

THIS CIRCULAR AND THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the Merger, the contents of this Circular or as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent professional adviser in the relevant jurisdiction.

If you sell or have sold or otherwise transferred all of your Existing Shares, you should send this Circular, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Existing Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom you made the sale or transfer. The distribution of this Circular and accompanying Form of Proxy into certain jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Circular and accompanying Form of Proxy comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Circular does not constitute an offer or invitation to any person to subscribe for or purchase any securities in LSEG. The Prospectus relating to the Existing Shares and the New Shares required in connection with the application for Admission has been published on the same date as this Circular. You can obtain a copy of the Prospectus from LSEG's website (<http://www.londonstockexchange.com/investor-relations/investor-relations.htm>) or by calling the Shareholder Helpline (which will provide practical information but not investment advice) on telephone number 0871 384 2544 (+44 121 415 7047 if calling from outside the UK) open from 8.30 a.m. to 5.30 p.m. (UK time) on any Business Day (calls to this number are charged at 8 pence per minute from a BT landline; other providers' costs may vary) or, on request, free of charge from the registered office of LSEG (being, 10 Paternoster Square, London EC4M 7LS). A copy of the Prospectus will also be available for inspection at the National Storage Mechanism online (www.hemscott.com/nsm.do) and at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS up until Admission during normal business hours on any Business Day.

Application will be made to the FSA and to the London Stock Exchange respectively for the Existing Shares of 6⁷/₁₆ pence each to be re-admitted and the New Shares of 6⁷/₁₆ pence each to be admitted to listing on the Official List and to trading on the Main Market of the London Stock Exchange. Admission to trading on the London Stock Exchange's Main Market for listed securities constitutes admission to trading on a regulated market. Subject to the conditions of the Merger Agreement having been satisfied (or, if applicable, waived), it is expected that Admission will become effective and that dealings in the Existing Shares and the New Shares will commence on the London Stock Exchange as soon as reasonably practicable following Completion. The New Shares will rank *pari passu*, in all respects, with the Existing Shares and carry the right to receive all dividends and other distributions (if any) declared, made or paid after the date of issue of the New Shares, except that any dividend to be paid to Mergeco Shareholders after Completion relating to the period between 31 March 2011 and the date of Completion shall, in accordance with the terms of the Merger Agreement, be paid only to the holders of Existing Shares. In addition, LSEG has applied for the listing of all of the Mergeco Shares and of the Exchangeable Shares on TSX as soon as reasonably practicable following Completion.



London
Stock Exchange Group

London Stock Exchange Group plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 5369106)

Merger of the London Stock Exchange Group and TMX Group

Circular to LSEG Shareholders and Notice of General Meeting

Your attention is drawn to the Chairman's Letter which is set out in Part 2 (Chairman's Letter) of this Circular. The LSEG Board unanimously recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. Your attention is also drawn to the section entitled "General Meeting and action to be taken" on page 15 of this Circular. Please read the whole of this Circular and, in particular, the risk factors set out in Part 3 (Risk factors) of this Circular. You should not rely solely on the information summarised in Part 2 (Chairman's Letter) of this Circular.

Morgan Stanley is acting as joint corporate broker and joint adviser exclusively to LSEG and no one else in connection with the production of this Circular and the Merger and will not be responsible to any other person (whether or not a recipient of this Circular) for providing the protections afforded to the clients of Morgan Stanley nor for providing advice in connection with the Merger or any other matters or arrangements referred to in this Circular. Morgan Stanley is also acting for LSEG as joint sponsor in relation to this Circular and the Prospectus.

Barclays Capital, which is authorised in the UK under FSMA and regulated by the FSA, is acting as joint corporate broker and joint adviser exclusively to LSEG and no one else in connection with the production of this Circular and the Merger and will not be responsible to any other person (whether or not a recipient of this Circular) for providing the protections afforded to the clients of Barclays Capital nor for providing advice in connection with the Merger or any other matters or arrangements referred to in this Circular. Barclays Capital is also acting for LSEG as joint sponsor in relation to this Circular and the Prospectus.

RBC Capital Markets, which is authorised in the UK under FSMA and regulated by the FSA, is acting as joint adviser exclusively to LSEG and no one else in connection with the production of this Circular and the Merger and will not be responsible to any other person (whether or not a recipient of this Circular) for providing the protections afforded to the clients of RBC Capital Markets nor for providing advice in connection with the Merger or any other matters or arrangements referred to in this Circular.

