fellow of the Institute of Chartered Accountants of Ontario. In 2005, Ms. O'Neill became an accredited director through the ICD/Rotman School of Management Directors Education Program. She is a member of the Board of Directors of MDS Inc, Finning International Inc. and Canadian Tire Bank. She is Chair of the board of St. Joseph's Health Centre Foundation, past Chair of the Board of St. Joseph's Health Centre in Toronto and is active on several other non-profit boards.</p>
---	--

Board/Committee Membership	Attendance	Attendance (Total)		Total Compensation	
				Year	Amount
Board	20/20	31/31	100%	2007	\$132,500
Finance and Audit Committee	6/6			2006	\$110,567
Governance Committee	5/5				

Equity Ownership (as at December 31, 2007)						
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs ⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements
2007	-	8,597	8,597	\$325,285	\$250,000	Yes
2006	-	5,607	5,607	\$212,152	\$150,000	Yes

Public Board Membership During Last Five Years ⁽⁵⁾		Public Board Committee Memberships	Public Board Interlocks
MDS Inc.	March 2005 – Present	Audit Committee Human Resources Committee	-
Finning International Inc.	February 2007 – Present	Audit Committee Environment, Health & Safety Committee	

	Gerri B. Sinclair Vancouver, British Columbia, Canada		Ms. Sinclair, 60, is the Executive Director, Centre for Digital Media at Great Northern Way Campus (academic institution), a position she has held since November 2006. Ms. Sinclair is also a Strategic Consultant (consulting services) to government and industry, specializing in the areas of telecommunication and emerging technologies. From 2002 to 2004 she was the General Manager of MSN.ca. From 2001 to 2002, Ms. Sinclair was President of B.C. Premier's Technology Council. Ms. Sinclair also serves on the Board of Ballard Power Systems Inc.			
	Common Shares: nil Deferred Share Units: 6,828 Equity at Risk: \$258,351 ⁽⁴⁾		TSX Group Board Details: <ul style="list-style-type: none"> • Director since April 26, 2005 • Independent 			
Board/Committee Membership		Attendance	Attendance (Total)		Total Compensation	
Board		20/20	28/28	100%	Year	Amount
Human Resources Committee		6/6			2007	\$128,000
Public Venture Market Committee		2/2			2006	\$109,067
Equity Ownership (as at December 31, 2007)						
Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs⁽⁴⁾	Minimum Equity Ownership Requirements	Meets Requirements
2007	-	6,828	6,828	\$258,351	\$250,000	Yes
2006	-	4,246	4,246	\$160,656	\$150,000	Yes
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships		Public Board Interlocks	
Ballard Power Systems Inc.		January 2006 - Present	Corporate Governance Committee Management Development, Nominating and Compensation Committee (Chair)		-	

	Jean Turmel Montréal, Québec, Canada		Mr. Turmel, 63, is the President of Perseus Capital Inc. (money manager) since January 2005. Mr. Turmel was Chairman of the board of MX until May 1, 2008. Mr. Turmel served as President, Financial Markets, Treasury and Investment, at the National Bank of Canada from September 1998 to December 2004. He presided over the task force created by the Quebec Government in 1999 to examine the scope and implications of restructuring Canadian exchanges. Mr. Turmel has worked in the capital markets since 1967, having held positions at Merrill Lynch, Royal Securities and Dominion Securities. He also held executive positions with McMillan Bloedel, prior to joining the National Bank of Canada in 1981. Mr. Turmel also serves on the boards of Alimentation Couche-Tard Inc., Canam Group Inc., Ontario Teachers' Pension Plan and Canada Post Corporation.			
	Common Shares: 181,583 ⁽⁶⁾ Deferred Share Units: nil Equity at Risk: \$8,292,296 ⁽⁷⁾ Options: nil		TSX Group Board Details: <ul style="list-style-type: none"> • Director since May 1, 2008 • Independent 			
Public Board Membership During Last Five Years⁽⁵⁾			Public Board Committee Memberships		Public Board Interlocks	
Alimentation Couche-Tard Inc.		Sept 2002 - Present	-		-	
Canam Group Inc.		April 2006 - Present	Audit Committee			
Bourse de Montréal Inc.		March 2007 – May 1, 2008	Governance and Nominating Committee			



Laurent Verreault
Verdun, Québec, Canada

Common Shares: 13,618⁽⁶⁾
Deferred Share Units: nil
Equity at Risk: \$621,934⁽⁷⁾
Options: nil

TSX Group Board Details:

- Director since May 1, 2008
- Independent

Mr. Verreault, 66, is Chairman of the Board of Directors and Chief Executive Officer of GLV Inc. since August 2007, date at which the company Groupe Laperrière & Verreault Inc. (“GL&V”), which he founded with other partners in 1975, transferred its Water Treatment Group, its Pulp and Paper Group and its manufacturing unit to GLV Inc. Mr. Verreault had held this same position with GL&V since 2005 and prior to that date had also acted, in addition to his other functions, as President of GL&V since 1986, the year of GL&V’s initial public offering. Mr. Verreault also serves on the boards of Cascades Inc. and TVA Group Inc.

Public Board Membership During Last Five Years ⁽⁵⁾		Public Board Committee Memberships	Public Board Interlocks
Cascades Inc.	April 30, 2001 - Present	Audit Committee Human Resources Committee	-
GLV Inc.	August 2007 - Present	-	
TVA Group Inc.	June 1994 - Present	Compensation Committee	
Bourse de Montréal Inc.	March 2007 – May 1, 2008	Audit Committee Governance and Nominating Committee Human Resources Committee (Chair)	

- (1) On April 3, 2000, The Toronto Stock Exchange demutualized and continued under the *Business Corporations Act* (Ontario) as The Toronto Stock Exchange Inc. The Toronto Stock Exchange had a board of governors, which became the Board of Directors of The Toronto Stock Exchange Inc. on demutualization. The Toronto Stock Exchange Inc. was renamed TSX Inc. on July 10, 2002. On November 12, 2002, TSX Inc. completed a corporate reorganization through which TSX Group acquired all the outstanding common shares of TSX Inc. and became the holding company of the TSX group of companies which includes TSX Inc.
- (2) Mr. Jaako was a non-management director of Xinex Networks Inc. In 1998, Xinex’s securities were the subject of a cease trade order for a period exceeding 30 consecutive days. In addition, in 1998, Xinex had a receiver appointed to hold and dispose of its assets and, in 1999, it was adjudged bankrupt.
- (3) Mr. Mulvihill is prohibited from purchasing common shares of TSX Group by the terms of employment with his respective employer.
- (4) Equity at Risk is determined by adding the value of common shares and DSUs owned. The value of common shares is determined with reference to the closing price for our common shares on Toronto Stock Exchange on April 17, 2008, which was \$38.38. The value of DSUs is determined with reference to the fair market value of a DSU on April 17, 2008, calculated based on the weighted average trading price of our common shares on Toronto Stock Exchange for the five trading days preceding April 17, 2008, which was \$37.837.
- (5) Public Board Membership only reflects corporate board membership and not exchange traded funds or entities that do not issue shares to the public.
- (6) Equity Ownership as at May 1, 2008.
- (7) Equity at Risk is determined by the value of common shares owned. The value of common shares is determined with reference to the closing price for our common shares on Toronto Stock Exchange on May 1, 2008, which was \$45.67.

Independence and Board Committees

In accordance with our recognition order (“Recognition Order”) issued by the Ontario Securities Commission, the Governance Committee reviewed the relationship of each Director with TSX Group to determine which Directors are independent under National Instrument 52-110 – Audit Committees, National Policy 58-201 – Corporate Governance Guidelines, our Board of Directors Independence Standards and our Recognition Order. The following chart illustrates the independence of members of the Board and its standing committees as of December 31, 2007:

Directors	Committees (Number of Members) ⁽¹⁾			
	Finance and Audit Committee ⁽²⁾ (6)	Governance Committee ⁽³⁾ (6)	Human Resources Committee ⁽³⁾ (5)	Public Venture Market Committee (4)
Independent Outside Directors				
Tullio Cedraschi		✓	Chair	
Raymond Chan	✓			
Wayne C. Fox		✓	✓	
Raymond Garneau		✓	✓	
John A. Hagg			✓	✓
Harry A. Jaako	✓			Chair
J. Spencer Lanthier	Chair	✓		
Jean Martel	✓			✓
Owen McCreery	✓			
John P. Mulvihill		Chair		
Kathleen M. O'Neill	✓	✓		
Gerri B. Sinclair			✓	✓
Management Director – Not Independent				
Richard Nesbitt ⁽¹⁾				

- (1) The CEO of TSX Group and all other Directors who are not otherwise members may attend all meetings of the Finance and Audit Committee, the Governance Committee, the Human Resources Committee and the Public Venture Market Committee in an ex-officio capacity, but are not entitled to vote.
- (2) In accordance with National Instrument 52-110 – Audit Committees all members of the Finance and Audit Committee are independent directors.
- (3) In accordance with National Policy 58-201 – Corporate Governance Guidelines all members of the Governance Committee and the Human Resources Committee are independent directors.

Directors' Compensation and Equity Ownership Requirements

The following summarizes the annual compensation arrangements which are in effect from April 26, 2006, for non-employee Directors:

Chair of the Board Retainer ⁽¹⁾

- Cash	\$125,000 per year
- Deferred Share Units ⁽²⁾	\$150,000 per year

Director Retainer

- Cash	\$30,000 per year
- Deferred Share Units ⁽²⁾	\$50,000 per year

Committee Chair Retainer

- Finance and Audit Committee	\$10,000 per year
- Other Committees	\$6,000 per year

Committee Member Retainer

\$3,000 per year

Board Meeting Attendance Fee

\$1,500 per meeting

Committee Meeting Attendance Fee

\$1,500 per meeting

Travel Fee⁽³⁾

\$1,500 per meeting

(1) The Chair of the Board receives no additional committee or attendance fees.

(2) A deferred share unit (DSU) is a bookkeeping entry equivalent to the value of a TSX Group common share, credited to an account to be maintained for the individual Director until retirement from the Board. The number of DSUs (including fractional DSUs) to be credited to a Director's DSU account is determined by dividing the dollar value of the grant by the weighted average trading price of our common shares on Toronto Stock Exchange for the five trading days preceding the date of grant.

(3) Travel fees are paid to Directors whose return air travel time exceeds six hours per meeting.

Effective April 25, 2007, Directors must achieve ownership of \$250,000 of common shares over a five year period (including ownership of DSUs). Until the mandated level of ownership is reached, Directors must take at least 50% of their Board and Committee compensation in the form of DSUs (although Directors are free to elect a higher level of DSU participation). Each DSU has a value based on the value of one common share. We credit DSUs to a Director's DSU account by dividing the dollar value of the Director's Board and Committee compensation by the weighted average trading price for our common shares on Toronto Stock Exchange for the five trading days before the date of payment of a Director's retainer or attendance fee. DSUs can only be redeemed at the time a Director ceases to be a Director. We will not issue or transfer any common shares on redemption of DSUs; only cash payments will be made.

The following table reflects the fees earned by the non-executive Directors for attending Board and Committee meetings in 2007. Directors who are our employees do not receive fees for serving as Directors. We also reimburse Directors for out-of-pocket expenses incurred in connection with meetings of the Board of Directors or any committee of the Board.

Director	Board Retainer (\$)	Equity Grant (DSUs) ⁽¹⁾ (\$)	Committee Chairman Retainer (\$)	Committee Member Retainer (\$)	Board Attendance Fee (\$) ⁽²⁾	Committee Attendance Fee (\$) ⁽²⁾	Total Fees Paid (\$)	Total Fees Paid in Cash (\$)	Portion of Fees taken in DSUs (%)
Tullio Cedraschi	30,000	50,000	6,000	3,000	27,000	16,500	132,500	-	100
Raymond Chan	30,000	50,000	-	3,000	30,000	9,000	122,000	72,000	41
Wayne C. Fox ⁽³⁾	125,000	150,000	-	-	-	-	275,000	-	100
Raymond Garneau	30,000	50,000	-	6,000	30,000	16,500	132,500	-	100
John A. Hagg	30,000	50,000	-	6,000	27,000	12,000	125,000	-	100
Harry A. Jaako	30,000	50,000	3,000	4,500	27,000	12,000	126,500	57,375	55
J. Spencer Lanthier	30,000	50,000	10,000	3,000	30,000	16,500	139,500	29,063	79
Jean Martel	30,000	50,000	-	6,000	30,000	12,000	128,000	39,000	70
Owen McCreery	30,000	50,000	-	3,000	30,000	9,000	122,000	72,000	41
Douglas McGregor	12,500	50,000	-	-	9,000	-	71,500	-	100
John P. Mulvihill	30,000	50,000	6,000	-	27,000	7,500	120,500	-	100
Kathleen M. O'Neill	30,000	50,000	-	6,000	30,000	16,500	132,500	-	100
Gerri B. Sinclair	30,000	50,000	-	6,000	30,000	12,000	128,000	12,500	90
Total	467,500	750,000	25,000	46,500	327,000	139,500	1,755,500	281,938	83

(1) On April 25, 2007, the Board granted \$150,000 in DSUs to the Chairman of the Board and \$50,000 in DSUs to each non-executive Director.

(2) See Schedule C on page 61 for attendance at Board and Committee meetings.

(3) Effective April 26, 2006, the Chair of the Board receives \$125,000 of cash and \$150,000 in DSUs as compensation and no additional committee or attendance fees are paid.

Director Equity Ownership

The table on page 19 shows, as at December 31, 2007, the number of common shares of TSX Group owned by each Director, the number of DSUs held by each Director, and the change from December 31, 2006 to December 31, 2007. Effective April 25, 2007 Directors must achieve ownership of \$250,000 of common shares over a five year period (including ownership of DSUs). As at December 31, 2007, all Directors at that time were above the new minimum equity ownership level.

Non-executive Directors do not receive grants of share options. The total value of common shares and DSUs is the amount each Director, as at April 17, 2008, has at risk in TSX Group.

Directors	Year	Number of Common Shares	Number of DSUs	Total Number of Common Shares and DSUs	Equity at Risk ⁽¹⁾ (\$)	Equity at Risk Multiple of Annual Retainer
Tullio Cedraschi	2007	-	16,085	16,085	608,608	7.6
	2006	-	12,858			
	Change	-	3,227			
Raymond Chan	2007	-	2,238	12,238	468,479	5.9
	2006	10,000	1,170			
	Change	-	1,068			
Wayne C. Fox ⁽²⁾	2007	-	45,136	45,136	1,707,811	6.2
	2006	-	38,109			
	Change	-	7,027			
Raymond Garneau	2007	-	14,375	15,375	582,287	7.3
	2006	1,000	11,269			
	Change	-	3,106			
John A. Hagg	2007	-	15,623	20,623	783,027	9.8
	2006	5,000	12,566			
	Change	-	3,057			
Harry A. Jaako	2007	-	11,317	11,317	428,201	5.4
	2006	-	9,558			
	Change	-	1,759			
J. Spencer Lanthier	2007	-	12,519	12,519	473,681	5.9
	2006	-	9,845			
	Change	-	2,674			
Jean Martel	2007	-	11,900	13,900	527,020	6.6
	2006	2,000	9,708			
	Change	-	2,192			
Owen McCreery	2007	-	9,826	13,826	525,306	6.6
	2006	4,000	8,515			
	Change	-	1,311			
John P. Mulvihill	2007	-	14,534	14,534	549,923	6.9
	2006	-	11,601			
	Change	-	2,933			
Kathleen M. O'Neill	2007	-	8,597	8,597	325,285	4.1
	2006	-	5,607			
	Change	-	2,990			
Gerri B. Sinclair	2007	-	6,828	6,828	258,351	3.2
	2006	-	4,246			
	Change	-	2,582			

- (1) Equity at Risk is determined by adding the value of common shares and DSUs owned. The value of common shares is determined with reference to the closing price for our common shares on Toronto Stock Exchange on April 17, 2008, which was \$38.38. The value of DSUs is determined with reference to the fair market value of a DSU on April 17, 2008, calculated based on the weighted average trading price of our common shares on Toronto Stock Exchange for the five trading days preceding April 17, 2008, which was \$37.837.
- (2) Mr. Fox's equity at risk multiple is calculated based on the annual retainer received as Chair of the Board. Mr. Fox's equity at risk multiple when calculated based on the Directors' annual retainer is 21.3 times.

Appointment of Auditor and Auditor's Remuneration

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

The persons named in the enclosed proxy intend to vote for the re-appointment of KPMG LLP, Chartered Accountants, 199 Bay Street, Commerce Court West, Toronto, Ontario, M5L 1B2, as our auditor to hold office until the next annual meeting of shareholders and in favour of authorizing the Directors to fix the auditor's remuneration.

