

**CANADIAN DERIVATIVES CLEARING CORPORATION  
(THE “CORPORATION”)**

**RISK AND AUDIT COMMITTEE  
CHARTER**

**1. General**

The Board of Directors of the Corporation (the “Board”) has established a Risk and Audit Committee (the “Committee”) to take steps on its behalf as are necessary to assist the Board in fulfilling its oversight responsibilities regarding:

- (a) financial reporting;
- (b) oversight of internal controls and receipt of complaints related thereto, including the whistleblower hotline;
- (c) external audit;
- (d) internal audit and the provision of assurance
- (e) risk management;
- (f) financial planning, investment opportunities and treasury activities;
- (g) the equitableness of the Corporation’s pricing and fees; and
- (h) any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

All terms used herein and not otherwise defined shall have the meaning given in the Autorité des marchés financiers’ Recognition Order recognizing each of the Corporation, TMX Group Limited, TMX Group Inc. and the Bourse de Montréal Inc. as a clearing house dated May 2, 2012, as amended from time to time (the “Recognition Order”).

**2. Members**

The Board will in each year appoint five (5) directors as members of the Committee which will consist of the following:

- (a) one member will be an independent director who will serve as Chair of the Committee;
- (b) two members will be industry directors, and must not be at the time of their appointment or election, an associate, partner, director, officer or employee of a Significant Maple Shareholder; and
- (c) two members will be nominees of TMX Group Limited.

All members of the Committee will be financially literate. While the Board shall determine the definition of and criteria for financial literacy, this shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

In addition, members of the Committee will be required to possess experience or expertise in one or more of the following areas: internal risk controls, risk assessments and reporting, legal matters, government and public policy, accounting, risk management and technology oversight expertise.

The Chief Executive Officer of TMX Group Limited (the "CEO") (the ultimate parent company of the Corporation) and, to the extent the Chair of the Board is not otherwise a member of the Committee, the Chair, and all other non-management directors of the Corporation 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, other than the CEO, 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 generally include the CEO but exclude the presence of other staff of the Corporation but may, at the request of the Chair of the Committee, exclude the CEO.

### **3. Mandate**

#### (a) Financial Reporting:

- (1) Annual Financial Reporting: Review the audited financial statements for submission to the Board for approval, as well as material financial viability tests and debt covenants.
- (2) Significant Accounting Principles and Disclosure Issues: Review with management and the external auditor, significant accounting principles, including complex or unusual transactions, significant changes to accounting principles, and alternative treatment under International Financial Reporting Standards ("IFRS") for material transactions. This shall be undertaken with a view to understanding their impact on the financial statements, and to gaining reasonable assurance that the statements are accurate, complete, do not contain any misrepresentations, and present fairly in all material respects the Corporation's financial position, financial performance and cash flows in accordance with IFRS.
- (3) Compliance: Confirm through discussions with management: (i) that IFRS and all applicable laws or regulations related to financial reporting have been complied with, and (ii) confirm the integrity of the Corporation's system of internal controls over financial reporting.
- (4) Legal Events and Contingencies: Review any actual or anticipated litigation or other contingent events, including tax assessments or other tax matters, which could have a material current or future effect on the

Corporation's financial statements, and the manner in which these have been disclosed in the financial statements.

(b) Receipt of Complaints:

- (1) Complaints: Review with management that appropriate procedures exist for the receipt, retention and treatment of complaints or concerns received by the Corporation regarding accounting, internal accounting controls, or auditing matters, the confidential, anonymous submission by employees of concerns respecting accounting or auditing matters, and for the protection from retaliation of those who report such complaints in good faith. Review complaints and submissions pursuant to these procedures.

(c) External Audit:

- (1) Appointment or Replacement: In consultation with TMX Group Limited's Finance and Audit Committee recommend the appointment or replacement of the external auditor to the Board, who will consider the recommendation prior to submitting the nomination to the shareholder for approval and oversee the orderly transition to a new external auditor, if required.
- (2) Compensation: Review with management, and make recommendations to the Board, regarding the compensation of the external auditor.
- (3) Reporting Relationships: Oversee the external auditor who reports directly to the Committee.
- (4) Audit Plan: Review the audit plan and scope of the external audit with the external auditor and management, and discuss with the external auditor any significant changes required in the approach or scope of their audit plan, management's handling of any proposed adjustments identified by the external auditor, and any actions or inactions by management that limited or restricted the scope of their work.
- (5) Review of Results: Review the results of the annual external audit, the audit report thereon, and discuss with the external auditor the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management, the ramifications of their use and any other material communications with management.
- (6) Disagreement with Management: Resolve any disagreements between management and the external auditor regarding financial reporting.
- (7) Material Written Communications: Review all other material written communications between the external auditor and management, including the post-audit management letter containing the recommendations of the external auditor, management's response and, subsequently, follow up on identified weaknesses.