Save for the responsibilities and liabilities, if any, of Morgan Stanley, Barclays Capital or RBC Capital Markets under FSMA or the regulatory regime established thereunder, Morgan Stanley, Barclays Capital and RBC Capital Markets assume no responsibility whatsoever and make no representation or warranty, express or implied, in relation to the contents of this Circular, including its accuracy, completeness or verification or for any other statement made or purported to be made by LSEG, or on LSEG's behalf or by Morgan Stanley, Barclays Capital or RBC Capital Markets or on Morgan Stanley's, Barclays Capital's or RBC Capital Market's behalf and nothing contained in this Circular is, or shall be, relied upon as a promise or representation in this respect, whether as to the past or the future, in connection with LSEG or the Merger. Each of Morgan Stanley, Barclays Capital and RBC Capital Markets accordingly disclaim to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Circular or any such statement.

Capitalised terms have the meanings ascribed to them in Part 8 (Definitions) of this Circular.

Notice of the General Meeting of LSEG to be held at London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS at 3:00 p.m. on 30 June 2011 is set out on pages 72 to 74 of this Circular. Shareholders will find enclosed with this Circular a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, please complete and return the Form of Proxy to the Registrars as soon as possible and in any event so as to arrive by not later than 3:00 p.m. on 28 June 2011. If you hold Existing Shares in uncertificated form, you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the instructions set out thereon, ensuring that it is received by 3:00 p.m. on 28 June 2011 by the Registrars (under CREST participant ID RA19).

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular constitute forward-looking statements. The forward-looking statements contained in this Circular include statements about the expected effects of the Merger, the expected timing and scope of the Merger and other statements other than in relation to historical facts. Forward-looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates", "believes", "should", "plans", "will" and similar expressions and statements that are not historical facts are intended to identify those expressions or statements as forward-looking statements. The statements are based on the current expectations of LSEG and TMX Group Inc. are naturally subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this Circular could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the following possibilities: future revenues are lower than expected; competitive pressures in the industry increase; general economic conditions or conditions affecting the industry either internationally, or in the places where TMX Group, the LSEG Group or the Merged Group do, or will do, business, are less favourable than expected; and/or conditions in the securities markets are less favourable than expected. Given these risks and uncertainties, LSEG Shareholders should not place undue reliance on forward-looking statements. Neither LSEG nor TMX Group Inc., nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with its legal or regulatory obligations (including under FSMA, the Listing Rules and the Disclosure and Transparency Rules), LSEG is not under any obligation, and it expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART 1: EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates given in this expected timetable are based on LSEG's current expectations and may change. The precise date for Completion and events falling afterwards are not ascertainable as at the date of this Circular as the Merger is subject to a number of conditions beyond the control of LSEG.

<u>Expected time/date</u>	<u>Event</u>
5:00 p.m. (Eastern time) on 20 May 2011	TMX Group Record Date for determining TMX Group Shareholders entitled to vote at the TMX Group Meeting
3:00 p.m. (local UK time) on 28 June 2011	Deadline for receipt of the form of proxy for the LSEG Meeting or for appointment of proxy by completing and transmitting a CREST proxy instruction
6:00 p.m. (local UK time) on 28 June 2011	LSEG Record Date for determining LSEG Shareholders entitled to vote at the LSEG Meeting ⁽¹⁾
5:00 p.m. (Eastern time) on 28 June 2011	Deadline for CIBC Mellon to have received proxy forms or voting instructions from TMX Group Shareholders
3:00 p.m. (local UK time) on 30 June 2011	LSEG Meeting
10:00 a.m. (Eastern time) on 30 June 2011	TMX Group Meeting
10:00 a.m. (Eastern time) on 5 July 2011	Court hearing in respect of the Final Order
Autumn 2011	Expected Completion
As soon as reasonably practicable following Completion	Admission, commencement of dealings on TSX of Mergeco Shares and Exchangeable Shares Cancellation of listing of Existing Shares Admission, commencement of dealings on the London Stock Exchange of Mergeco Shares ⁽²⁾ New Shares credited to CREST/CDS accounts Despatch of share certificates where applicable Cancellation of listing of TMX Group Shares

Notes:

- (1) If the LSEG Meeting is adjourned, the LSEG Record Date for eligibility to vote at the reconvened meeting will be at the close of business on the date falling two days before the date set for the reconvened meeting.
- (2) The New Shares shall be issued, credited as fully paid, rank *pari passu* with the Existing Shares and carry the right to receive all dividends and other distributions (if any) declared, made or paid after the date of issue of the New Shares, except that any dividend to be paid to Mergeco Shareholders after Completion relating to the period between 31 March 2011 and the date of Completion shall, in accordance with the terms of the Merger Agreement, be paid only to the holders of Existing Shares.