The aggregate fees billed by KPMG LLP, TSX Group’s auditor, for professional services rendered in connection with the 2007 and 2006 financial years, are set out below:

Services Rendered	Fees billed by KPMG LLP	
	Fiscal 2006	Fiscal 2007
Audit Fees ⁽¹⁾	\$420,500	\$466,000
Audit Related Fees ⁽²⁾	\$ 53,000	\$ 55,000
All Other Fees ⁽³⁾	\$ 14,375	-

- (1) For the audit of our financial statements, including review of our quarterly financial statements and for services normally provided by the auditor in connection with statutory and regulatory filings.
- (2) For assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported in (1), including the audit of the pension plan for our employees.
- (3) For products and services other than the fees reported in (1) to (2), including internal audit control advisory services.

Amendments to Restated Articles of Incorporation

A. *Change of Name*

In the Combination Agreement with MX, we agreed to submit the name “TMX Group Inc./Groupe TMX Inc.” for approval to our shareholders at our next annual meeting called after the Effective Date. The new name is appropriate to reflect the combination of TSX Group and MX and our new vision of building an integrated Canadian exchange group that brings together cash and derivatives trading. Our share symbol on Toronto Stock Exchange will continue to be “X”.

Accordingly, the Board recommends that shareholders vote FOR the amendments to our Restated Articles of Incorporation (“Articles”) to change our name from TSX Group Inc./Groupe TSX Inc. to TMX Group Inc./Groupe TMX Inc., as set out in Schedule A to this Circular.

If the special resolution is passed by the requisite number of shareholder votes, the Corporation intends to file articles of amendment with the Director under the OBCA as soon as possible after the Meeting.

B. *Change to Share Ownership Restriction*

As a condition to obtaining the necessary approval for the Combination, on April 9, 2008, we provided the Autorité with a written undertaking (the “Undertaking”) in which we agreed that we are subject to the restriction that no person or combination of persons acting jointly or in concert may beneficially own or exercise control or direction over more than 10% of any class or series of our voting shares, without the prior approval of the Autorité. This Undertaking became effective on the Effective Date.

This right of the Autorité is similar to the provisions of section 21.11 of the *Securities Act* (Ontario), as amended by regulation, and an order of the Ontario Securities Commission granted under section 21.11(4) of the *Securities Act* (Ontario), whereby no person or company or combination of persons or companies acting jointly or in concert may beneficially own or exercise control or direction over more than 10%, or such other percentage as may be prescribed by the Ontario Securities Commission by regulation, of any class or series of our voting shares without the prior approval of the Ontario Securities Commission.

Our Articles provide for restrictions on voting share ownership which are substantively identical to the share ownership restrictions contained in section 21.11 of the *Securities Act* (Ontario), as amended by the regulation. The Articles provide that these restrictions will automatically change or be removed to the extent the *Securities Act* (Ontario) restrictions are changed or removed.

Our Articles also contain provisions to enforce these share restrictions, including provisions for suspension of voting rights, forfeiture of dividends, prohibitions against share transfer, compulsory sale of shares or redemption and suspension of other shareholder rights. We need to amend our Articles to provide for the restrictions on voting share ownership and enforcement of those restrictions to effectively enforce the Undertaking. These changes have no impact unless the restrictions set by the Ontario Securities Commission

and the Autorité or the conditions for their approval are not the same, in which case the Board will enforce the Articles on the basis of the most stringent restriction. If the Articles are not amended, we will remain subject to the Undertaking and to the restrictions it provides in favour of the Autorité. In the event we became obligated to enforce these restrictions in favour of the Autorité in the absence of corresponding restrictions in favour of the Ontario Securities Commission, we would need to do so through other available means. This may be neither practical nor cost effective for us.

Accordingly, the Board recommends that shareholders vote FOR the amendments to our Articles to reflect the fact that we have agreed to be subject to the restriction that no person or combination of persons acting jointly or in concert may beneficially own or exercise control or direction over more than 10% of any class or series of our voting shares, without the prior approval of the Autorité, in addition to the approval of the Ontario Securities Commission, all as set out in Schedule B to this Circular.

If the special resolution is passed by the requisite number of shareholder votes, the Corporation intends to file articles of amendment with the Director under the OBCA as soon as possible after the Meeting.

Votes Required to Pass the Special Resolutions

Each of the special resolutions approving the amendments described above to our Articles must be approved by at least 66 $\frac{2}{3}$ % of the votes cast by the shareholders present in person or represented by proxy at the Meeting, failing which these amendments to the Articles will not be made effective. The persons named in the enclosed proxy intend to vote for approval of both amendments to our Articles.

Dissenting Shareholders' Rights

Registered TSX Group shareholders may dissent from the special resolution amending our Articles to insert the restriction that no person or combination of persons acting jointly or in concert may beneficially own or exercise control or direction over more than 10% of any class or series of our voting shares, without the prior approval of the Autorité (the "Share Ownership Resolution"). If you exercise the dissent right we will be required to acquire the common shares for their fair value, determined as of the close of business on the day before the Share Ownership Resolution is adopted. In order to dissent, you are required to follow the procedure set out in section 185 of the OBCA.

Section 185 provides that a shareholder may only make a claim with respect to all the shares of a class held by him or her on behalf of any one beneficial owner and registered in that shareholder's name. One consequence of this provision is that **you may only exercise the right to dissent under section 185 in respect of TSX Group shares which are registered in your name.** TSX Group shareholders whose shares are registered either: (i) in the name of an intermediary that the shareholder deals with in respect of the shares (such as banks, trust companies, securities dealers and brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, and their nominees); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant, are non-registered shareholders and are not entitled to exercise the right to dissent under section 185 directly (unless the shares are re-registered in the non-registered shareholder's name). Non-registered shareholders who wish to exercise their right to dissent, should immediately contact their intermediary and either: (i) instruct the intermediary to exercise the right to dissent on their behalf (which, if the shares are registered in the name of a clearing agency, would require that the shares first be re-registered in the name of the intermediary); or (ii) instruct the intermediary to re-register the shares in the name of such non-registered TSX Group shareholder, in which case that shareholder would acquire the right to dissent directly.

Registered TSX Group shareholders who wish to invoke the provisions of section 185 of the OBCA must send CIBC Mellon Trust Company a written objection to the Share Ownership Resolution (the "Notice of Dissent") at or before the time fixed for the Annual and Special Meeting of Shareholders. If you send a Notice of Dissent you may still vote on the Share Ownership Resolution, but if you vote either in person or

by proxy against the Share Ownership Resolution, this does not constitute a Notice of Dissent. If you vote in favour of the Share Ownership Resolution you will be deprived of all further rights under section 185 of the OBCA.

Within 10 days after the adoption of the Share Ownership Resolution, we are required to notify in writing each shareholder who has filed a Notice of Dissent and has not voted for the Share Ownership Resolution or withdrawn his or her objection (a “Dissenting Shareholder”) that the Share Ownership Resolution has been adopted. Dissenting Shareholders must, within 20 days after receiving notice of adoption of the Share Ownership Resolution or, if no such notice is received, within 20 days after such Dissenting Shareholder learns that the Share Ownership Resolution has been adopted, send to TSX Group a written notice (the “Demand for Payment”) containing the Dissenting Shareholder’s name and address, the number of common shares in respect of which a dissent is made, and a demand for payment of the fair value of such common shares. Within 30 days after sending the Demand for Payment, the Dissenting Shareholder must send the certificates representing the common shares in respect of which a dissent is made, to TSX Group’s transfer agent, CIBC Mellon Trust Company. TSX Group or CIBC Mellon Trust Company will endorse on the share certificates a notice that the holder is a Dissenting Shareholder under section 185 of the OBCA and will forthwith return the share certificates.

If you are a Dissenting Shareholder and you fail to send the Notice of Dissent, the Demand for Payment, or the share certificates within the applicable time periods, you will have no right to make a claim under section 185 of the OBCA.

After sending a Demand for Payment, Dissenting Shareholders cease to have any rights as holders of our common shares in respect of which they have dissented other than the right to be paid the fair value of those common shares as determined under section 185 of the OBCA, unless: (i) the Demand for Payment is withdrawn before we make a written offer to pay (the “Offer to Pay”); (ii) we fail to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws his or her Demand for Payment; or (iii) our Board revokes the Share Ownership Resolution. In all of these cases, the Dissenting Shareholder’s rights as a TSX Group shareholder are reinstated as of the date of the Demand for Payment.

Not later than seven days after the later of the date of the adoption of the Share Ownership Resolution and the date TSX Group receives the Demand for Payment, we must send, to each Dissenting Shareholder who has sent a Demand for Payment, either (a) an Offer to Pay for the common shares in respect of which the Dissenting Shareholder has dissented, in an amount considered by our Board to be their fair value, accompanied by a statement showing how the fair value was determined, or (b) a notification that we are unable lawfully to pay for the common shares if (i) we are, or after the payment would be, unable to pay our liabilities as they become due, or (ii) the realizable value of our assets would be less than the aggregate of our liabilities. Every Offer to Pay made to Dissenting Shareholders for common shares will be on the same terms. The amount specified in an Offer to Pay which has been accepted by a Dissenting Shareholder will be paid by TSX Group within 10 days of the acceptance, but an Offer to Pay lapses if we have not received an acceptance thereof within 30 days after the Offer to Pay has been made.

If an Offer to Pay is not made by TSX Group or if a Dissenting Shareholder fails to accept an Offer to Pay, we may, within 50 days after the adoption of the Share Ownership Resolution or within such further period as the Ontario Superior Court of Justice (the “Ontario Court”) may allow, apply to the Ontario Court to fix a fair value for the common shares of any Dissenting Shareholder. If we fail to so apply to the Ontario Court, a Dissenting Shareholder may apply to the Ontario Court for the same purpose within a further period of 20 days or within such further period as the Ontario Court may allow. A Dissenting Shareholder is not required to give security for costs in any application to the Ontario Court.

Before making application to the Ontario Court or not later than seven days after receiving notice of an application to the Ontario Court by a Dissenting Shareholder, we will give to each Dissenting Shareholder who has sent a Demand for Payment and has not accepted an Offer to Pay, notice of the date, place and consequences of the application and of the Dissenting Shareholder’s right to appear and be heard in person

or by counsel. A similar notice will be given to each Dissenting Shareholder who, after the date of the first mentioned notice and before termination of the proceedings commenced by the application, sends us a Demand for Payment and does not accept an Offer to Pay, such notice to be sent within three days thereafter. All such Dissenting Shareholders will be joined as parties to any such application to the Ontario Court to fix a fair value and will be bound by the decision rendered by the Ontario Court in the proceedings commenced by such application.

The Ontario Court is authorized to determine whether any other person is a Dissenting Shareholder who should be joined as a party to such application. The Ontario Court will fix a fair value for the common shares of all Dissenting Shareholders and may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the date of adoption of the Share Ownership Resolution until the date of payment of the amount ordered by the Ontario Court. The fair value fixed by the Ontario Court may be more or less than the amount specified in an Offer to Pay. The final order of the Ontario Court in the proceedings commenced by an application by TSX Group or a Dissenting Shareholder will be rendered against TSX Group and in favor of each Dissenting Shareholder who, whether before or after the date of the order, sends us a Demand for Payment and does not accept an Offer to Pay. The cost of any application to the Ontario Court by TSX Group or a Dissenting Shareholder will be in the discretion of the Ontario Court. Where, however, we fail to make an Offer to Pay, the costs of the application by a Dissenting Shareholder are to be borne by TSX Group unless the Ontario Court orders otherwise.

The above is only a summary of the dissenting shareholder provisions of the OBCA, which are technical and complex. The full text of section 185 is attached as Schedule F to this Circular. TSX Group shareholders who wish to exercise their right to dissent should seek legal advice, as failure to comply with the strict requirements set out in section 185 of the OBCA may result in the loss or unavailability of the right to dissent.

Disclosure of Compensation and Other Information

Composition of the Human Resources Committee

The Human Resources Committee of the Board of Directors (the “Committee”) is composed of five Directors: Tullio Cedraschi (Chair), Wayne C. Fox, Raymond Garneau, John A. Hagg, and Gerri B. Sinclair, who are all independent Directors. The Committee’s complete Charter is available on our website at www.tsx.com.

Human Resources Committee Report on Executive Compensation

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

One of the Committee’s principal responsibilities is to review and recommend to the Board the Chief Executive Officer’s (“CEO”) annual compensation and to review and approve the other officers’ annual compensation. In addition, the Committee oversees the compensation policies and programs for officers. The Board has final approval on the compensation philosophy, guidelines and plans for compensating officers.

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

The Committee retained the services of Towers Perrin to provide advice and information on executive compensation. Fees paid to Towers Perrin in 2007 for executive compensation were \$23,963. The Chair of the Committee pre-approves any other consulting work or services that Towers Perrin performs for TSX Group. Fees paid in 2007 for other consulting work or services were \$5,450.

Mercer Human Resource Consulting (Mercer) provides services related to our pension plans. Total fees paid to Mercer in 2007 for consulting and administrative services related to our pension plans were \$251,704.

Principles of Executive Compensation

The Committee oversees the compensation program for our officers, including the Named Executive Officers (determined in accordance with applicable securities legislation). The objectives of the program are to:

- attract and retain executives critical to our short and long-term success;
- provide executives with compensation that is market competitive and reflects individual performance;
- focus executives on key business factors that affect shareholder value; and
- reflect the highest standards of good governance.

Our executive compensation program is designed to provide median competitive pay when corporate and individual performance meet annually established objectives. It is also designed to provide significant upside opportunity for superior corporate and individual performance. In developing a total compensation structure for officers, the Committee benchmarks the pay of comparable positions in companies within selected comparator groups. For this purpose, the primary sample is made up of companies in a broad cross section of industries. For the CEO and other corporate executives, this sample was comprised of widely held publicly-traded Canadian companies with revenues between \$300 million and \$4 billion, EBITDA greater than \$100 million and market capitalization greater than \$1 billion. Pay practices of specialized sample groups are benchmarked as a secondary reference and customized by position to reflect specialized skills, where applicable. The Committee believes that these samples are both appropriate and responsible given that there is no directly comparable group of Canadian companies (that is, stock and energy exchanges). When determining compensation for the CEO, the Committee also reviewed the compensation of CEOs of other public stock exchanges internationally and executive compensation at select Canadian financial institutions.

The design of our compensation program puts a significant portion of executive pay at risk. The more senior the executive, the greater the portion of pay that is variable as outlined in the table below.

Percentage of Target Total Direct Compensation ⁽¹⁾⁽²⁾				
Level	Median Base Salary	Short-term Incentive	Long-term Incentive (Restricted Share Units and Options)	Pay at Risk
Chief Executive Officer	40%	24%	36%	60%
Executive Vice President	44%	23%	33%	56%
Senior Vice President	47%	23%	30%	53%
Vice President	54%	19%	27%	46%

(1) Target total direct compensation is defined as base salary plus annual short-term and long-term incentive compensation at target.

(2) The percentages above do not apply to select officers (who are not Named Executive Officers) whose compensation is managed through programs designed specifically for unique markets.

Base Salary

Each year, the Committee reviews the base salaries of our officers. The Committee adjusts base salaries, as needed, relative to the competitive market for each officer's position, performance, responsibility, and contribution. Base salaries are targeted at the median of the market.

Short-Term Incentive Plan

Our short-term incentive plan is designed to reward employees for the achievement of annual performance goals and is a cash-based program.

We use a "balanced scorecard" approach to accrue for the annual short-term incentive plan. The scorecard provides comprehensive performance measures and indicators and enables us to evaluate performance and progress with respect to our critical short-term corporate goals.

The short-term incentive plan accrual is based on the balanced scorecard results. If the balanced scorecard results exceed target, the short-term incentive plan accrual will be greater than target. If the balanced scorecard results are below target, the short-term incentive plan accrual will be below target. If performance falls below specified thresholds on all measures, the balanced scorecard will not generate any accrual.

Four categories of performance are measured in our balanced scorecard:

- financial,
- customer satisfaction,
- business process and new initiatives, and
- employee measures.

We measure performance by comparing actual results against previously established short-term corporate performance targets for the year. In this way, we align compensation with measured success towards achieving short-term financial performance and long-term strategic goals. We pay varying levels of bonuses for achieving target level of individual performance. For 2007, the targets as a percentage of base salary were 35% at the Vice President level, 50% at the Senior Vice President and Executive Vice President level, and 60% for the CEO.

The Committee approves the scorecard objectives at the beginning of the performance year, and reviews the results on a quarterly basis. At the end of the year, the Committee approves the final scorecard results and may use its discretion to increase or decrease the accrual if there are unique circumstances impacting our business and scorecard results. The Committee will consider team and individual contribution in determining individual bonus awards.

