TMX GROUP AND ICD SPONSORED REPORT CALLS FOR STRENGTHENING OF CANADIAN CORPORATE GOVERNANCE TO ADDRESS NEW RISKS, RAPID CHANGE

Report by a committee of eminent Canadian directors and governance experts highlights the imperative for boards to address rising expectations in a multi-stakeholder world

A copy of the final report is available at www.chartthefuture.ca

First in a series of virtual events will be held January 17, 2023 at 12:00pm ET; registration details below

Thursday, December 8, 2022; Toronto, ON - TMX Group and the Institute of Corporate Directors (ICD), as co-sponsors, are pleased to introduce "*Charting the Future of Canadian Governance: A Principled Approach to Navigating Rising Expectations for Boards of Directors,"* a milestone report that outlines recommendations for ensuring Canadian boards are well-equipped to meet new challenges and rising expectations.

The report is the product of more than two years of work and critical evaluation by a diverse 13-member committee that includes leading corporate directors and governance experts from across the country. It represents a principled approach to advancing the state of corporate governance in Canada. The committee's report is designed to provide guidance for directors of companies and organizations of all sizes across Canada's business community, reflecting their diverse needs and resources, including Canada's unique public venture market that enables small companies to become public companies.

"We live in a world that is changing at an extraordinary rate, and it's more important than ever for boards of directors to continue to adapt and evolve to keep pace," said Cheryl Graden, Chief Legal and Enterprise Corporate Affairs Officer, TMX Group Limited and co-sponsor* of the report. "Canadian businesses now operate in an increasingly dynamic and digital world filled with new geopolitical, environmental and social challenges and rising expectations from a diverse group of stakeholders. The committee's report is a critical resource for directors in this context; one that is intended to guide an important discussion around the necessary evolution of Canadian corporate governance in a complex, rapid-fire, multi-stakeholder world."

"The report is designed with purpose to clarify and validate the key aspects of corporate governance that directors need to focus on to meet a new set of expectations," said Rahul Bhardwaj, President and Chief Executive Officer, Institute of Corporate Directors and co-sponsor of the report. "We intend for this report to translate into ICD educational programming for directors and for it to become a part of our chapter-led initiatives over the next several years. We hope that the discussions and actions taken by boards that flow from this report will shape the future of corporate governance in this country."

The co-sponsors would like to thank the committee and the many others who shared their expertise and views for the time and energy that has gone into producing this critically important document.

Highlights of the Report's Recommendations

The recommendations contained in the report focus on the most pertinent areas facing boards today, as well as areas where there is minimal or no existing guidance on the key governance changes boards need to consider.

In summary, the report:

- Underscores the imperative for boards to know, understand and act in the interests of a broader range of stakeholders, in addition to shareholders.

- Addresses the need for boards and management to establish a strategy that reflects the current challenges of the new operating environment and calls for boards to ensure that management is effectively identifying, managing and mitigating a new set of risks for companies.

- Outlines a new set of principles to drive high performing boards, including guidance for selecting high-performing chairs and the imperative for boards to reflect the diversity of the company's stakeholders and the communities in which it operates.

- Highlights the need for a new kind of chief executive who is better equipped to drive change across the broadest possible front, given the increasing complexity that surrounds business.

- Puts a new lens on the importance of culture to the success of an organization, including the need for the CEO and senior management to embody the company's culture and values, and ensure that this culture is imbued in the company's purpose and strategy.

- Stresses that environmental, social and governance matters are not separate from a company's strategy, notes the imperative for boards to ensure management has considered the ESG issues relevant to the company's purpose, and reinforces the need to align stakeholder interests for the long term.

- Highlights principles for board oversight of climate change initiatives, including assessing the effectiveness of action plans and relevant climate change developments such as net zero and related transition activities.

- Includes principles for better board oversight of performance and reporting, including highlighting the importance of management considering the evolving standards to monitor and report on value creation for all stakeholders.

- Offers guidance for boards on how to transform themselves, given the changing world and rising expectations – all while making clear that governance changes that have been put forth will require directors to spend their valuable time and effort differently on their board duties.