PART 2: CHAIRMAN'S LETTER

London Stock Exchange Group plc

(Registered in England No. 5369106)



London
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Paolo Scaroni, Deputy Chairman and LSEG Non-Executive Director
Xavier Rolet, Chief Executive Officer
Doug Webb, Chief Financial Officer
Raffaele Jerusalmi, LSEG Executive Director
Baroness (Janet) Cohen, LSEG Non-Executive Director
Sergio Ermotti, LSEG Non-Executive Director
Gay Huey Evans, LSEG Non-Executive Director
Paul Heiden, LSEG Non-Executive Director
Andrea Munari, LSEG Non-Executive Director
Massimo Tononi, LSEG Non-Executive Director
Robert Webb Q.C., LSEG Non-Executive Director

1 June 2011

To holders of London Stock Exchange Group plc ordinary shares and, for information only, holders of employee share options and participants of London Stock Exchange Group plc share schemes

Dear LSEG Shareholder,

MERGER WITH TMX GROUP

1. Introduction

On 9 February 2011, LSEG and TMX Group Inc. announced that they had signed the Merger Agreement in respect of an all-share merger of equals transaction.

This Circular gives you further details of the proposed Merger, including background to and reasons for it. It also explains why the LSEG Board considers it to be in the best interests of LSEG and unanimously recommends that you vote in favour of the Resolutions to be proposed at the LSEG Meeting to be held at London Stock Exchange, 10 Paternoster Square, London EC4M 7LS at 3:00 p.m. on 30 June 2011 (or any adjournment thereof).

The Merged Group will be jointly headquartered in London and Toronto and will offer an international gateway to transatlantic capital markets, access to leading pools of global capital and liquidity, and a unique portfolio of highly complementary markets, products, technologies and services.

The Merged Group is expected to create substantial value for stakeholders and shareholders, with a robust capital structure from which to capture future growth opportunities. The Merger is expected to offer these benefits whilst ensuring regulatory jurisdiction of the domestic entities is maintained.

2. Reasons for the Merger

Rationale for the Merger

The LSEG Board believes the Merger is strategically compelling and will create a more diversified business with greater scale, scope, reach and efficiencies, generating substantial benefits for shareholders. The LSEG Group and TMX Group will bring together their respective and complementary areas of leadership and expertise to create a leading international exchange group.

Strategy

It is expected that the Merged Group's strategy will be to expand on its position as a leading provider of high-quality, deep, liquid and efficient capital markets across asset classes and geographic locations for the benefit of all stakeholders, including customers and shareholders.

Following Completion, from its position of increased financial and operational strength with positive growth prospects, it is expected that the Merged Group will continue to explore ways of delivering new capital markets solutions for customers and creating shareholder value by:

- growing its existing cash equities, global listings, derivatives, fixed income and energy franchises;
- providing a global suite of products and services to issuers, investors and market participants;
- developing international post-trade solutions in exchange-traded and OTC markets; and
- increasing the sale of technology solutions to third parties.

This will be accomplished organically or through additional strategic partnerships, alliances, acquisitions and other opportunities.

A leading global listing franchise

The Merged Group will be the number one listing venue in the world:

- by number of total listings, with over 6,700 companies with an aggregate market capitalisation of approximately £3.8 trillion/C\$6.0 trillion;
- for natural resources, mining, energy and clean technology companies;
- for international listings from emerging and growth markets; and
- for venture and alternative market issuers with approximately 3,600 listings on AIM and TSX Venture Exchange in aggregate providing deep expertise in supporting small-cap and early stage companies.

Diverse offerings across geographic locations and asset classes

The Merged Group will provide diverse offerings across a number of geographic locations and asset classes as follows:

- cash equities, by operating the leading trading venues in Europe (across the Merged Group's "lit" books) and Canada;
- fixed income, as one of the leading electronic trading platforms for European government bonds and Canada's first inter-dealer bond broker;
- energy and power, as the leading venue in energy trading, clearing and physical delivery in Canada, as an important and growing participant in the US market and as the number one venue in trading and clearing power derivatives in Italy;
- derivatives, as the leading derivatives trading venue in Italy and as Canada's only standardised derivatives exchange; and
- strong regional post-trade and clearing solutions for equities, fixed income and exchange-traded and OTC derivatives in both Europe and Canada through CC&G, Monte Titoli and CDCC, with the opportunity to expand into OTC derivatives.

Increased suite of information services (including indices)

The Merger provides opportunities for an increased suite of information services with leadership positions in the provision of indices, real-time data, reference data and a range of desktop and workflow products through the Merged Group's businesses and interests, including FTSE. The Merged Group will seek opportunities to expand the geographic distribution of its existing market data services and develop new global information solutions, including the creation of new equity and fixed income indices.