Performance Measures used for Short-term Incentive Plan Accrual

For 2007, financial measures accounted for 55% of the balanced scorecard. The other 45% was made up of measures dealing with customers, business process and new initiatives, corporate development activities, and employee specific measures.

The following table summarizes the detailed performance measures that established the short-term incentive accrual for 2007. For select officers, the balanced scorecard measures and weights listed below are not applicable. Instead, measures specific to the unique businesses are used.

Performance Category	Performance Measures	Performance Weight	2007 Results
Financial	Net Income	25%	Performance exceeded target.
	Operating Expense Control	20%	Performance exceeded target.
Customer Satisfaction	-Trading System Availability -Market Data System Availability -Market Share of Trading versus Canadian ATSS -Listed Issuer Customer Response Time	20%	Performance exceeded target.
Business Process and New Initiatives	-Corporate Development and Initiatives -Operating Efficiency	15%	Performance exceeded target.
	Revenue from New Initiatives ⁽¹⁾	10%	Performance slightly below target.
Employee Measures	Several employee measures are assessed, including retention, employee development and talent management and succession planning.	10%	Performance below target.

(1) Revenue from New Initiatives is considered a financial measure.

Long-Term Compensation

Our long-term incentive program is designed to motivate executive and management participants to focus on creating shareholder value. Employees or officers (and those of designated subsidiaries) at or above the director-level or employees below director-level designated by the CEO are eligible to participate in our long-term incentive program.

We grant the long-term incentive in the form of share options and/or restricted share units. For employees or officers at or above the director-level, we provide the long-term incentive in share options and restricted share units (50% of the total dollar value is converted into share options and 50% into restricted share units). For employees below the director-level, we provide 100% of the long-term incentive in restricted share units. We award eligible participants a total dollar value, based on the participants' level of responsibility, individual performance and market competitiveness. The long-term incentive target as a percentage of base salary is 50% for Vice Presidents, 65% for Senior Vice Presidents, 75% for Executive Vice Presidents and 90% for the CEO.

Share Option Plan

Our share option plan has been designed to motivate participants to focus on creating shareholder value. Employees or officers (and those of our designated subsidiaries) at or above the director-level are eligible to be granted share options under the option plan.

We have reserved 4,152,074 common shares for issuance upon exercise of options granted under the share option plan, representing approximately 6.2% of our outstanding common shares. The exercise price of a share option will not be less than the fair market value of our common shares, being the weighted average trading price of our common shares on Toronto Stock Exchange, for the five trading days immediately preceding the effective date of the grant (such weighted average is referred to in this Circular as "fair market value"). The Committee determines the vesting schedule and term of share options subject to a maximum 10-year term. The aggregate number of common shares issuable to our insiders at any time, and issued to our insiders within any one year period, is limited. Such number of common shares cannot exceed 10% of our issued and outstanding common shares. Under no circumstances may any one person's share options and all other share compensation arrangements exceed 5% of the outstanding common shares of TSX Group.

Employees who are granted share options are prohibited from ‘monetizing’ unvested share options. Also, we do not currently provide financial assistance to facilitate the purchase of common shares under the share option plan.

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

As at April 17, 2008, the total number of (a) common shares issued on the exercise of share options granted under the share option plan and (b) issuable under outstanding options granted under the share option plan, and the respective percentages of our issued and outstanding common shares represented by those shares, was as follows:

Common Shares Issued	Common Shares Issuable Under Outstanding Options
1,447,926 (2.2%)	806,172 (1.2%)

Termination Provisions:

Options may not be transferred and may be exercised only while optionees remain employees. If an optionee’s employment is terminated:

- (a) Voluntarily by the optionee resigning, the optionee may exercise each option held which is exercisable as at the time of resignation, during the period ending thirty (30) days after the resignation date, after which all unexercised options held by the optionee will expire.
- (b) Without just cause, the optionee may exercise each option held which is exercisable as at the time of termination, during the period ending ninety (90) days after the termination date (which is the last date such optionee ceases to perform employment services and does not include any applicable period of statutory or common law notice or severance) after which all unexercised options held by the optionee will expire.
- (c) For just cause, each option held by the optionee will cease to be exercisable on the termination date (which is the last date such optionee ceases to perform employment services and does not include any applicable period of statutory or common law notice or severance).
- (d) As a result of retirement, the optionee may exercise each option held by the optionee which is exercisable as at the time of the termination date during the period ending thirty-six (36) months after the termination date after which all unexercised options held by the optionee will expire (which is the last date such optionee ceases to perform employment services and does not include any applicable period of statutory or common law notice or severance).
- (e) As a result of death, the optionee’s legal representatives may exercise each option held by the optionee which is exercisable as at the date of death during the period ending twelve (12) months after the date of death after which all unexercised options held by the optionee will expire.

Notwithstanding the foregoing, no option may be exercised after the expiry date, except where a share option expires during a blackout period. If the share option expires during a blackout period, the expiry date for the share option will be extended for 10 business days after the end of the last day of the blackout period. Also, if the share option expires within 10 business days after the end of the blackout period, the expiry date will be extended to allow for a total of 10 business days after the blackout period. For example, if the share option

expires four business days after the blackout period, the share option's expiry date will be extended an additional six business days.

Amendment Provisions

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

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

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

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

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

Share Option Grant History

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

Grant Date	Securities under Options Granted (#)	Outstanding Options (#)	Exercise Price (\$/security)	Vesting Schedule	Term of Grant
February 22, 2008 ⁽¹⁾	166,693	165,372	\$45.226	33.3% on each of the first three anniversaries of the date of grant ⁽³⁾	7 year term
August 3, 2007 ⁽²⁾	6,464	6,464	\$42.803		
May 4, 2007 ⁽²⁾	6,013	6,013	\$43.681		
February 9, 2007	207,471	144,540	\$53.037		
November 3, 2006 ⁽²⁾	4,188	2,928	\$48.391		
May 5, 2006 ⁽²⁾	9,670	9,670	\$47.304		
February 10, 2006	180,404	116,183	\$49.635		
May 5, 2005 ⁽²⁾	6,796	4,942	\$31.113		
February 2, 2005 ⁽³⁾	100,000	-	\$29.636		
February 2, 2005	277,686	116,178	\$29.636		
March 31, 2004 ⁽²⁾	27,200	13,200	\$26.447		
January 28, 2004	423,600	78,332	\$22.403	25% on each of the first four anniversaries of the date of grant	10 year term
July 2, 2003 ⁽²⁾⁽⁴⁾	50,000	4,950	\$14.167		
January 30, 2003 ⁽²⁾⁽⁴⁾	40,000	18,000	\$11.102		
January 2, 2003 ⁽⁴⁾	1,450,000	119,400	\$10.529		
Total:	2,956,185	806,172			

(1) In determining the award sizes, the Committee considered the target number of options required to meet the median total direct compensation policy described above under the section "Principles of Executive Compensation" and grants made in 2007.

(2) Additional options granted "off cycle" to employees who joined, or were promoted, outside of the annual grant process.

(3) Award granted to Mr. Nesbitt in recognition of his appointment as CEO. The CEO appointment grant vested 100% on the third anniversary of the date of grant which was February 2, 2008.

(4) On December 31, 2003, we paid a special dividend of \$2.50 per common share on all our outstanding common shares. To address the significant decrease in value of share options as a result of this special dividend, the Board approved special deferred bonus payments to holders of share options. For each option granted in 2003, we paid to each option holder who was employed on the applicable payment date a cash amount of \$2.50 per option payable in four equal installments ending December 2006, essentially in line with the period over which the share options vested.

Restricted Share Unit Plan

Our restricted share unit plan has been designed to further align management's interest with that of our shareholders. Employees or officers (or those of our designated subsidiaries) at or above the director-level, or employees below the director-level designated by the CEO, are eligible to be granted restricted share units under the restricted share unit plan.

A restricted share unit is a bookkeeping entry that is credited to an account maintained for the individual entitled to the restricted share unit. The grant price of a restricted share unit is the closing price of one of our common shares on Toronto Stock Exchange as of the close of business on December 31 or the last trading day of the year if December 31 is not a trading day.

We credit additional restricted share units, or fractional restricted share units, to an individual's account to reflect notional equivalents of dividends paid on our common shares. In this Circular, the term "RSU" will refer to the aggregate of restricted share units, and the additional restricted share units, or fractional restricted share units credited to reflect the notional equivalents of dividends paid on our common shares.

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

The number of RSUs to be redeemed is subject to a total shareholder return performance factor ("TSR"). TSR represents the share price appreciation on our common shares plus the value of the dividends paid over the term of the RSUs. Upon redemption, the TSR is calculated along with a corresponding performance multiplier. The performance multiplier is used to determine the final number of RSUs to be redeemed. For example, if target TSR is achieved, the accumulated RSUs are redeemed using a multiplier of 100% which is our target multiplier. If target TSR is exceeded, the number of RSUs will be adjusted upwards to a maximum multiplier of 180%. If target TSR is not achieved, the number of RSUs will be adjusted downward. In any event, 25% of the number of accumulated RSUs will be redeemed.

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

RSU Grant History

The following table sets out the number of RSUs granted, RSU grant value, vesting and redemption date, RSU minimum and maximum estimates and actual redemption value for RSUs that vested on December 31, 2007.

Year of Grant	RSUs Granted ⁽¹⁾ Target # of Units (#)	Vesting and Redemption Date	Grant Value per Unit (closing price of common shares on Toronto Stock Exchange on applicable date) (\$)		RSU Minimum and Maximum Estimates		Redemption Value (\$)
					Minimum # of Units ⁽²⁾ (#)	Maximum # of Units ⁽²⁾ (#)	
2008	42,739	December 31, 2010	\$52.800	December 31, 2007	10,685	76,930	-
2007 ⁽³⁾	58,280	December 31, 2009	\$46.610	December 29, 2006	14,570	104,904	-
2006	56,507	December 31, 2008	\$46.830	December 30, 2005	14,127	101,713	-
2005 ⁽⁴⁾	90,800	December 31, 2007	\$26.845	December 31, 2004	22,700	163,440 ⁽⁵⁾	\$6,122,389

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

(2) The minimum (25%) and maximum (180%) number of RSUs do not include additional RSUs or fractional RSUs that would be credited to reflect notional equivalents of dividends paid during the RSU term.

(3) In 2007, additional RSUs were granted "off cycle" to employees who joined, or were promoted, after the date of last year's Circular.

(4) The 2005 RSUs vested on December 31, 2007 and were paid out based on the maximum 180% multiplier.

(5) The actual number of units on which the 2005 payout was based was less than the 163,440 maximum estimate due to the forfeiture of RSUs upon employee resignation or termination prior to the vesting and redemption date.

RSUs are not transferable or assignable other than by will or the laws of descent and distribution. If the employee has resigned or employment is terminated for cause prior to the vesting date of the RSUs, the employee forfeits all right, title and interest with respect to the RSUs. If employment has ceased prior to the vesting date for any reason other than resignation or termination for cause, the number of RSUs is pro-rated for time, and the TSR is calculated and pro-rated based on the last day of the preceding completed calendar quarter. The lump sum cash payment is equal to the performance adjusted number of RSUs multiplied by the

fair market value per common share determined as at the date of such termination (net of any applicable withholdings).

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

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

Equity Ownership Requirements

To further align the interests of our officers with those of our shareholders we mandate minimum equity ownership for each of our officers, including the Named Executive Officers. We require that officers achieve a level of equity ownership that is a multiple of one to three times base salary depending on seniority as follows:

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

We require that officers achieve the minimum level of ownership over a three-year period. We include deferred share units and additional deferred share units, or fractional deferred share units, credited to reflect notational equivalents of dividends paid on our common shares for purposes of satisfying an officer's equity ownership requirement.

The CEO is required to pre-disclose to the public the intention to sell or purchase TSX Group common shares, including the exercise of options. The disclosure must occur no less than two business days prior to the transaction.

The following table sets forth the equity ownership information for the Named Executive Officers as at April 17, 2008.

Named Executive Officer	Common Shares		Deferred Share Units		Total Equity Ownership (\$)	Multiple of Salary
	(#)	(\$) ⁽¹⁾	(#)	(\$) ⁽²⁾		
Richard Nesbitt ⁽³⁾	-	-	-	-	-	-
Michael Ptasznik	10,243	393,126	23,644	894,618	1,287,744	4.0
Rik Parkhill	30,300	1,162,914	19,673	744,367	1,907,281	4.8
Brenda Hoffman	31,914	1,224,859	36,292	1,373,180	2,598,039	7.4
Sharon C. Pel	18,032	692,068	4,533	171,515	863,583	2.7

(1) The closing price for our common shares on Toronto Stock Exchange on April 17, 2008, was \$38.38.

(2) The fair market value of a deferred share unit on April 17, 2008, was \$37.837.

(3) Mr. Nesbitt left TSX Group on February 27, 2008.

Deferred Share Unit Plan

For the years 2001 and 2002, we awarded grants to officers and director-level employees under the interim bonus plan which we introduced in lieu of a long-term compensation plan for those years. The interim bonus plan provided eligible employees with a deferred award based on our annual financial performance. For officers we converted the deferred awards into deferred share units. A deferred share unit is a bookkeeping entry that is credited to an account maintained for the individual entitled to the deferred share unit. The fair market value of a deferred share unit is based on the weighted average trading price of our common shares

on Toronto Stock Exchange for the five trading days before the applicable conversion date. We credit additional deferred share units or fractional deferred share units to an individual's account to reflect notional equivalents of dividends paid on our common shares. In this Circular, the term "DSU" will refer to the aggregate of deferred share units and additional deferred share units, or fractional deferred share units, credited to reflect notional equivalents of dividends paid on our common shares.

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

In addition, to assist our officers to meet their equity ownership requirements, we give officers the opportunity to convert all or part of their short-term incentive award into DSUs. We limit this opportunity to those officers who have not yet achieved their required level of equity ownership. Our officers converted the following short-term incentive amounts into DSUs:

Year of Deferral	Short-term Incentive Elected for Deferral ⁽¹⁾ (\$)	Fair Market Value per DSU (\$)	Number of DSUs (#)
2008	\$202,500	\$45.515	4,449
2007	\$29,375	\$52.205	563
2006	\$275,000	\$49.126	5,598
2005	\$117,200	\$29.638	3,954
2004	\$290,000	\$24.798	11,694

(1) Represents the previous year's short-term incentive total dollar amount elected for conversion to DSUs.

DSUs are not transferable or assignable other than by will or the laws of descent and distribution. If an employee retires or otherwise ceases to be an employee (other than for reason of death), the employee must file a notice of redemption on or before December 15 of the first calendar year which commences after the date of retirement or termination. We will then pay the employee a lump sum cash payment (net of any applicable withholdings) equal to the number of DSUs vested as of the filing date multiplied by the fair market value per common share determined as at the date of filing the notice of redemption. If an employee dies while employed (or after ceasing to hold all positions but before filing a notice of redemption), then within 90 days of the employee's death, we must redeem all of the employee's DSUs and make a lump sum cash payment to or for the benefit of the legal representative of the employee. The lump sum payment will be equal to the number of DSUs as of the date of the employee's death multiplied by the fair market value per common share determined as of the date of the employee's death.

Under the Deferred Share Unit Plan, the Committee may, at any time, subject to any required regulatory approval or shareholder approval, amend, suspend or terminate the Deferred Share Unit Plan in whole or in part.

Compensation of the Chief Executive Officer

The Governance Committee of the Board assesses the overall performance of the CEO each year. The Committee conducts its review of the CEO's contribution considering financial and non-financial components. The Committee then considers this assessment in determining the CEO's salary and recommending the CEO's short and long-term compensation awards to the Board of Directors.

The table below summarizes the CEO's key objectives and highlights for 2007:

Key Objectives	Results	2007 Highlights
Financial: Deliver the financial plan and targeted long-term earnings per share growth.	Exceeded performance objectives.	- Revenue: Above target. - Net income: Above target. - Earnings per share: Above target.
Company Growth: Develop strategies for growth beyond existing operations, planning for the longer term beyond five years.	Exceeded performance objectives.	- Developed equity derivatives strategy and executed agreement to combine our operations with MX. - Acquisition of The Equicom Group Inc. - Alliance with Intercontinental Exchange Inc. ("ICE") for energy trading and clearing.
Operational Efficiency: Refine strategies for future growth through innovation and improved operations in trading, market data, listings and technology.	Exceeded performance objectives.	- The TSX Quantum™ trading engine was launched. - Expanded U.S. Listings. - Revised TSX Market's trading fee structure in order to attract more volume on Toronto Stock Exchange and incent liquidity from global participants and to more closely align the pricing model for TSX Venture Exchange to that of Toronto Stock Exchange. - Added multi-dealer pricing sources to DEX fixed income indices.
Succession Planning: Review the next generation succession strategy and assess the role and effectiveness of the management structure.	Exceeded performance objective.	-Succession plans in place for key positions.