- (8) Other audit matters: Review any other matters related to the external audit that are to be communicated to the Committee under generally accepted auditing standards.
  - (9) Meeting with External Auditor: Meet with the external auditor in the absence of management at least annually to discuss and review specific issues as appropriate as well as any significant matters that the external auditor may wish to bring to the Committee for its consideration.
  - (10) Correspondence: Review with management and the external auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies.
  - (11) Independence: At least annually, and before the external auditor issues its report on the annual financial statements, review and confirm the independence of the external auditor through discussions with the auditor on their relationship with the Corporation, including details of all non-audit services provided. Consider the safeguards implemented by the external auditor to minimize any threats to their independence, and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the external auditor. Consider the number of years the lead audit partner has been assigned to the Corporation, and consider whether it is appropriate to recommend to the Board a policy of rotating the lead audit partner more frequently than every five years, as is required under independence rules published by the United States Securities and Exchange Commission.
  - (12) Non-Audit/Audit Services: Pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditor, with reference to compatibility of the service with the external auditor's independence.
  - (13) Hiring Policies: Review and approve the hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
- (d) Internal Audit and the Provision of Assurance:
- (1) Chief Internal Auditor: The Chief Internal Auditor (the "CIA") reports functionally to the Chair of the Committee.
  - (2) Assurance Activities: Review with management and the CIA the results of the Corporation's assurance providers to gain reasonable assurance that their activities are appropriately comprehensive, effective and coordinated with the external auditor.

- (3) Assurance Findings: Discuss the impact of any significant assurance findings, together with the appropriateness of management's response, including the adequacy and effectiveness of the Corporation's system of internal controls.
  - (4) Meeting: Meet with the CIA in the absence of management at least annually to discuss and review specific issues as appropriate as well as any significant matters that the CIA may wish to bring to the Committee for its consideration, including a discussion of any restrictions or limitations placed on the CIA with respect to scope or work or access to required information.
- (e) Financial Planning, Investment Opportunities and Treasury Activities:
- (1) Business Plan: Review and recommend the Business Plan, including the annual operating and capital budgets for submission to the Board for approval. Review periodic financial forecasts.
  - (2) Investment Opportunities: Review and assess investment opportunities over two million dollars, in accordance with the procedures established by the Board from time to time.
  - (3) Guidelines and Policies: Review and approve guidelines and policies for the investing of cash and marketable securities and review reports from management on the results of such investments against established benchmarks.
  - (4) Treasury Activities and Capital Plan: Review and assess management's plans with respect to: managing capital and dividend recommendations in accordance with procedures established by the Board from time to time.
- (f) Risk Management:
- (1) Enterprise Risk Management: Oversee the adequacy and operating effectiveness of the Corporation's Enterprise Risk Management ("ERM") program, including:
    - Reviewing and recommending the Corporation's Tier 1 Risk Appetite Statement for submission to the Board for approval annually;
    - Overseeing the activities of the Corporation's Risk Management Committee, including at least annually reviewing its recommendations with respect to (i) the Corporation's Tier 1 ERM Policy, (ii) the Corporation's risk appetite statements and (iii) the TMX Group Outsourcing Policy;

- Assessing the adequacy of the Corporation’s risk management policies, processes and systems to manage the key enterprise risks;
  - Reviewing periodic reports from the Corporation’s Chief Risk Officer (“CRO”); and
  - Obtaining reasonable assurance that the Risk Management division of the Corporation has adequate resources and has sufficient independence from management.
- (2) Risk Management for Financial Market Infrastructure Activities: Review and assess the adequacy of the procedures to mitigate market, credit, liquidity and operational risk exposures as a result of the Corporation’s activities.
- (3) Chief Risk Officer: Review and approve the appointment, replacement or dismissal of the CRO. The CRO reports to the Chair of the Committee functionally and the CEO administratively.
- (4) Meeting: Meet with the CRO in the absence of management at least annually to discuss and review specific issues as appropriate as well as any significant matters that the CRO may wish to bring to the Committee for its consideration, including a discussion of any restrictions or limitations placed on the CRO with respect to scope of work or access to required information.
- (g) Board Relationship and Reporting:
- (1) Adequacy of Charter: Review and assess the adequacy of the Committee Charter annually and submit such amendments as the Committee proposes to the Board for approval.
- (2) Reporting: Report regularly to the Board on Committee activities, issues and related recommendations.

#### **4. Chair**

The Board will in each year appoint an independent member as Chair of the Committee. In the Chair’s absence, the Committee shall select another member as Chair. If the position is vacant, the Board will appoint a new Chair of the Committee as soon as reasonably possible. 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 shall meet at the request of its Chair, but in any event it will meet at least four times a year. Notices calling meetings shall be sent to all Committee members, to the CEO, to the

external auditor, to the Chair of the Board and to all other directors. The external auditor, the Chief Internal Auditor, the Chief Risk Officer or any member of the Committee may call a meeting of the Committee.

**6. Quorum**

A majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing will constitute a quorum.

**7. Removal and Vacancy**

A member may resign from the Committee, and may 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 its 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 experts and advisors as it deems necessary to carry out its duties, and to set and pay their compensation. The Committee shall provide notice to the Governance Committee of the Board of Directors of the Corporation and to the Governance Committee of TMX Group Limited of its actions in this regard.

**9. Secretary and Minutes**

The Assistant 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. The minutes of the Committee will be circulated to all members of the Board.