

**BOURSE DE MONTRÉAL INC.**  
**(the “Corporation” or “MX”)**  
**MX SELF-REGULATORY OVERSIGHT COMMITTEE**  
**CHARTER (the “Charter”)**

**1. General**

The Board of Directors of the Corporation (the “Board”) has established the MX Self-Regulatory Oversight Committee (the “Committee”) for the purpose of overseeing the activities of the Regulatory Division of MX (the “Regulatory Division”) and to perform those functions and to exercise those powers provided in this Charter in accordance with Section II(A)(e) of Part II of order No. 2023-PDG-0012 from the Autorité des marchés financiers dated April 4, 2023 (as may be modified from time to time, the “Recognition Order”).

All terms used herein and not otherwise defined herein or in the Recognition Order shall have the meaning given to them in MX’s rules (the “Rules”).

**2. Members**

The Board will in each year appoint a minimum of three directors as members of the Committee. The Committee shall consist of:

- (a) at least half of persons who are Québec residents;
- (b) at least two-thirds of persons who satisfy the independence criteria set out in the Recognition Order;
- (c) at least two-thirds of persons having expertise in derivatives; and
- (d) at least one person having legal expertise in securities or derivatives.

The President of the Corporation shall not be a member of the Committee. If the Chair of the Board is not otherwise a member of the Committee, the Chair of the Board, and any other non-management directors who are not members of the Committee may attend all meetings of the Committee in an ex-officio capacity and will not vote. Directors who are also members of management, including the President, shall be entitled to attend meetings of the Committee if invited to do so by the Chair of the Committee. In-camera sessions of the Committee will initially include the President of the Regulatory Division but exclude the presence of other staff of the Corporation and subsequently continue without the President.

**3. Powers and Responsibilities**

The Committee shall have the following powers and responsibilities:

- (a) oversee the Regulatory Division and supervise and control the activities of the Regulatory Division;

- (b) ensure that the Committee's members, the Regulatory Division's senior management and staff receive annual training on the scope of the Public Interest Mandate;
- (c) ensure that the Regulatory Division describes the impact on the public interest of draft rules, guidance and policies released for consultation;
- (d) recruit the President, Regulatory Division and:
  - (i) develop appropriate criteria for his or her selection;
  - (ii) evaluate his or her performance;
  - (iii) determine his or her compensation;
  - (iv) set his or her objectives; and
  - (v) terminate his or her employment;
- (e) validate with the Autorité des marchés financiers the candidacy of the person that the Board of Directors intends to nominate for the position of President, Regulatory Division, under a procedure to be agreed between the Autorité des marchés financiers and the Committee;
- (f) establish a compensation structure for members of the Regulatory Division's senior management that is related to self-regulatory activities and to the performance of the Public Interest Mandate. For greater certainty, that structure can include incentive compensation that is not linked to the financial results of the Corporation or of TMX Group Limited, but is instead linked to achieving objectives related to the Regulatory Division's activities and to the performance of the Public Interest Mandate;
- (g) approve the total amount of all incentive compensation granted to the Regulatory Division's staff;
- (h) approve the Regulatory Division's budget and the structure and amount of its fees, based on the cost-recovery method;
- (i) oversee the Regulatory Division's risk management and audit function;
- (j) Review, consider and determine whether or not to approve all proposed Market Integrity Rules and amendments to the Market Integrity Rules. Notwithstanding the foregoing, such a proposed rule or amendment need not be submitted to the Committee for review or approval and can be approved by the President, Regulatory Division, if the rule or amendment:
  - (i) has a minor impact on MX or on a market participant (within the meaning of Regulation 21-101 respecting Marketplace Operation);

- (ii) pertains to an issue related to a routine operational process or an administrative practice;
  - (iii) is intended for purposes of harmonization or compliance with an existing rule or with legislation; or
  - (iv) corrects an error of form, a clerical error or a mistake in calculation or makes stylistic changes, such as an amendment to a title or to paragraph numbering;
- (k) approve applications for Approved Participant status, as well as the suspension and revocation of such approval pursuant to Part 3 of the Rules;
- (l) approve the resignations of Approved Participants pursuant to Article 3.300 to Article 3.303 of the Rules;
- (m) approve corporate changes affecting Approved Participants, such as changes of control, acquisitions of Major Positions and reorganizations;
- (n) order that a special examination or investigation be made pursuant to Article 4.104 of the Rules;
- (o) order a suspension for failure to provide information pursuant to Article 4.102 of the Rules;
- (p) proceed summarily in the situations mentioned in Part 4, Chapter I of the Rules, as the circumstances warrant;
- (q) approves the individuals who are eligible to sit on the Disciplinary Committee pursuant to Article 4.600 of the Rules;
- (r) appoints the secretary of the Disciplinary Committee pursuant to Article 4.601 of the Rules;
- (s) hear appeals from decisions rendered by the Regulatory Division pursuant to Part 4, Chapter J of the Rules;
- (t) report to the Board of Directors regarding the execution by the Regulatory Division of its regulatory functions;
- (u) review and manage conflicts of interest or potential or perceived conflicts of interest between the Corporation's self-regulatory activities and its other activities;
- (v) ensure that the Regulatory Division has sufficient material and human resources to carry out its self-regulatory activities and implement MX's Public Interest Mandate;

- (w) file, with the Board of Directors and the Autorité des marchés financiers, an annual report on its activities, including any identified situations of conflict of interest, or potential or perceived conflict of interest and the steps taken to manage them, and present it to the Autorité des marchés financiers at an annual meeting;
- (x) approve the annual report on the Regulatory Division's activities;
- (y) meet with the Advisory Committee on Self-Regulation at least once per year and meet with the Regulatory Division's senior management as required; and
- (z) such other duties and responsibilities that are compatible with the mandate of the Committee established pursuant to the Recognition Order and may be set forth in the Rules or otherwise assigned to it by the Board.

#### **4. Chair**

The Board will in each year appoint a chair (the “**Chair**”) from among the members of the Committee, who must satisfy the independence criteria set out in the Recognition Order, and have compliance or self-regulatory expertise in securities or derivatives. In the Chair's absence, or if the position is vacant, the Committee may select another independent member as Chair. The Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and will, in any event, advise all other members of any decisions made or powers exercised.

#### **5. Meetings**

The Committee will meet at the request of the Chair, but in any event it will meet at least three times per year. Notices calling meetings will be sent to all Committee members, to the President of the Corporation, to the President of the Regulatory Division, to the Chair of the Board and to all other directors.

The independent members of the Committee may meet in camera as part of its meetings, if they deem it necessary.

#### **6. Quorum**

A majority of the members in office of the Committee, present in person, by teleconferencing, or by videoconferencing, will constitute a quorum, provided that at least 50% of members so attending must be Québec residents within the meaning of the Recognition Order and at least 50% must satisfy the independence criteria set out in the Recognition Order.

#### **7. Removal and Vacancy**

A member may resign from the Committee, and may also be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a director. The Board will fill vacancies in the Committee by appointment from among the directors

of the Board in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all its powers.

**8. Experts and Advisors**

The Committee may retain or appoint, at the Corporation's expense, such outside advisor or expert as it deems necessary to carry out its duties.

**9. Secretary and Minutes**

The Corporate Secretary of the Corporation, or such other person as may be appointed by the Chair of the Committee, will act as Secretary of the Committee. The minutes of the Committee will be in writing and duly entered into the books of the Corporation, and will be circulated to all members of the Board.