In assessing Mr. Nesbitt's contribution, the Governance Committee assessed his performance against the objectives listed above. The greatest consideration was given to the following:

- The delivery of the 2007 financial plan and contribution towards the long-term annual earning per share growth rate, the results of which significantly exceeded targets.
- The successful development of strategies for growth beyond existing operations, including the development and execution of the equity derivatives strategy and the agreement to combine TSX Group and MX operations, and the arrangement with ICE for energy trading and clearing.
- Further recognition was given to Mr. Nesbitt's strategy for future growth through innovation and improved operations in trading, market data, listings and technology.

For 2007, Mr. Nesbitt's annual base salary was \$550,000.

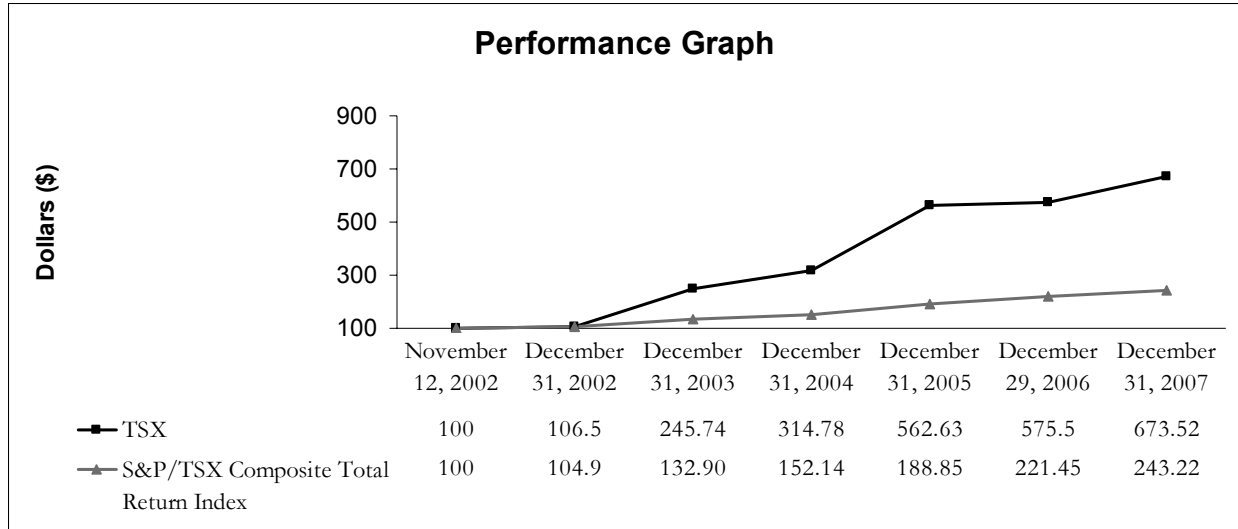
Mr. Nesbitt's 2007 annual target short-term bonus remained at 60% of salary. Mr. Nesbitt received an annual bonus of \$725,000 for 2007 performance. This amount was determined in accordance with the corporate balanced scorecard results and the Governance Committee's assessment of the CEO's contribution.

Submitted by the Human Resources Committee:

Tullio Cedraschi – Chair, Wayne C. Fox, Raymond Garneau, John A. Hagg and Gerri B. Sinclair.

Performance Graph

This graph compares the total cumulative shareholder return for \$100 invested in TSX Group common shares on November 12, 2002 with the cumulative total return, including dividend reinvestment, of the S&P/TSX Composite Index for the period from November 12, 2002, the date our common shares began trading on Toronto Stock Exchange, through to and including December 31, 2007.



“S&P” is a trade-mark owned by The McGraw-Hill Companies, Inc. and is used under license. “TSX” is a trade-mark owned by TSX Inc.

Compensation of Named Executive Officers

The following tables present information about compensation of our Named Executive Officers (determined in accordance with applicable securities legislation). The following table sets out the total compensation awarded to, earned by, or paid to, each of the Named Executive Officers for services rendered to us by that individual in all capacities:

Summary Compensation Table

Name & Principal Position	Year	Annual Compensation			Long-Term Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Options/SAR Granted (#) ⁽⁴⁾	Deferred Share Units (#) ⁽⁵⁾	LTIP Payouts (\$) ⁽⁶⁾	All Other Compensation (\$) ⁽⁷⁾
Richard Nesbitt ⁽¹⁾ CEO	2007	550,000	725,000	N/A	33,439	N/A	1,037,348	109,768
	2006	500,000	725,000	N/A	25,194	N/A	775,948	143,605
	2005	500,000	600,000	N/A	131,796	N/A	N/A	133,607
Michael Ptasznik ⁽²⁾ Senior Vice President and Chief Financial Officer	2007	300,000	310,000	N/A	8,529	N/A	305,102	44,231
	2006	275,000	235,000	N/A	7,762	N/A	322,708	64,131
	2005	250,000	185,000	N/A	9,726	N/A	N/A	60,260
Rik Parkhill ⁽²⁾ President, TSX Markets	2007	375,000	450,000	N/A	18,448	N/A	508,504	34,338
	2006	350,000	400,000	N/A	16,784	N/A	322,708	48,197
	2005	300,000	375,000	N/A	16,210	N/A	N/A	47,446
Brenda Hoffman ⁽³⁾ Senior Vice President and Chief Information Officer	2007	341,775	300,000	N/A	8,078 / 4,622	N/A	203,402	65,544
	2006	325,000	200,000	N/A	7,354	N/A	393,413	82,726
	2005	325,000	175,000	N/A	6,484	N/A	N/A	80,354
Sharon C. Pel Senior Vice President Legal & Business Affairs	2007	315,000	300,000	N/A	8,529	N/A	366,123	10,388
	2006	300,000	235,000	N/A	7,762	N/A	393,413	40,643
	2005	300,000	225,000	N/A	11,034	N/A	N/A	39,926

(1) Mr. Nesbitt left TSX Group on February 27, 2008.

(2) Mr. Ptasznik and Mr. Parkhill were appointed Interim Co- Chief Executive Officers of TSX Group effective January 7, 2008.

(3) Ms. Hoffman was appointed Senior Vice President and Chief Information Officer on April 30, 2007. The information presented for 2007 is the actual compensation paid. The annualized equivalent for salary was \$325,000 in her capacity of Vice President, Information & Trading Technology Development, TSX Technologies and \$350,000 in her capacity of Senior Vice President and Chief Information Officer. Upon appointment to Senior Vice President and Chief Information Officer, Ms. Hoffman was awarded an off-cycle long term incentive award. 50% of the dollar award was converted to a grant of 4,622 share options.

(4) See tables on page 37 for RSUs that were granted in 2008 and 2007.

(5) We converted DSUs from deferred amounts granted under the interim bonus plan, as outlined under the “Deferred Share Unit Plan” section of this Circular. Short-term incentive awards can also be converted to DSUs if equity ownership requirements have not been met. We credit notional equivalents of dividends paid on common shares during the year in the form of additional units. Aggregate holdings of DSUs as at December 31, 2007 and their value, based on the closing price of our common shares on December 31, 2007 of \$52.80 are as follows: Mr. Ptasznik 23,445 units with a value of \$1,237,896, Mr. Parkhill 19,508 units with a value of \$1,030,022, Ms. Hoffman 35,986 units with a value of \$1,900,061 and Ms. Pel 4,495 units with a value of \$237,336. Mr. Nesbitt redeemed 62,883 DSUs effective February 29, 2008 at a fair market value of \$44.864 per DSU for a total value of \$2,821,164.

(6) The 2004 and 2005 RSUs vested and were paid in 2006 and 2007.

(7) These amounts include premiums for term life insurance maintained for the benefit of the Named Executive Officer, employer contributions to the Employee Share Purchase Plan up to April 17, 2008, cash equivalent of the paid installment of the \$2.50 special dividend per common share paid to participants in the 2003 share option plan (last payment made in 2006) and the value of dividend DSUs credited during the year. The year-end value of the dividend equivalents for 2007 is as follows: Mr. Nesbitt \$105,530, Mr. Ptasznik \$39,680, Mr. Parkhill \$33,016, Ms. Hoffman \$60,905 and Ms. Pel \$7,608.

Aggregate Compensation for the Named Executive Officers

	2007 ⁽²⁾	2006	2005 ⁽³⁾
Total Aggregate NEO Compensation ⁽¹⁾	\$ 6.3 million	\$ 5.8 million	\$6.1 million
As a percentage of Total Revenue	1.5%	1.6%	2.1%
As a percentage of Net Income	4.3%	4.4%	5.9%

(1) Total aggregate compensation includes base salary, short-term incentive, the grant value of long-term incentive awards and pension service costs, where applicable. Total aggregate compensation does not include the actual RSU redemption amounts for previous year grants.

(2) Total aggregate NEO compensation in 2007 includes the grant value of Ms. Hoffman’s one-time Senior Vice President and Chief Information Officer appointment award of share options and RSUs.

(3) Total aggregate NEO compensation in 2005 includes the grant value of Mr. Nesbitt’s one-time CEO appointment award of share options.

Share Options Granted in 2007

The following table sets out share options granted under the Share Option Plan to Named Executive Officers during the year ended December 31, 2007. The exercise price is based on the fair market value per common share determined as at the date of grant.

Name	Securities under Options Granted (#)	% of Total Options Granted to Employees in 2007	Exercise Price (\$/security)	Market Value of Securities Underlying Options on the Date of Grant (\$/security)	Expiration Date
Richard Nesbitt ⁽¹⁾	33,439	15.2%	53.037	53.250	March 28, 2008
Michael Ptasznik	8,529	3.9%	53.037	53.250	February 8, 2014
Rik Parkhill	18,448	8.4%	53.037	53.250	February 8, 2014
Brenda Hoffman ⁽²⁾	8,078	3.7%	53.037	53.250	February 8, 2014
	4,622	2.1%	43.681	43.740	May 3, 2014
Sharon C. Pel	8,529	3.9%	53.037	53.250	February 8, 2014

(1) Mr. Nesbitt left TSX Group on February 27, 2008. 2/3 of options granted in 2007 were forfeited, and the remaining 1/3 expired on March 28, 2008, in accordance with the terms of the Share Option Plan.

(2) Ms. Hoffman was awarded an off-cycle grant of 4,622 options at an exercise price of \$43.681 in recognition of her appointment to Senior Vice President and Chief Information Officer.

Share Options Exercised in 2007

The following table sets out the financial year-end share option values for Named Executive Officers. The value of unexercised in-the-money options at December 31, 2007 is the difference between the exercise price of the share options and the closing price of our common shares on Toronto Stock Exchange on December 31, 2007, which was \$52.80 per common share.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Financial Year-End (#)		Value of unexercised in-the-money Options at Financial Year-End (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Richard Nesbitt ⁽¹⁾	Nil	Nil	161,596	160,833	5,717,414	2,615,051
Michael Ptasznik	16,500	644,696	9,071	16,946	158,383	91,477
Rik Parkhill	Nil	Nil	30,403	35,039	812,363	160,545
Brenda Hoffman	13,000	470,993	16,375	19,763	423,478	107,700
Sharon C. Pel	16,562	378,549	7,537	17,382	199,421	101,576

(1) Mr. Nesbitt left TSX Group on February 27, 2008. 1/3 of options granted in 2006 and 2/3 of options granted in 2007 were forfeited on February 27, 2008, in accordance with the terms of the Share Option Plan.

Restricted Share Units Granted in 2007

The following table provides details on the RSU grants to the Named Executive Officers in 2007.

Name	Securities, Units or other Rights (#) ⁽¹⁾	Performance or other period until maturation or payout	Estimated Future Payouts Under Non-Securities-Price-Based Plans ⁽²⁾		
			Minimum (#) ⁽³⁾	Target (#)	Maximum (#) ⁽³⁾
Richard Nesbitt ⁽⁴⁾	8,500	December 31, 2009	2,125	8,500	15,300
Michael Ptasznik	2,170	December 31, 2009	543	2,170	3,906
Rik Parkhill	4,690	December 31, 2009	1,173	4,690	8,442
Brenda Hoffman ⁽⁵⁾	3,220	December 31, 2009	805	3,220	5,796
Sharon C. Pel	2,170	December 31, 2009	543	2,170	3,906

(1) The grant price of an RSU is the closing price of one of our common shares on Toronto Stock Exchange at the close of business on December 31 or the last trading day of the previous year.

(2) As outlined under “Restricted Share Unit Plan”, upon redemption, we adjust the number of RSUs by the TSR performance factor. If target TSR is achieved 100% of RSUs will vest. If target TSR is exceeded, the number of RSUs will be adjusted upwards to a maximum multiplier of 180%. If target TSR is not achieved, the number of RSUs will be adjusted downward, to a minimum multiplier of 25%.

(3) The minimum (25%) and maximum (180%) number of RSUs do not include additional RSUs, or fractional RSUs, that would be credited to reflect notional equivalents of dividends paid on TSX Group common shares during the RSU term.

(4) Mr. Nesbitt left TSX Group on February 27, 2008. All RSUs granted to him in 2007 were forfeited in accordance with the terms of the RSU plan.

(5) Ms. Hoffman was awarded an off cycle grant of 1,170 RSUs in recognition of her appointment to Senior Vice President and Chief Information Officer. The grant price and maturation date of an off-cycle RSU award is the same as the annual grant for that particular year.

Share Options and Restricted Share Units granted in 2008

The following table provides details on the share options and RSU grants that were made in 2008 to the Named Executive Officers up to and including April 17, 2008.

Name	Options			RSUs	
	Securities Under Options Granted (#)	Exercise or Base Price (\$/Security)	Expiration Date	Target RSUs Granted (#)	Grant Price (\$/RSU)
Richard Nesbitt ⁽¹⁾	-	-	-	-	-
Michael Ptasznik	10,983	45.226	February 21, 2015	2,590	52.800
Rik Parkhill	19,777	45.226	February 21, 2015	4,660	52.800
Brenda Hoffman	10,983	45.226	February 21, 2015	2,590	52.800
Sharon C. Pel	9,889	45.226	February 21, 2015	2,330	52.800

(1) Mr. Nesbitt left TSX Group on February 27, 2008 and was not granted share options or RSUs in 2008.

Securities Authorized for Issuance under Equity Compensation Plans

The following table shows, as of December 31, 2007, compensation plans under which our equity securities are authorized to be issued from treasury both for plans previously approved by shareholders and plans not previously approved by shareholders (of which there are none).

The numbers shown under “Equity compensation plans approved by security holders” relate to our share option plan. Please refer to the description of the share option plan under “Long-Term Compensation” in this Circular.

Plan category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	973,522	\$31.64	3,448,428
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	973,522	\$31.64	3,448,428

Pension Plans

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

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

All Named Executive Officers may take early retirement on or after the first day of the month after their 55th birthday, in which case they will be entitled to receive a reduced pension. The amount of pension that is payable will be reduced by 1/4% for each month between such early retirement date and the earlier of age 60 or when age plus service equals 85. All Named Executive Officers who have not retired and are over the age of 55 may retire with full pension at the earlier of age 60 or when age plus service equals 85. The pension benefit is payable for life, with 120 monthly payments guaranteed if there is no surviving spouse or 60% continuance for a surviving spouse. In addition, Named Executive Officers are guaranteed the greater of the commuted value of their accrued pension benefit and the amount equivalent to 10% of their pensionable earnings accumulated each year with interest while a member of the supplementary retirement plan.

The following table shows the aggregate annual retirement benefits payable under the defined benefit tier of the registered pension plan and the supplementary retirement plan upon retirement at age 65 based on the above described pension formula (exclusive of the amounts paid under the Canada Pension Plan or the Quebec Pension Plan):

Annual Pension Payable upon Retirement at Normal Retirement Age

Remuneration (\$)	Years of Service and Annual Pension Benefit Payable					
	10	15	20	25	30	35
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
200,000	40,000	60,000	80,000	100,000	120,000	140,000
225,000	45,000	67,500	90,000	112,500	135,000	157,500
250,000	50,000	75,000	100,000	125,000	150,000	175,000
300,000	60,000	90,000	120,000	150,000	180,000	210,000
400,000	80,000	120,000	160,000	200,000	240,000	280,000
500,000	100,000	150,000	200,000	250,000	300,000	350,000
600,000	120,000	180,000	240,000	300,000	360,000	420,000
700,000	140,000	210,000	280,000	350,000	420,000	490,000
800,000	160,000	240,000	320,000	400,000	480,000	560,000
900,000	180,000	270,000	360,000	450,000	540,000	630,000
1,000,000	200,000	300,000	400,000	500,000	600,000	700,000
1,100,000	220,000	330,000	440,000	550,000	660,000	770,000
1,200,000	240,000	360,000	480,000	600,000	720,000	840,000

The table indicates pension levels at various credited years of service and levels of remuneration.