Next Steps – Using the Report to Guide Governance Changes in Canada

The report and an accompanying discussion guide will now be used to advance the critically important discussion on how corporate governance needs to evolve in Canada. The report has been shared with a range of stakeholders across the Canadian business community.

On Tuesday January 17, 2023 at 12:00pm ET, the ICD and TMX Group will host the first in a series of virtual panel events to discuss the key principles outlined in the report. This event will include a brief overview of the report's recommendations followed by a panel discussion.

To register for this virtual event, please visit www.icd.ca/risingexpectations.

Members of the Committee to Chart the Future of Corporate Governance in Canada

The 13-member committee includes the following directors and leading governance experts:

- Rahul K. Bhardwaj (Co-Sponsor)
  President & CEO, Institute of Corporate Directors
- Cheryl L. Graden (Co-Sponsor)
  Chief Legal and Enterprise Corporate Affairs Officer, TMX Group
- Raymond Chan
  Corporate Director
- Jean Paul (JP) Gladu
  Principal of Mokwateh; Corporate Director
- Dexter John
  President & CEO, Morrow Sodali (Canada)
- Colleen Johnston
  Corporate Director
- Monique Leroux
  Corporate Director
- Hon. A. Anne McLellan
  Senior Advisor, Bennett Jones
- Heather Munroe-Blum
  Chair, CPP Investments Board; Principal and Vice Chancellor Emerita, McGill University
- Robert L. Pace
  Past Chair, Canadian National Railway
- Indira V. Samarasekera
  Senior Advisor, Bennett Jones
- Barbara G. Stymiest
  Corporate Director
- Mac Van Wielingen
  Founder & Chair, Viewpoint Group

Bios for each of the committee members are available at www.chartthefuture.ca.

* TMX Group is participating in this initiative as part of its role in Canada's capital markets to promote long-term sustainable investment. TMX Group is committed to embracing progressive change and as such is embarking on this Committee to connect with its various stakeholders with a goal to provide recommendations on good corporate governance practices. However, we note that any views and recommendations advanced by the Committee may serve as a tool and/or guidelines for issuers listed on Toronto Stock Exchange and/or TSX Venture Exchange (the "Exchanges").

Given the Exchanges' role in regulating listed issuers, together with their responsibility for ensuring the integrity of the market and the public interest while considering the interests of multiple different stakeholders, the Exchanges are of the view that boards of directors of listed issuers are best situated to determine what, if any, of the resulting recommendations stemming from the Committee are in the best interest of their respective corporation, shareholders and other constituents. Should the Exchanges decide to adopt any recommendations as an Exchange requirement for listed issuers, the Exchanges will follow the established procedures set out in the various recognition orders when seeking to amend their policies or procedures, including where applicable, publishing such changes for public comment.

About TMX Group (TSX-X)

TMX Group operates global markets, and builds digital communities and analytic solutions that facilitate the funding, growth and success of businesses, traders and investors. TMX Group's key operations include Toronto Stock Exchange, TSX Venture Exchange, TSX Alpha Exchange, The Canadian Depository for Securities, Montréal Exchange, Canadian Derivatives Clearing Corporation, and Trayport which provide listing markets, trading markets, clearing facilities, depository services, technology solutions, data products and other services to the global financial community. TMX Group is headquartered in Toronto and operates offices across North America (Montréal, Calgary, Vancouver and New York), as well as in key international markets including London, Singapore and Vienna. For more information about TMX Group, visit our website at www.tmx.com. Follow TMX Group on Twitter: @TMXGroup.

About the Institute of Corporate Directors (ICD)

Established in 1981, the Institute of Corporate Directors (ICD) is a not-for-profit, member-based organization representing Canadian directors and boards across the for-profit, not-for-profit and Crown sectors.

As Canada's largest director community, the ICD creates forums for dialogue, hosts networking opportunities and provides access to world-class resources for more than 16,500 members across a network of 11 Chapters. Members who successfully complete the ICD-Rotman Director Education Program (DEP) and ICD-led examination process earn the highly recognized ICD.D designation.

ICD members provide board oversight across all sectors of the economy and institutions that impact the lives of virtually every Canadian. Learn more at icd.ca.

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