The respective credited years of service for pension plan purposes as of December 31, 2007, at age 60 and at normal retirement at age 65 for the Named Executive Officers, as well as the estimated benefits based on current levels of final average earnings and payable upon retirement are as follows:

Name	Years of Service			Projected Annual Benefit	
	December 31, 2007	Age 60	Age 65	Age 60 (\$)	Age 65 (\$)
Richard Nesbitt	6.3	14.1	19.1	225,847	303,347
Michael Ptasznik	9.2	28.7	33.7	236,500	277,750
Rik Parkhill	6.0	14.6	19.6	151,145	202,395
Brenda Hoffman	6.9	22.4	27.4	216,132	262,466
Sharon C. Pel ⁽¹⁾	4.5	13.4	18.4	124,054	169,804

(1) Ms. Pel also participates in a supplemental executive retirement arrangement that will provide an additional \$77,700 per annum upon her retirement at age 65.

The following estimated pension service costs and accrued pension obligations under the registered pension plan and supplementary retirement plan are being provided on a voluntary basis and exceed applicable disclosure requirements:

Additional Executive Pension Disclosure ⁽¹⁾		
Name	2007 Pension Service Cost ⁽²⁾ (\$)	Accrued Pension Obligation at December 31, 2007 ⁽³⁾ (\$)
Richard Nesbitt ⁽⁴⁾	178,270	1,104,721
Michael Ptasznik	81,409	721,486
Rik Parkhill	119,576	710,038
Brenda Hoffman	94,409	697,228
Sharon C. Pel	103,403	457,445

(1) Amounts shown include pension benefits under the registered pension plan and the supplementary retirement plan and reflect the impact of the cap on bonus which was made effective in 2006.

(2) Pension Service Cost is the value of the projected pension earned in 2007 and has been calculated using actuarial assumptions and methods that are consistent with those used to calculate the current service cost included in the 2007 pension expense disclosed in our annual consolidated financial statements for 2007.

(3) Accrued Pension Obligation is the value of the projected pension earned for service to December 31, 2007 and has been calculated using actuarial assumptions and methods that are consistent with those used to calculate the accrued benefit obligation in our annual consolidated financial statements for 2007.

(4) Mr. Nesbitt left TSX Group on February 27, 2008.

Employment Contracts and Severance Arrangements

There are no unique employment contracts or severance arrangements with the current Named Executive Officers.

In connection with the Combination, Mr. Luc Bertrand entered into an employment agreement which became effective on May 1, 2008 on the consummation of the Combination. The employment agreement replaced Mr. Bertrand's executive employment and change of control agreement with MX without any payment being made thereunder in connection with the Combination. Pursuant to the employment agreement, Mr. Bertrand has agreed to a base salary of \$535,000 and a short-term incentive/bonus target of 75% of base salary. In the event of termination without cause during the term of Mr. Bertrand's new employment contract with TSX Group, he will be entitled to 24 months' total compensation (current base salary plus average of the ordinary bonuses received in respect of the previous two years). If he resigns within one year of the effective date of the Combination, he will be entitled to 18 months' base salary.

Total Compensation

In establishing total compensation levels for executives and in communicating these amounts to recipients, we define current year total direct compensation as the aggregate of base salary, cash bonus, and equity incentives (that is, share option grants and RSUs). Total compensation is defined as total direct compensation plus the annual pension service cost. The following tables show 2005, 2006 and 2007 fiscal year total compensation as determined by the Committee for each Named Executive Officer.

While pension benefits are not paid or awarded on an annual basis, we also view the annual value of the Pension Plan to be an integral portion of the overall compensation program. Information on the annual pension service cost is shown in the tables below. Information on the accrued liability and annual pension available at retirement has been disclosed in the Pension Plans section above.

Richard Nesbitt ⁽¹⁾ CEO	2007 \$	2006 \$	2005 \$
<i>Cash</i>			
Salary	550,000	500,000	500,000
Cash Bonus	725,000	725,000	600,000
Total Cash	1,275,000	1,225,000	1,100,000
<i>Equity</i>			
Restricted Share Units ⁽²⁾⁽³⁾	362,520	299,940	250,600
Share Options ⁽⁴⁾	362,480	300,060	249,400
CEO Appointment ⁽⁵⁾			784,500
Total Equity	725,000	600,000	1,284,500
Total Direct Compensation	2,000,000	1,825,000	2,384,500
Annual Pension Service Cost ⁽⁶⁾	178,270	160,100	131,000
Total	2,178,270	1,985,100	2,515,500

(1) Mr. Nesbitt left TSX Group on February 27, 2008.

(2) These amounts represent the value of the RSU awards at the time of grant. The initial value of an RSU is based on the closing price of our common shares on Toronto Stock Exchange on the last trading day of the previous year. As outlined under "Restricted Share Unit Plan", upon redemption, we adjust the number of RSUs by a TSR performance factor at the end of the RSU term. RSUs are then valued using the fair market value per common share determined as at the date of redemption.

(3) RSU Redemptions: RSUs granted in 2004 vested on December 31, 2006. The maximum multiplier of 180% was applied to the number of RSUs held by Mr. Nesbitt. The redemption value on December 31, 2006 was \$775,948, which includes the 2004 target grant of \$168,000, and this amount was paid in January 2007. The 2005 RSUs vested on December 31, 2007. The maximum multiplier of 180% was applied to the number of RSUs held by Mr. Nesbitt. The redemption value on December 31, 2007 was \$1,037,348, which includes the 2005 target grant of \$250,600, and this amount was paid in January 2008.

(4) These amounts represent the compensation value of options granted and valued using a Black Scholes value of 23.25% (the corresponding value for 2006 was 25% and 2005 was 26%). The share option exercise prices are as follows: 2007 options: \$53.037, 2006 options: \$49.635 and 2005 options: \$29.636.

(5) This amount represents the compensation value of the award granted to Mr. Nesbitt in recognition of his appointment as CEO, valued using a Black Scholes value of 26%. The share option exercise price for this award is \$29.636. These options vested on February 2, 2008.

(6) Annual Pension Service Cost is the value of the projected pension earned in a specific fiscal year and has been calculated using actuarial assumptions and methods that are consistent with those used to calculate the service cost included in the pension expense disclosed in our annual consolidated financial statements.

Michael Ptasznik ⁽¹⁾ Senior Vice President and CFO	2007 \$	2006 \$	2005 \$
<i>Cash</i>			
Salary	300,000	275,000	250,000
Cash Bonus	310,000	235,000	185,000
Total Cash	610,000	510,000	435,000
<i>Equity</i>			
Restricted Share Units ⁽²⁾⁽³⁾	92,550	92,555	73,700
Share Options ⁽⁴⁾	92,450	92,445	76,300
Total Equity	185,000	185,000	150,000
Total Direct Compensation	795,000	695,000	585,000
Annual Pension Service Cost ⁽⁵⁾	81,409	72,500	49,500
Total	876,409	767,500	634,500

(1) Mr. Ptasznik was appointed Interim Co-Chief Executive Officer effective January 7, 2008.

(2) These amounts represent the value of the RSU awards at the time of grant. The initial value of an RSU is based on the closing price of our common shares on Toronto Stock Exchange on the last trading day of the previous year. As outlined under "Restricted Share Unit Plan", upon redemption, we adjust the number of RSUs by a TSR performance factor at the end of the RSU term. RSUs are then valued using the fair market value per common share determined as at the date of redemption.

(3) RSU Redemptions: RSUs granted in 2004 vested on December 31, 2006. The maximum multiplier of 180% was applied to the number of RSUs held by Mr. Ptasznik. The redemption value on December 31, 2006 was \$322,708, which includes the 2004 target grant of \$69,900, and this amount was paid in January 2007. The 2005 RSUs vested on December 31, 2007. The maximum multiplier of 180% was applied to the number of RSUs held by Mr. Ptasznik. The redemption value on December 31, 2007 was \$305,102, which includes the 2005 target grant of \$73,700, and this amount was paid in January 2008.

(4) These amounts represent the compensation value of options granted and valued using a Black Scholes value of 23.25% (the corresponding value for 2006 was 25% and 2005 was 26%). The share option exercise prices are as follows: 2007 options: \$53.037, 2006 options: \$49.635 and 2005 options: \$29.636.

(5) Annual Pension Service Cost is the value of the projected pension earned in a specific fiscal year and has been calculated using actuarial assumptions and methods that are consistent with those used to calculate the service cost included in the pension expense disclosed in our annual consolidated financial statements.

Rik Parkhill ⁽¹⁾ President, TSX Markets	2007 \$	2006 \$	2005 \$
Cash			
Salary	375,000	350,000	300,000
Cash Bonus	450,000	400,000	375,000
Total Cash	825,000	750,000	675,000
Equity			
Restricted Share Units ⁽²⁾⁽³⁾	200,030	200,105	122,800
Share Options ⁽⁴⁾	199,970	199,895	127,200
Total Equity	400,000	400,000	250,000
Total Direct Compensation	1,225,000	1,150,000	925,000
Annual Pension Service Cost ⁽⁵⁾	119,576	109,700	77,000
Total	1,344,576	1,259,700	1,002,000

- (1) Mr. Parkhill was appointed Interim Co-Chief Executive Officer effective January 7, 2008.
- (2) These amounts represent the value of the RSU awards at the time of grant. The initial value of an RSU is based on the closing price of our common shares on Toronto Stock Exchange on the last trading day of the previous year. As outlined under “Restricted Share Unit Plan”, upon redemption, we adjust the number of RSUs by a TSR performance factor at the end of the RSU term. RSUs are then valued using the fair market value per common share determined as at the date of redemption.
- (3) RSU Redemptions: RSUs granted in 2004 vested on December 31, 2006. The maximum multiplier of 180% was applied to the number of RSUs held by Mr. Parkhill. The redemption value on December 31, 2006 was \$322,708, which includes the 2004 target grant of \$69,900, and this amount was paid in January 2007. The 2005 RSUs vested on December 31, 2007. The maximum multiplier of 180% was applied to the number of RSUs held by Mr. Parkhill. The redemption value on December 31, 2007 was \$508,504, which includes the 2005 target grant of \$122,800, and this amount was paid in January 2008.
- (4) These amounts represent the compensation value of options granted and valued using a Black Scholes value of 23.25% (the corresponding value for 2006 was 25% and 2005 was 26%). The share option exercise prices are as follows: 2007 options: \$53.037, 2006 options: \$49.635 and 2005 options: \$29.636.
- (5) Annual Pension Service Cost is the value of the projected pension earned in a specific fiscal year and has been calculated using actuarial assumptions and methods that are consistent with those used to calculate the service cost included in the pension expense disclosed in our annual consolidated financial statements.

Brenda Hoffman Senior Vice President and Chief Information Officer	2007 \$	2006 \$	2005 \$
Cash			
Salary ⁽¹⁾	350,000	325,000	325,000
Cash Bonus	300,000	200,000	175,000
Total Cash	650,000	525,000	500,000
Equity			
Restricted Share Units ⁽²⁾⁽³⁾	87,430	87,415	49,130
Share Options ⁽⁴⁾	87,570	87,585	50,870
Senior Vice President and Chief Information Officer Appointment ⁽⁵⁾			
Restricted Share Units ⁽²⁾	49,900		
Share Options ⁽⁵⁾	50,100		
Total Equity	275,000	175,000	100,000
Total Direct Compensation	925,000	700,000	600,000
Annual Pension Service Cost ⁽⁶⁾	94,409	86,341	66,469
Total	1,019,409	786,341	666,469

- (1) Ms. Hoffman’s salary was increased from \$325,000 to \$350,000 upon her appointment to Senior Vice President and Chief Information Officer in 2007.
- (2) These amounts represent the value of the RSU awards at the time of grant. The initial value of an RSU is based on the closing price of our common shares on Toronto Stock Exchange on the last trading day of the previous year. As outlined under “Restricted Share Unit Plan”, upon redemption, we adjust the number of RSUs by a TSR performance factor at the end of the RSU term. RSUs are then valued using the fair market value per common share determined as at the date of redemption.
- (3) RSU Redemptions: RSUs granted in 2004 vested on December 31, 2006. The maximum multiplier of 180% was applied to the number of RSUs held by Ms. Hoffman. The redemption value on December 31, 2006 was \$393,413, which includes the 2004 target grant of \$85,200, and this amount was paid in January 2007. The 2005 RSUs vested on December 31, 2007. The maximum multiplier of 180% was applied to the number of RSUs held by Ms. Hoffman. The redemption value on December 31, 2007 was \$203,402, which includes the 2005 target grant of \$49,130, and this amount was paid in January 2008.
- (4) These amounts represent the compensation value of options granted and valued using a Black Scholes value of 23.25% (the corresponding value for 2006 was 25% and 2005 was 26%). The share option exercise prices are as follows: 2007 options: \$53.037, 2006 options: \$49.635 and 2005 options: \$29.636.

- (5) Ms. Hoffman was awarded an off-cycle long-term incentive award of \$100,000 in recognition of her appointment to Senior Vice President and Chief Information Officer. Ms. Hoffman's off-cycle share options were granted and valued using a Black Scholes value of 23.25% and had a share option exercise price of \$43.681.
- (6) Annual Pension Service Cost is the value of the projected pension earned in a specific fiscal year and has been calculated using actuarial assumptions and methods that are consistent with those used to calculate the service cost included in the pension expense disclosed in our annual consolidated financial statements.

Sharon C. Pel Senior Vice President, Legal & Business Affairs	2007 \$	2006 \$	2005 \$
<i>Cash</i>			
Salary	315,000	300,000	300,000
Cash Bonus	300,000	235,000	225,000
Total Cash	615,000	535,000	525,000
<i>Equity</i>			
Restricted Share Units ⁽¹⁾⁽²⁾	92,550	92,555	88,400
Share Options ⁽³⁾	92,450	92,445	86,600
Total Equity	185,000	185,000	175,000
Total Direct Compensation	800,000	720,000	700,000
Annual Pension Service Cost ⁽⁴⁾	103,403	97,000	77,600
Total	903,403	817,000	777,600

- (1) These amounts represent the value of the RSU awards at the time of grant. The initial value of an RSU is based on the closing price of our common shares on Toronto Stock Exchange on the last trading day of the previous year. As outlined under "Restricted Share Unit Plan", upon redemption, we adjust the number of RSUs by a TSR performance factor at the end of the RSU term. RSUs are then valued using the fair market value per common share determined as at the date of redemption.
- (2) RSU Redemptions: RSUs granted in 2004 vested on December 31, 2006. The maximum multiplier of 180% was applied to the number of RSUs held by Ms. Pel. The redemption value on December 31, 2006 was \$393,413, which includes the 2004 target grant of \$85,200, and this amount was paid in January 2007. The 2005 RSUs vested on December 31, 2007. The maximum multiplier of 180% was applied to the number of RSUs held by Ms. Pel. The redemption value on December 31, 2007 was \$366,123, which includes the 2005 target grant of \$88,400, and this amount was paid in January 2008.
- (3) These amounts represent the compensation value of options granted and valued using a Black Scholes value of 23.25% (the corresponding value for 2006 was 25% and 2005 was 26%). The share option exercise prices are as follows: 2007 options: \$53.037, 2006 options: \$49.635 and 2005 options: \$29.636.
- (4) Annual Pension Service Cost is the value of the projected pension earned in a specific fiscal year and has been calculated using actuarial assumptions and methods that are consistent with those used to calculate the service cost included in the pension expense disclosed in our annual consolidated financial statements.

Directors' and Officers' Liability Insurance

Directors, officers and certain of our employees are covered under Directors' and Officers' Liability Insurance policies. The policies include coverage for wrongful acts, claimed against Directors, officers and those employees by reason of their serving in those capacities. The aggregate limit of liability applicable to those insured Directors, officers and employees under the insurance policies is \$50 million, including defence costs. If we have to indemnify our insured Directors, officers or employees, we have reimbursement coverage over a deductible of \$500,000 for each loss. The premium for the Directors' and Officers' liability insurance was \$216,270 for the May 1, 2007 to April 30, 2008 policy year.

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

Indebtedness of Directors and Officers

None of our Directors or officers was indebted to us as at December 31, 2007 or at any time during 2007.

Additional Items

Available Documentation

We are a reporting issuer under the securities acts of all of the provinces and territories of Canada and we are therefore required to file consolidated financial statements and information circulars with the various securities commissions. We have filed our annual information form with those securities commissions which, among other things, contained all of the disclosure required by Form 52-110F1 under National Instrument 52-110 - Audit Committees. We provide additional financial information in our comparative financial statements for our most recently completed financial year and our management's discussion and analysis, contained in our 2007 Annual Report. This Circular, annual information form, annual consolidated financial statements and the related annual management's discussion and analysis, our 2007 Annual Report and any interim financial statements, along with the related interim management's discussion and analysis filed after the filing of the most recent annual financial statements may be found on SEDAR at www.sedar.com and on our website at www.tsx.com. You may also obtain these documents by contacting our Investor Relations Department by e-mail at shareholder@tsx.com.

Finance and Audit Committee

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

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

Corporate Governance

Under National Instrument 58-101 - Disclosure of Corporate Governance Practices, we are required to disclose information relating to our corporate governance practices. Our disclosure is set out in Schedule D to this Circular and an overview of our corporate governance practices is contained under the heading "Statement of Corporate Governance Practices" in our 2007 Annual Report.

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

Board of Directors' Approval

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

A handwritten signature in black ink, appearing to read "Sharon C. Pel", is written over a vertical line that extends from the text above.

Sharon C. Pel

Senior Vice President, Legal and Business Affairs

Toronto, Ontario

May 6, 2008

SCHEDULE A
RESOLUTION – AMENDMENT TO RESTATED ARTICLES OF INCORPORATION
TO CHANGE THE NAME OF THE CORPORATION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Certificate and Restated Articles of Incorporation of TSX Group Inc./Groupe TSX Inc. be amended as follows: to change the name of the corporation from TSX Group Inc./Groupe TSX Inc. to TMX Group Inc./Groupe TMX Inc.
2. Any director or officer of the Corporation is authorized for and on behalf of and in the name of the Corporation to do all such acts and things and to execute and deliver, whether under the corporate seal of the Corporation or otherwise, all such documents, instruments and writings as in that person's discretion are necessary or desirable to give effect to this special resolution including, without limitation, the delivery of Articles of Amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario) (Director) and compliance with all requirements of Toronto Stock Exchange.
3. The directors of the Corporation may, in their discretion, without further approval by the shareholders, revoke this special resolution at any time before the issuance by the Director of a Certificate of Amendment in respect of the foregoing.

SCHEDULE B
RESOLUTION – AMENDMENTS TO RESTATED ARTICLES OF INCORPORATION
TO CHANGE THE ISSUE, TRANSFER AND OWNERSHIP RESTRICTIONS
ATTACHING TO THE COMMON SHARES

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Certificate and Restated Articles of Incorporation of TSX Group Inc./Groupe TSX Inc. be amended as follows: to change the issue, transfer and ownership restrictions attaching to the common shares by deleting in its entirety Schedule “B” to the Restated Articles of Incorporation and replacing it with the text of the new Schedule “B” set out in Annex B-1 attached hereto.
2. Any director or officer of the Corporation is authorized for and on behalf of and in the name of the Corporation to do all such acts and things and to execute and deliver, whether under the corporate seal of the Corporation or otherwise, all such documents, instruments and writings as in that person’s discretion are necessary or desirable to give effect to this special resolution including, without limitation, the delivery of Articles of Amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario) (Director) and compliance with all requirements of Toronto Stock Exchange.
3. The directors of the Corporation may, in their discretion, without further approval by the shareholders, revoke this special resolution at any time before the issuance by the Director of a Certificate of Amendment in respect of the foregoing.

**ANNEX B-1
TO SCHEDULE B
TO THE RESTATED ARTICLES OF INCORPORATION**

**SCHEDULE “B”
OWNERSHIP RESTRICTIONS**

1. INTERPRETATION AND DEFINITIONS

1.1. In this Schedule “B”:

- 1.1.1. The terms “**Commission**”, “**company**” and “**person**” have the meanings given to those terms, respectively, in the *Securities Act* (Ontario) (“OSA”), as now enacted or as the same may be from time to time amended, varied, replaced, restated, re-enacted or supplemented.
- 1.1.2. The phrase “**acting jointly or in concert**” is to be interpreted in a manner that is consistent with the interpretation of that phrase as used in the OSA.
- 1.1.3. All terms other than those referred to in subsections 1.1.1 and 1.1.2 and which are not otherwise defined in this Schedule “B” have the meanings given to those terms in the OSA or the *Business Corporations Act* (Ontario) (“OBCA”), respectively, provided that in the event of any inconsistency between a definition contained in the OSA and a definition contained in the OBCA, the definition contained in the OSA shall prevail.
- 1.1.4. Except where the context requires the contrary, words importing the singular shall include the plural and vice versa and words importing gender shall include masculine, feminine and neuter genders.

1.2. In this Schedule “B”:

“**Autorité**” means Québec’s Autorité des marchés financiers;

“**directors’ determination, “as determined by the directors of the Corporation”** and similar expressions mean a determination made by the directors of the Corporation in accordance with section 12;

“**excess Voting Shares**” means Voting Shares beneficially owned or over which control or direction is exercised in contravention of the share constraint;

“**Ontario Orders**” means the orders of the Commission issued under (i) section 21.11(4) of the OSA on September 3, 2002 in the *Matter of the Securities Act, R.S.O. 1990, Chapter S.5, as amended, and in the Matter of TSX Inc. and TSX Group Inc.*, and (ii) section 21 of the OSA on September 3, 2002 in the *Matter of the Securities Act, R.S.O. 1990, Chapter S.5, as amended, and in the Matter of TSX Group Inc. and TSX Inc., Amendment to Recognition Order*, in each case requiring restrictions on share ownership of the Corporation, among other things, as the same may from time to time be amended, varied, replaced, restated or supplemented;

“**Québec Order**” means AMF Ruling No. 2008-PDG-0102, as the same may from time to time be amended, varied, replaced, restated or supplemented;

“**Québec Undertakings**” means the written undertakings dated April 9, 2008 given by the Corporation to the Autorité in support of the applications filed by Bourse de Montréal Inc. to obtain

the Québec Order, in which the Corporation agrees, among other things, that it is subject to restrictions on share ownership of the Corporation, as the same may from time to time be amended, varied, replaced, restated or supplemented;

“**Regulation**” means Regulation 261/02 made pursuant to section 21.11(5) of the OSA prescribing the percentage ownership a person or company may own in TSX Inc., as the same may from time to time be amended, varied, replaced, restated or supplemented;

“**sell-down notice**” has the meaning set out in section 5.1;

“**share constraint**” has the meaning set out in section 3.3;

“**shareholder default**” has the meaning set out in subsection 5.1.4;

“**shareholder’s declaration**” means a declaration made in accordance with section 13;

“**suspension**” has the meaning set out in section 6.1 and “**suspend**”, “**suspended**” and similar expressions have corresponding meanings; and

“**Voting Share**” means any share of the Corporation carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

- 1.3. For greater certainty, no person or company is presumed to be acting jointly or in concert with any other person or company for purposes of this Schedule “B” solely by reason that one of them has given the other the power to vote or direct the voting of Voting Shares of a class or series of Voting Shares at a meeting of the holders of that class or series under a revocable proxy where:
 - 1.3.1. the proxy is solicited solely by means of an information circular issued in a public solicitation of proxies that is made in respect of all Voting Shares of that class or series and in accordance with applicable law;
 - 1.3.2. the proxy is solicited but no information circular is required to be issued under the OSA or the OBCA; or
 - 1.3.3. the proxy is not solicited.
- 1.4. For the purposes of this Schedule “B”:
 - 1.4.1. where two or more persons or companies acting jointly or in concert beneficially own or exercise control or direction over Voting Shares, the number of Voting Shares beneficially owned or over which control or direction is exercised by each person or company shall include the number of Voting Shares beneficially owned or over which control or direction is exercised with those other persons or companies; and
 - 1.4.2. references to shares “**of**” a person or company are to shares beneficially owned or over which control or direction is exercised by that person or company.

2. REGULATION

- 2.1. The Corporation has imposed the restrictions on the transfer and ownership of the Voting Shares set out in this Schedule “B” for the purposes of ensuring that the Corporation or any of its subsidiaries:
 - 2.1.1. is not in breach of sections 21 and 21.11 of the OSA, the Ontario Orders, or the Québec Undertakings;
 - 2.1.2. may continue to be recognized by the Commission and other federal and provincial regulators to carry on business as a stock exchange in Ontario which recognition is necessary under the OSA for the Corporation or its subsidiaries to engage in its undertaking; and
 - 2.1.3. may continue to be recognized, or exempted from any requirement to be recognized, by any securities regulatory authority as an exchange or self regulatory organization under applicable securities legislation, which is necessary to its undertaking.
- 2.2. In the event that the provisions of any of:
 - 2.2.1. subsection 21.11(1) of the OSA, as modified from time to time by the Regulation or the Ontario Orders,
 - 2.2.2. the Regulation and the Ontario Orders as they pertain to restrictions on the ownership of, or the exercise of control or direction over, the Voting Shares, or
 - 2.2.3. the Québec Undertakings as they pertain to restrictions on the ownership of, or the exercise of control or direction over, the Voting Shares,are from time to time amended, varied, replaced, restated, re-enacted or supplemented (the “Amendments”), and those Amendments are inconsistent with this Schedule “B”, those Amendments are deemed to be incorporated in this Schedule “B” from their effective date, without, for greater certainty, any approval by the shareholders, and those Amendments supersede the provisions of this Schedule “B” to the extent of the inconsistency.
- 2.3. On the date that the Corporation or any of its subsidiaries is not required to constrain the transfer or ownership of its shares for the purposes identified in section 2.1 or otherwise, this Schedule “B” shall be deemed to be deleted in its entirety from the Articles of the Corporation and shall be of no further force or effect as and from that date.
- 2.4. In the event that this Schedule “B” is amended as a result of modifications in other instruments as provided for in sections 2.2, 3.1 and 3.2 or is deemed to be deleted in accordance with section 2.3, the directors of the Corporation shall restate the Articles of Incorporation of the Corporation, as amended from time to time, to reflect the amendment or deletion within thirty (30) days of such amendment or deletion, without, for greater certainty, any approval by the shareholders. The Corporation shall give written notice of the restatement of Articles to each registered holder of shares of the Corporation as of the close of business on the effective date of the restatement, within fifteen (15) days of the effective date. The accidental failure or omission to give the notice to one or more of the holders shall not affect the validity of the provisions of this section 2.4.

3. SHARE CONSTRAINT

- 3.1. Without the prior approval of the Commission, no person or company and no combination of persons or companies acting jointly or in concert shall beneficially own or exercise control or direction over more than ten per cent (10%) of any class or series of Voting Shares or any other

percentage as may be from time to time prescribed by the OSA, the Regulation, or the Ontario Orders.

- 3.2. Without the prior approval of the Autorité, no person or company and no combination of persons or companies acting jointly or in concert shall beneficially own or exercise control or direction over more than ten per cent (10%) of any class or series of Voting Shares or any other percentage as may be from time to time prescribed by the Québec Undertakings.
- 3.3. The prohibitions set out in sections 3.1 and 3.2 are referred to collectively in this Schedule “B” as the “**share constraint**”. For greater certainty, in the event that, at any time, the level of ownership prescribed by the provisions of section 3.1 and section 3.2 is not identical, the directors shall have regard to the most stringent prohibition of section 3.1 and section 3.2 when making any directors’ determination pursuant to this Schedule “B”.

4. CONTRAVENTION OF THE SHARE CONSTRAINT

- 4.1. In the event of a directors’ determination, whether based on a review of the central securities register of the Corporation or otherwise, that any person or company or any combination of persons or companies is in contravention of the share constraint:
 - 4.1.1. the Corporation shall not accept any subscription for Voting Shares from that person or company or any person or company forming part of that combination;
 - 4.1.2. the Corporation shall not issue any Voting Shares to that person or company or any person or company forming part of that combination;
 - 4.1.3. the Corporation shall not register or otherwise recognize the transfer of any Voting Shares to that person or company or any person or company forming part of that combination;
 - 4.1.4. no person may, in person or by proxy, exercise the right to vote any of the Voting Shares of that person or company or any person or company forming part of that combination;
 - 4.1.5. subject to section 11.1, the Corporation shall not declare or pay any dividend, and or make any other distribution:
 - 4.1.5.1. on any excess Voting Shares of that person or company or any person or company forming part of such combination; or
 - 4.1.5.2. if there is a directors’ determination that the contravention of the share constraint was intentional, on all of the Voting Shares of that person or company or any person or company forming part of such combination unless there is a directors’ determination that it would be in the best interests of the Corporation to make the distribution in respect of some part or all of the non-excess Voting Shares;

and any entitlement to that dividend or other distribution shall be forfeited; and

 - 4.1.6. the Corporation shall send a sell-down notice to the registered holder of the Voting Shares of that person or company or any person or company forming part of such combination.
- 4.2. In the event of a directors’ determination, whether based on a review of the central securities register of the Corporation or otherwise, that any person or company or combination of persons or

companies, after any proposed subscription for or issue or transfer of Voting Shares, would be in contravention of the share constraint, the Corporation shall not:

- 4.2.1. accept the proposed subscription for Voting Shares from;
 - 4.2.2. issue the proposed Voting Shares to; or
 - 4.2.3. register or otherwise recognize the proposed transfer of any Voting Shares to;
- that person or company or any person or company forming part of that combination.

4.3. In the event of a directors' determination that during any prior period or at any prior time any person or company or any combination of persons or companies is or was in contravention of the share constraint, the directors of the Corporation may, where there is a directors' determination that it would be in the best interests of the Corporation, also make a directors' determination that:

- 4.3.1. any votes cast, in person or by proxy during that period or at that time in respect of the Voting Shares of that person or company or any person or company forming part of that combination shall be disqualified and deemed not to have been cast; and
- 4.3.2. subject to section 11.1, each such person or company or each person or company forming part of such combination is liable to the Corporation to restore to the Corporation the amount of any dividend paid or distribution received during that period:
 - 4.3.2.1. on the excess Voting Shares of that person or company and of each other person or company forming part of that combination; or
 - 4.3.2.2. in the event of a directors' determination that the contravention of the share constraint was intentional, on all of the Voting Shares of that person or company or any person or company forming part of that combination.

5. SELL-DOWN NOTICE

- 5.1. Any notice (a "sell-down notice") required to be sent to a registered holder of Voting Shares under subsection 4.1.6:
 - 5.1.1. shall specify in reasonable detail, based on the information then available to the directors of the Corporation, the nature of the contravention of the share constraint, the number of Voting Shares determined to be excess Voting Shares and the consequences of the contravention specified in section 4;
 - 5.1.2. shall request an initial or further shareholder's declaration;
 - 5.1.3. shall specify a date, which shall be not less than 45 days after the date of the sell-down notice, by which the excess Voting Shares are to be sold or disposed of; and
 - 5.1.4. shall state that unless the registered holder either:
 - 5.1.4.1. sells or otherwise disposes of the excess Voting Shares by the date specified in the sell-down notice on a basis that does not result in any contravention of the share constraint and provides to the directors of the Corporation, in addition to the shareholder's declaration requested under subsection 5.1.2, written evidence

satisfactory to the directors of the Corporation of that sale or other disposition;
or

- 5.1.4.2. provides to the directors of the Corporation, in addition to the shareholder's declaration requested under subsection 5.1.2, written evidence satisfactory to the directors of the Corporation that no sale or other disposition of excess Voting Shares is required;

that default (a "shareholder default") shall result in the consequence of suspension under section 6 and may result in the consequence of sale in accordance with section 7 or redemption in accordance with section 8, in each case without further notice to the registered holder, and shall specify in reasonable detail the nature and timing of those consequences.

- 5.2. In the event that, following the sending of a sell-down notice, written evidence is submitted to the directors of the Corporation for purposes of subsection 5.1.4.2, the directors of the Corporation shall assess the evidence as soon as is reasonably practicable and shall give a second notice to the person or company submitting the evidence as soon as is reasonably practicable after receipt of the evidence stating whether the evidence has or has not satisfied the directors of the Corporation that no sale or other disposition of excess Voting Shares is required. If the evidence has satisfied the directors of the Corporation, the sell-down notice shall be cancelled and the second notice shall so state. If the evidence has not satisfied the directors of the Corporation, the second notice shall reiterate the statements required to be made in the sell-down notice under subsections 5.1.3 and 5.1.4. In either case, the 45 day period referred to in subsection 5.1.3 shall be automatically extended to the third business day following the date that the second notice is given if the date that the second notice is given is beyond the 45 day period.

6. SUSPENSION

- 6.1. In the event of a shareholder default in respect of any registered holder of Voting Shares, then, without further notice to the registered holder:
 - 6.1.1. all of the Voting Shares of the registered holder shall be deemed to be struck from the securities register of the Corporation;
 - 6.1.2. no person or company may, in person or by proxy, exercise the right to vote any of those Voting Shares;
 - 6.1.3. subject to section 11.1, the Corporation shall not declare or pay any dividend, or make any other distribution, on any of those Voting Shares and any entitlement to a dividend or other distribution shall be forfeited;
 - 6.1.4. the Corporation shall not send any form of proxy, information circular or financial statements of the Corporation or any other general communication from the Corporation to any person or company in respect of those Voting Shares; and
 - 6.1.5. no person or company may exercise any other right or privilege ordinarily attached to those Voting Shares.

(All of the foregoing consequences of a shareholder default are referred to in this Schedule "B" as a "suspension".) Notwithstanding the foregoing, a registered holder of suspended Voting Shares shall have the right to transfer those Voting Shares on any securities register of the Corporation on a basis that does not result in contravention of the share constraint.

- 6.2. The directors of the Corporation shall cancel any suspension of Voting Shares of a registered holder and reinstate the registered holder to the securities register of the Corporation for all purposes if they make a directors' determination that, following the cancellation and reinstatement, none of those Voting Shares will be beneficially owned, controlled or directed in contravention of the share constraint. For greater certainty, any reinstatement shall permit, from and after the reinstatement, the exercise of all rights and privileges attached to the Voting Shares so reinstated, but subject to section 11.1, shall have no retroactive effect.

7. SALE

- 7.1. In the event of a shareholder default in respect of any registered holder of Voting Shares, the Corporation may choose by directors' determination to sell, on behalf of the registered holder, the excess Voting Shares of that registered holder, without further notice to that registered holder, on the terms set out in this section 7 and section 9.
- 7.2. The Corporation may sell any excess Voting Shares in accordance with this section 7:
- 7.2.1. on the Toronto Stock Exchange; or
- 7.2.2. if the Voting Shares are not then listed on the Toronto Stock Exchange, on any other stock exchange or organized market on which the Voting Shares are then listed or traded as the directors of the Corporation may choose by directors' determination; or
- 7.2.3. if the Voting Shares are not then listed on any stock exchange or traded on any organized market, in any other manner as the directors of the Corporation may choose by directors' determination.
- 7.3. The net proceeds of sale of excess Voting Shares sold in accordance with this section 7 shall be the net proceeds after deduction of any commission, tax and other costs of sale (including, but limited to, the Corporation's reasonable legal fees).
- 7.4. The Corporation has the requisite legal power and authority for all purposes of a sale of excess Voting Shares in accordance with this section, as if it were the registered holder and beneficial owner of the Voting Shares being sold.

8. REDEMPTION

- 8.1. In the event of a shareholder default in respect of any registered holder of Voting Shares and in the event of a directors' determination either that the Corporation has used reasonable efforts to sell excess Voting Shares in accordance with section 7 but that the sale is impracticable or that it is likely that the sale would be contrary to the best interests of the Corporation, the Corporation may choose by directors' determination, subject to applicable law, to redeem the excess Voting Shares of the registered holder, without further notice to the registered holder, on the terms set out in this section 8 and section 9.
- 8.2. The redemption price paid by the Corporation to redeem any excess Voting Shares in accordance with this section 8 shall be:
- 8.2.1. the average of the closing prices per share of the Voting Shares on the Toronto Stock Exchange (or, if the Voting Shares are not then listed on the Toronto Stock Exchange or if the requisite trading of Voting Shares has not occurred on the Toronto Stock Exchange, any other stock exchange or any other organized market on which the requisite trading has occurred as the directors of the Corporation may choose by directors' determination) over

the last 10 trading days on which at least one board lot of Voting Shares has traded on the Toronto Stock Exchange (or other stock exchange or other organized market) in the period ending on the trading day immediately preceding the redemption date; or

- 8.2.2. if the requisite trading of Voting Shares has not occurred on any stock exchange or other organized market, on any basis the directors of the Corporation may choose by directors' determination;

less any commission, tax and other costs of redemption (including, but not limited to, the Corporation's reasonable legal fees).

9. PROCEDURES RELATING TO SALE AND REDEMPTION

- 9.1. In the event of any sale or redemption of excess Voting Shares in accordance with sections 7 or 8, respectively, the net proceeds of sale or the redemption price; respectively, constitute trust funds and the Corporation shall deposit the funds in a special trust account in any bank or trust corporation in Canada selected by it. The Corporation may commingle the trust funds with other such trust funds. The amount of the deposit, together with any income earned thereon from the beginning of the month next following the date of the receipt by the Corporation of the proceeds of sale or redemption, less any taxes on the income and the reasonable costs of administration of the trust fund, shall be payable to the registered holder of the excess Voting Shares sold or redeemed on presentation and surrender by the registered holder to the Corporation or to the trust corporation to which the trust funds are transferred in accordance with section 9.6 of the certificate or certificates representing the excess Voting Shares if such certificate or certificates have been issued or, if no certificate has been issued, other evidence of ownership of the excess Voting Shares satisfactory to the Corporation or its registrar and transfer agent. A receipt signed by the registered holder shall be a complete discharge of the Corporation, or the trust corporation to which the trust funds are transferred in accordance with section 9.6, in respect of the trust funds and income earned on these trust funds paid to the registered holder.
- 9.2. From and after any deposit made under section 9.1, the registered holder shall not be entitled to any of the remaining rights of a registered holder in respect of the excess Voting Shares sold or redeemed, other than the right to obtain a certificate or other evidence of ownership representing the excess Voting Shares for the purpose only of tendering it to receive trust funds in respect of the excess Voting Shares sold or redeemed and to receive the trust funds on presentation and surrender of the certificate or certificates or other evidence of ownership satisfactory to the Corporation or its registrar and transfer agent representing the excess Voting Shares sold or redeemed.
- 9.3. If a part only of the Voting Shares represented by any certificate is sold or redeemed in accordance with section 7 or 8, respectively, the Corporation shall, on presentation and surrender of that certificate and at the expense and request of the registered holder, issue a new certificate representing the balance of the Voting Shares.
- 9.4. As soon as is reasonably practicable after, and, in any event, not later than 30 days after, a deposit made under section 9.1, the Corporation shall send a notice to the registered holder of the excess Voting Shares sold or redeemed and the notice shall state:
- 9.4.1. that a specified number of Voting Shares has been sold or redeemed, as the case may be;
- 9.4.2. the amount of the net proceeds of sale or the redemption price, respectively;
- 9.4.3. the name and address of the bank or trust company at which the Corporation has made the deposit of the net proceeds of sale or the redemption price, respectively;

- 9.4.4. all other relevant particulars of the sale or redemption, respectively; and
- 9.4.5. that to receive the net proceeds of sale or the redemption price, the registered holder must present and surrender to the Corporation the certificate or certificates representing the excess Voting Shares so sold or redeemed if such certificate or certificates have been issued or, if no certificate has been issued, other evidence of ownership of the excess Voting Shares satisfactory to the Corporation or its registrar and transfer agent.

The accidental failure or omission to give the notice to the registered holder shall not affect the validity of the sale or redemption of Voting Shares completed in accordance with section 9.

- 9.5. For greater certainty, the Corporation may sell or redeem excess Voting Shares in accordance with section 7 or 8, respectively, despite the fact that the Corporation does not possess the certificate or certificates representing the excess Voting Shares at the time of the sale or redemption. If, in accordance with section 7, the Corporation sells excess Voting Shares without possession of the certificate or certificates representing the excess Voting Shares, the Corporation shall issue to the purchaser of such excess Voting Shares or its nominee a new certificate or certificates or other evidence of ownership representing the excess Voting Shares sold. If, in accordance with section 7 or section 8, the Corporation sells or redeems excess Voting Shares without possession of the certificate or certificates representing the excess Voting Shares and, after the sale or redemption, a person or company establishes that it is a bona fide purchaser of the excess Voting Shares sold or redeemed, then, subject to applicable law:
 - 9.5.1. the excess Voting Shares beneficially owned by the bona fide purchaser are deemed to be, from the date of the sale or redemption by the Corporation, as the case may be, validly issued and outstanding Voting Shares in addition to the excess Voting Shares sold or redeemed; and
 - 9.5.2. notwithstanding section 9.2, the Corporation is entitled to the trust funds deposited under section 9.2 and, in the case of a sale in accordance with section 7, shall add the amount of the deposit to the stated capital account for the class and series, if applicable, of Voting Shares issued.
- 9.6. The Corporation may transfer any trust fund established under this section 9 and its administration to a trust corporation in Canada registered as such under the laws of Canada, a province or a territory, and the Corporation is then discharged of all further liability in respect of the trust fund. The trust funds described in section 9.1 together with any income earned on the trust funds, less any taxes and reasonable costs of administration, that has not been claimed by the person or company entitled under section 9 to receive such proceeds of sale or redemption for a period of 10 years after the date of the sale or redemption is forfeited to the Ontario Crown.

10. EXCEPTIONS

- 10.1. Notwithstanding section 2, the share constraint does not apply in respect of Voting Shares that are held:
 - 10.1.1. by one or more persons or companies acting in relation to the Voting Shares solely in their capacity as underwriters for the purpose of distributing the Voting Shares to the public;
 - 10.1.2. by any person or company or combination of persons or companies by way of security only provided such person or company does not exercise the votes attaching to such Voting Shares and does not otherwise exercise control or direction over such Voting Shares, but only in respect of such person or company or combination of persons or companies;

- 10.1.3. by any person or company or combination of persons or companies who beneficially owns or exercises control or direction over such shares by virtue of having realized on a security interest in the Voting Shares but who is in the process of disposing of the Voting Shares, for a reasonable period of time to be determined by a directors' determination to facilitate such disposition, provided that during such period of time the number of votes attached to those Voting Shares shall be reduced to a number that is the largest whole number of votes that may be attached to the Voting Shares which that person or company or combination of persons or companies could beneficially own or exercise control or direction over from time to time in compliance with the share constraint; or
- 10.1.4. for greater certainty, by any person or company that is acting in relation to the Voting Shares solely in its capacity as an intermediary in the payment of funds or the holding or delivery of securities, or both, in connection with trades in securities and that provides centralized facilities for the clearing of trades in securities, but only in respect of that person or company.

11. SAVING PROVISIONS

- 11.1. Notwithstanding any other provision of this Schedule "B":
 - 11.1.1. the directors of the Corporation may choose by directors' determination to pay a dividend or to make any other distribution on Voting Shares that would otherwise be prohibited by any other provision of this Schedule "B" where there is a directors' determination that the contravention of the share constraint that gave rise to the prohibition was inadvertent or of a technical nature or it would be in the best interests of the Corporation to pay the dividend or make the distribution; and
 - 11.1.2. where a dividend has not been paid or any other distribution has not been made on Voting Shares as a result of a directors' determination of a contravention of the share constraint, or where the amount of a dividend or any other distribution has been restored to the Corporation under subsection 4.3.2 as a result of a directors' determination of a contravention of the share constraint, the directors of the Corporation shall declare and the Corporation shall pay the dividend, make the distribution, or refund the restored amount to the affected shareholder, respectively, if there is a subsequent directors' determination that no contravention occurred.
- 11.2. In the event that the Corporation suspends or redeems Voting Shares in accordance with section 6 or 8, respectively, or otherwise redeems, purchases for cancellation or otherwise acquires Voting Shares, and the result of that action is that any person or company or any combination of persons or companies who, prior to that action, were not in contravention of the share constraint are, after that action, in contravention (the "Affected Shareholders"), then, notwithstanding any other provision of this Schedule "B",
 - 11.2.1. subject to section 11.2.3, the sole consequence of that action to each Affected Shareholder, in respect of the Voting Shares that Affected Shareholder beneficially owned or over which control or direction is exercised at the time of that action, shall be that the number of votes attached to those Voting Shares will be reduced to a number that is the largest whole number of votes that may be attached to the Voting Shares which that Affected Shareholder could beneficially own or exercise control or direction over from time to time in compliance with the share constraint, as determined by directors' determination;
 - 11.2.2. the directors of the Corporation shall identify by directors' determination, the Affected Shareholders and the Corporation shall give written notice to each Affected Shareholder so

identified, within fifteen (15) days of the directors' determination, of the fact that the Affected Shareholder is in contravention of the share constraint and is entitled to rely on the protection provided in section 11.2.1; and

- 11.2.3. the protection afforded to any Affected Shareholder in section 11.2.1 is effective from the date the Affected Shareholder is in contravention of the share constraint as a result of the actions of the Corporation described above, up to and including the date that is 180 days after that date.

The accidental failure or omission to give the notice referred to in section 11.2.2 to one or more of the Affected Shareholders shall not affect the validity of the provisions of this section 11.2.

- 11.3. Notwithstanding any other provision of this Schedule "B", a contravention of the share constraint shall have no consequences except those that are expressly provided for in this Schedule "B". For greater certainty but without limiting the generality of the foregoing:

- 11.3.1. no transfer, issue or ownership of, and no title to, Voting Shares;

- 11.3.2. no resolution of shareholders (except to the extent that the result is affected as a result of a directors' determination under subsection 4.3.1); and

- 11.3.3. no act of the Corporation, including any transfer of property to or by the Corporation;

will be invalid or otherwise affected by any contravention of the share constraint.

12. DIRECTORS' DETERMINATIONS

- 12.1. The directors of the Corporation shall have the sole right and authority to administer the provisions of this Schedule "B" and to make any determination required or contemplated under this Schedule "B". In so acting, the directors of the Corporation shall enjoy, in addition to the powers set out in this Schedule "B", all of the powers necessary or desirable, in their sole opinion, to carry out the intent and purpose of this Schedule "B" including, without limitation, the power to require:

- 12.1.1. the filing of a shareholder's declaration under section 13;

- 12.1.2. the production of all documents in the possession, power or control of the maker of the shareholder's declaration touching or concerning the subject of the shareholder's declaration, together with certification that such production has been made;

- 12.1.3. the response to such written interrogatories concerning the subject of the shareholder's declaration as the directors of the Corporation may determine to ask the maker of the shareholder's declaration; and

- 12.1.4. the attendance before the directors of the Corporation of the maker of the shareholder's declaration or such other persons or companies related thereto as the directors may determine, for the purpose of responding to questions from the directors of the Corporation concerning the subject of the shareholder's declaration.

- 12.2. In the event of a directors' determination that a person or company has failed to provide a complete, accurate and timely response to a request for information that the directors of the Corporation have made pursuant to their powers under section 12.1, the directors of the Corporation may draw an inference adverse to the interests of that person or company.

- 12.3. The directors of the Corporation shall make, on a basis which is timely in the circumstances, all determinations necessary for the administration of the provisions of this Schedule “B” and, without limitation, if the directors of the Corporation consider that there are reasonable grounds for believing that a contravention of the share constraint has occurred or will occur, the directors of the Corporation shall make a determination with respect to the matter. All directors’ determinations shall be conclusive, final and binding except to the extent modified by any subsequent directors’ determination. Notwithstanding the foregoing, the directors of the Corporation may delegate, in whole or in part:
- 12.3.1. their power to make a directors’ determination in respect of any particular matter to a committee of the board of directors of the Corporation; and
 - 12.3.2. any of their other powers under this Schedule “B” in accordance with sections 127 and 133(a) of the OBCA.
- 12.4. In administering the provisions of this Schedule “B”, including, without limitation in making any directors’ determination required or contemplated under this Schedule “B”, the directors of the Corporation shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise their business judgment. In this connection, the directors of the Corporation shall not owe fiduciary duties or any duty of care to those who could be affected by their determinations, although the directors of the Corporation shall endeavour to make their determinations by way of a process that is fair in all the circumstances to those who could reasonably be expected to be affected.
- 12.5. The directors of the Corporation shall not be considered to be subject to a conflict of interest in administering the provisions of this Schedule “B” and there shall be no reasonable apprehension of bias by reason only that their own tenure as directors or officers of the Corporation could be affected directly or indirectly by a determination they are to make pursuant to the provisions of this Schedule “B”.
- 12.6. In administering the provisions of this Schedule “B”, the directors of the Corporation may rely on any information on which the directors of the Corporation consider it reasonable to rely in the circumstances. Without limitation, the directors of the Corporation may rely upon any shareholder’s declaration, the securities register of the Corporation, the knowledge of any director, officer, employee or agent of the Corporation or any advisor to the Corporation and the opinion of counsel to the Corporation.
- 12.7. Provided that the directors of the Corporation have acted honestly and in good faith, no shareholder of the Corporation or any other interested person or company shall have any claim or action against the Corporation or against any director or officer of the Corporation nor shall the Corporation have any claim or action against any director or officer of the Corporation arising out of or in relation to any act (including any omission to act) performed under or in pursuance of the provisions of this Schedule “B”, and, for greater certainty, neither the Corporation nor any director or officer shall be liable for any damages or losses related to or as a consequence of any such act or any breach or alleged breach of the provisions of this Schedule “B”. To the extent that, in accordance with sections 12.1 or 12.3, any other person exercises the powers of the directors of the Corporation under these provisions, this section 12.7 applies *mutatis mutandis*.
- 12.8. Any directors’ determination required or contemplated by this Schedule “B” shall be expressed and conclusively evidenced by a resolution of the directors of the Corporation duly adopted.

13. SHAREHOLDER'S DECLARATIONS

- 13.1. For purposes of monitoring the compliance with and of enforcing the provisions of this Schedule "B", the directors of the Corporation may require that any registered holder or beneficial owner of Voting Shares, or any other person or company of whom it is, in the circumstances, reasonable to make a request (including, without limitation, any person who wishes to have a transfer of a Voting Share registered in the name of, or to have a share issued to, that person), file with the Corporation or its registrar and transfer agent a completed shareholder's declaration. The directors of the Corporation shall approve from time to time written guidelines with respect to the nature of the shareholder's declaration to be requested, the times at which shareholder's declarations are to be requested and any other relevant matters relating to shareholder's declarations.
- 13.2. A shareholder's declaration shall be in the form from time to time approved by the directors of the Corporation under section 13.1 and, without limitation, may be required to be in the form of a simple declaration in writing or a statutory declaration under the *Evidence Act* (Ontario). Without limitation, a shareholder's declaration may be required to contain information with respect to:
- 13.2.1. whether the person or company is the beneficial owner of, or exercises control or direction over, particular Voting Shares or whether any other person or company is the beneficial owner of, or exercises control or direction over, those Voting Shares; and
- 13.2.2. whether the person or company is acting jointly or in concert with any other person or company, including whether the person or company and any other person or company are parties to an agreement or an arrangement, a purpose of which is to require them to act in concert with respect to their interests, direct or indirect, in the Corporation.

14. MISCELLANEOUS

- 14.1. The invalidity or unenforceability of any provision, in whole or in part, of this Schedule "B" for any reason shall not affect the validity or enforceability of any other provision or part thereof.
- 14.2. Subject to the OSA, the Regulation, the Ontario Orders and the Québec Undertakings, the directors of the Corporation may make, amend or repeal any rules or by-laws they deem necessary or appropriate to administer the share constraint.
- 14.3. In addition to dealing with registered holders of Voting Shares in the administration of the provisions of this Schedule "B", the directors of the Corporation and the Corporation may also deal with the beneficial owner of Voting Shares if the identity of the beneficial owner is known to the directors of the Corporation and the Corporation as a result of a directors' determination or otherwise.

SCHEDULE C
RECORD OF ATTENDANCE BY DIRECTORS IN 2007

The Board is expected to attend all regularly scheduled Board and committee meetings and, where practicable, all special meetings, and be, in all cases fully prepared for those meetings.

Director	Board Meetings		Standing Committee Meetings Attended	
	Attended⁽¹⁾			
Tullio Cedraschi	18 of 20	90%	5 of 5 Governance Committee 6 of 6 Human Resources Committee (Chair)	100% 100%
Raymond Chan	20 of 20	100%	6 of 6 Finance and Audit Committee	100%
Wayne C. Fox	20 of 20	100%	5 of 5 Governance Committee 6 of 6 Human Resources Committee 1 of 2 Public Venture Market Committee	100% 100% 50%
Raymond Garneau	20 of 20	100%	5 of 5 Governance Committee 6 of 6 Human Resources Committee	100% 100%
John A. Hagg	18 of 20	90%	6 of 6 Human Resources Committee 2 of 2 Public Venture Market Committee	100% 100%
Harry A. Jaako	18 of 20	90%	6 of 6 Finance and Audit Committee 2 of 2 Public Venture Market Committee (Chair)	100% 100%
J. Spencer Lanthier	20 of 20	100%	6 of 6 Finance and Audit Committee (Chair) 5 of 5 Governance Committee	100% 100%
Jean Martel	20 of 20	100%	6 of 6 Finance and Audit Committee 2 of 2 Public Venture Market Committee	100% 100%
Owen McCreery	20 of 20	100%	6 of 6 Finance and Audit Committee	100%
John P. Mulvihill	18 of 20	90%	5 of 5 Governance Committee (Chair)	100%
Kathleen M. O'Neill	20 of 20	100%	6 of 6 Finance and Audit Committee 5 of 5 Governance Committee	100% 100%
Gerri B. Sinclair	20 of 20	100%	6 of 6 Human Resources Committee 2 of 2 Public Venture Market Committee	100% 100%

Summary of Board and Standing Committee Meetings Held in 2007

Board ⁽¹⁾	20
Finance and Audit Committee	6
Governance Committee	5
Human Resources Committee	6
Public Venture Market Committee	2
Total Numbers of Meetings Held	39

(1) Includes one all-day Board strategy session and ten special meetings of the Board.

SCHEDULE D CORPORATE GOVERNANCE PRACTICES

We believe that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. Our 2007 Annual Report contains an overview of our corporate governance practices. Our corporate governance practices are aligned with National Instrument 58-101 - Disclosure of Corporate Governance Practices (the “National Instrument”) and National Policy 58-201 – Corporate Governance Guidelines. All information is as at April 17, 2008, and does not give effect to the Combination which was completed on May 1, 2008, unless otherwise indicated.

Board of Directors

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

Of our nominees for the Board, 16 out of 17 or approximately 94% are both independent under the National Instrument, TSX Group’s recognition order issued by the Ontario Securities Commission (the “Recognition Order”) and under our Board of Directors Independence Standards. Our independent nominees for election to the Board are: Tullio Cedraschi, Raymond Chan, Denyse Chicoyne, Wayne C. Fox, Raymond Garneau, John A. Hagg, Harry A. Jaako, J. Spencer Lanthier, Jean Martel, Carmand Normand, Owen McCreery, John P. Mulvihill, Kathleen M. O’Neill, Gerri B. Sinclair, Jean Turmel and Laurent Verreault.

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

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

One nominee for election to the Board, Mr. Bertrand, is not an independent Director under the National Instrument and the Recognition Order. Mr. Bertrand is the Deputy CEO of TSX Group. When a new CEO of TSX Group is appointed, he or she will be a Director of TSX Group, and, accordingly will not be an independent Director under the National Instrument and the Recognition Order.

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

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

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

Of the nominees for the Board, 16 out of 17 or approximately 94% are independent under the National Instrument, TSX Group's Recognition Order and our Board of Directors Independence Standards.

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

Certain of TSX Group's Directors are Directors of other reporting issuers. Please refer to the Directors' personal information beginning on page 7 of this Circular for directorships of other reporting issuers for each Director.

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

At each meeting the independent Directors hold regularly scheduled meetings at which non-independent Directors and management are not present. During 2007, the Board and its Committees held 39 meetings of solely independent Directors as follows:

Board	20
Finance and Audit	6
Governance	5
Human Resources	6
Public Venture Market	2

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

Wayne C. Fox is the Chair of the Board and an independent Director. The Chair of the Board reports to the Board and shareholders and provides leadership to the Board in matters relating to the effective execution of all Board responsibilities and works with the CEO and senior management to ensure that the organization fulfills its responsibilities to stakeholders including shareholders, employees, customers, governments and the public. His responsibilities are set out in the Board's Charter which is attached hereto as Schedule E and can also be found on our website at www.tsx.com.

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

Please refer to Schedule C – Record of Attendance by Directors in 2007 on page 61 of this Circular.

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

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

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

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

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

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

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

Orientation and Continuing Education

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

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

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

Directors receive a comprehensive package of information prior to each Board and committee meeting and prior to each strategic planning session. As well, each committee delivers a report to the full Board on its work after each committee meeting. Also, all Directors are invited to attend all committee meetings regardless of whether they are sitting members of a committee. Presentations on different aspects of our business are regularly made to the Board. We also provide the Board with a variety of materials and presentations on an ad hoc basis, to keep them informed about internal developments as well as developments in, or which affect, our industry, the environment in which we operate, continuous disclosure obligations, accounting issues and best practices in corporate governance. All of these materials and other corporate materials are also accessible by Directors on a permanent, secure extranet.

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

Ethical Business Conduct

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

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

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

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

Each year, every Director, officer and employee must sign an acknowledgement that he or she has read, understood and complied with the Code of Conduct applicable to him or her. Each employee is required to successfully complete a test on the Employee Code of Conduct before being permitted to sign the acknowledgement.

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

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

Through the annual Director's Questionnaire, Directors are asked to identify if a conflict of interest currently exists or could potentially exist between him or her and TSX Group or any of its subsidiaries or affiliates. This response allows the Board and management to identify conflicts of interest situations in advance. The Board takes appropriate measures to ensure the exercise of independent judgment in considering transactions and agreements in respect of which a Director or executive officer may have a material interest. Where appropriate, Directors remove themselves from portions of Board or committee meetings in accordance with the Board Code of Conduct and the *Business Corporations Act* (Ontario), or ad hoc special committees are constituted, in each case to allow independent discussion of matters in issue. The Board Code of Conduct and corporate and securities legislation require disclosure of conflicts by individual Directors.

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

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

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

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

Nomination of Directors

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

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

On December 10, 2007 we entered into a Combination Agreement with Montréal Exchange Inc. ("MX") to combine our organizations (the "Combination"). The Combination was completed on May 1, 2008 (the "Effective Date"). As a condition to obtaining the necessary approval for the Combination, on April 9, 2008 we provided a written undertaking to the Autorité in which we agreed that 25% of our Directors will be residents of Québec. This undertaking became effective on the Effective Date. We also agreed in the Combination Agreement that five members of the Board will, during a three year period following the Effective Date, be designated by MX as nominees. The MX nominees must, amongst other qualifications, be residents of Québec. The MX has designated Messrs. Bertrand, Normand, Turmel, Verreault and Ms. Chicoyne who joined the Board on May 1, 2008, as its nominees for election as Directors.

The Governance Committee reviews on an ongoing basis the composition of the Board, including the current strengths, skills and experiences on the Board and our strategic direction. The Governance

Committee identifies any gaps in the Board's composition and seeks to fill those gaps. Qualities such as integrity, good character and high regard in his or her community or professional field will always be a basic criteria for Board members. The Governance Committee will also consider independence, professional or board expertise, capital market experience, public venture market experience, energy market experience, regulated company experience, and following the Effective Date, derivatives experience. As well, representation from geographic regions relevant to TSX Group's strategic priorities and Quebec residency requirements are taken into consideration. The objective is to ensure the Board's composition provides the appropriate mix of skills and experience to guide the strategies and business operations of TSX Group. In certain circumstances, the Governance Committee may retain outside consultants to conduct searches for appropriate nominees. In addition, the Governance Committee maintains a list of potential Director candidates for its consideration which is reviewed annually.

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

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

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

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

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

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

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

Compensation

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

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

Directors must achieve ownership of \$250,000 of common shares (including ownership of DSUs) over a five year period. Until the mandated level of ownership is reached, Directors must take at least 50% of their Board and Committee compensation in the form of DSUs (although Directors are free to elect a higher level of DSU participation).

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

In determining compensation for our executive officers, the Human Resources Committee relies on external consultants to provide relevant benchmark information and to assist in the review and design of pay programs. Please refer to Disclosure of Compensation and Other Information on page 23 of this Circular.

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

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

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

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

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

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

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

The Human Resources Committee retained the services of Towers Perrin to provide the Human Resources Committee with advice and information on executive compensation. Fees paid to Towers Perrin for executive compensation were \$23,963.

The Chair of the Human Resources Committee pre-approves any other consulting work or services that Towers Perrin performs for TSX Group. Fees paid for other consulting work or services for TSX Group were \$5,450.

Mercer Human Resource Consulting (Mercer) provides TSX Group with services related to our pension plans. Total fees paid to Mercer for consulting and administrative services related to pension were \$251,704.

Other Board Committees

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

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

The Public Venture Market Committee's function is to advise and make recommendations to the Board with respect to all policy issues and matters that are likely to have a significant impact on the public venture capital market in Canada and the role of TSX Group and/or TSX Venture Exchange Inc. with respect to such markets.

Assessments

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

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

**SCHEDULE E
TSX GROUP INC.
(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.

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

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

2. Appointment and Supervision of Management

The Board will:

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

3. Strategic Planning, Risk Management

The Board will:

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

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

4. Financial Reporting and Management

The Board will:

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

5. 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.

6. Corporate Governance

The Board will:

- Establish an appropriate system of corporate governance including practices to permit the Board to function independently of management and non-independent directors.
- Establish committees and approve their respective charters and the limits of authority delegated to each committee.
- Determine Board member qualifications.
- Establish appropriate processes for the regular evaluation of the effectiveness of the Board, its chair, all the committees of the Board and their respective chairs, and all the members of the Board and its committees.
- Review on an annual basis whether any two or more Board members sit on the board of another corporation (other than any of the Corporation's subsidiaries) and whether the composition of the Board needs to be changed to eliminate these interlocks.
- Approve the nomination of directors.
- Review the adequacy and form of directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.
- Independent directors to meet regularly without management or non-independent directors present.
- Establish a minimum attendance expectation for Board members in respect of Board and committee meetings, keeping in mind the principle that the Board believes that all directors should attend all meetings of the Board and each committee on which he or she sits, and review in advance all the applicable materials for such meetings.

7. 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.

8. The Chair of the Board

The Chair of the Board reports to the Board and shareholders and provides leadership to the Board in matters relating to the effective execution of all Board responsibilities and works with the CEO and SMT to ensure that the organization fulfills its responsibilities to stakeholders including shareholders, employees, customers, governments and the public. The Chair of the Board will be a director other than the CEO.

The Chair of the Board will:

- Provide effective leadership so that the Board can function independently of management by ensuring that the Board meets regularly without management and non-independent directors, and that the Board may engage outside advisors as required subject to any approvals determined by the Board.
- Establish procedures to govern the Board's work including:
 - together with the corporate secretary, scheduling meetings of the Board and its committees;
 - chairing all meetings of the Board;
 - encouraging full participation, stimulating debate, facilitating consensus and ensuring clarity regarding decision-making;
 - developing the agenda for Board meetings with input from other Board members and management;
 - together with the corporate secretary, ensuring proper and timely information is delivered to the Board;
 - ensuring that the Board has appropriate administrative support; and
 - addressing complaints, questions and concerns regarding Board matters.
- Ensure the Board fully exercises its responsibilities and duties and complies with applicable governance and other policies.
- Meet or communicate regularly with the CEO regarding corporate governance matters, corporate performance and feedback from Board members.
- Act as a liaison between the Board and management.
- Serve as advisor to the CEO and other officers.
- Together with the Board's Governance Committee, establish appropriate committee structures, including the assignment of Board members and the appointment of committee chairs.
- Ensure that adequate orientation and ongoing training programs are in place for Board members.
- Together with the Board's Governance Committee, establish performance criteria for the Board and for individual Board members and co-ordinate the evaluation of performance and reporting against these criteria.
- Work with the Board or appropriate Board committee to establish performance criteria for the CEO and to facilitate the evaluation of the CEO's performance.
- Work with the Board's Governance 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.

9. The Chief Executive Officer

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

The CEO will:

- Provide worldwide vision and leadership for the Corporation.
- Develop and recommend corporate strategies, and business and financial plans for the approval of the Board.
- Execute the corporate strategy to achieve profitable growth and maximize shareholder value for the Corporation's shareholders.
- Manage the business operations in accordance with the strategic direction approved by the Board and within operational policies as determined by the Board, including, as applicable:
 - Protecting the core business of the Corporation,
 - Extending the Corporation's pre-eminent position in the Canadian exchange space, and
 - Examining selective opportunities to expand outside Canada.
- Challenge management to set and achieve viable annual and long-term strategic and financial goals.
- Monitor the performance of management against a set of initially agreed corporate objectives directed at maximizing shareholder value.
- Recommend appropriate rewards and incentives for management.
- 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.

**SCHEDULE F
DISSENT PROVISIONS
SECTION 185 OF THE BUSINESS
CORPORATIONS ACT (ONTARIO)**

Rights of dissenting shareholders

185. (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee. R.S.O. 1990, c. B.16, s. 185 (14).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after

the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22)(a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).



[San Diego](#) [Mexico City](#) [Shanghai](#) [Chicago](#) [Moscow](#) [New Delhi](#) [Phoenix](#) [Ottawa](#) [San Francisco](#) [New York](#) [London](#) [Sao Paulo](#)