The Merged Group will be able to offer domestic and global customers a single point of contact for the provision of real-time and historic market data and information services from its multiple exchanges in various European and Canadian jurisdictions.

High performance and cost-effective technology

The LSEG Group and TMX Group will bring together their respective information technology expertise to develop and offer leading-edge, multi-asset class technology solutions and to facilitate innovation and further development in trading platform functionality. The Merged Group's exchanges will operate on common technology platforms and connected networks with the aim of facilitating efficient access across the LSEG Group's and TMX Group's existing markets. Together with the expected increase in liquidity, improvements in technology are expected to enhance certainty of execution, lower trading costs and reduce spreads and the cost of capital for users of the Merged Group's services.

Global marketing capabilities

The Merged Group will utilise its global sales network to expand the distribution of its products and services in trading data, listing and technology sales, including MillenniumIT and SOLA technology, to its expanded customer base.

3. Financial effects of the Merger

The LSEG Board believes that the Merger will create substantial value for all stakeholders through a combination of revenue and growth benefits and cost savings.

Revenue benefits

The complementary nature of the businesses of the LSEG Group and TMX Group is expected to facilitate enhanced growth and substantial revenue synergies.

Annual combined revenue synergies are targeted at £35 million (C\$56 million) in the third year following Completion, with further targeted growth through annual run-rate revenue benefits of up to £100 million (C\$160 million) in year five following Completion. In addition, annual run-rate cost synergies of £35 million (C\$56 million) are targeted by the end of the second year following Completion.

One-off implementation costs in relation to revenue benefits are not expected to be material; however, they will be dependent on the extent to which the cost synergies set out below are realised.

Cost savings

The Merger creates the opportunity for cost synergies, notwithstanding the high levels of efficiency already achieved by both businesses.

The pre-tax cost synergies are expected to be approximately 8 per cent. of the combined cost base (excluding non-recurring items, amortisation and depreciation) for the Merged Group and comprise of both IT and non-IT related savings. IT synergies are expected to arise from the integration of the Merged Group's IT infrastructure. Non-IT synergies are expected from consolidating overlapping operations in a number of areas and by reducing overall combined corporate expenses.

The aggregate pre-tax cost of achieving the synergies identified above is estimated to be approximately £40 million (C\$64 million) and is planned to be incurred in total by the end of the second year following Completion.

The Merger is expected to be accretive to Adjusted Earnings Per Share⁽¹⁾ (post-cost synergies, but excluding one-off costs to achieve synergies and deal related costs) for both existing LSEG Shareholders and existing TMX Group Shareholders in the first full financial year following Completion.

Unaudited pro forma financial information is set out in Part 18B—"Unaudited pro forma financial information relating to the Merged Group" of the Prospectus. Part 18B—"Unaudited pro forma financial information relating to the Merged Group" of the Prospectus sets out an unaudited pro forma income statement illustrating the effect of consolidating the LSEG income statement for the year ended 31 March 2011 with the TMX Group income statement for the year ended 31 December 2010 and an unaudited pro forma statement of net assets illustrating the effects of the Merger on the net assets of the Merged Group as at 31 March 2011.

(1) Adjusted Earnings Per Share is not a measure required under IFRS and does not have standardised meaning under IFRS and may, therefore, not be comparable to similar measures presented by other companies which have adopted IFRS.

4. Information on TMX Group

TMX Group is a diversified exchange group, with recognised leadership in Canada and an increasing presence in international markets. TMX Group owns and operates cash and derivatives markets and clearing houses for multiple asset classes including equities, fixed income and energy.

TSX is Canada's leading, central market for both the listing and trading of equities. TMX Group also operates a world leading public venture capital market, TSX Venture Exchange. Through MX and CDCC, TMX Group provides Canadian leadership in derivatives products, trading and clearing, and holds a majority stake in BOX, which serves the US equity options market. TMX Group's energy market, NGX, has grown into a North American leader in trading and clearing of physical energy contracts. TMX Datalinx provides real-time and historic data and information services to both domestic and international customers. Shorcan, a leading IDB operating in the fixed income sector, and Equicom, a provider of investor relations and corporate communications services, round-out the TMX Group portfolio.

TMX Group develops and applies leading-edge technology to power its markets. Increasingly, such technology is being deployed in global markets, particularly in European derivatives markets.

TMX Group is headquartered in Toronto, with significant Canadian operations in Montreal, Calgary, and Vancouver, as well as an expanding global footprint through offices in Houston, Boston, Chicago and London. The head and registered office of TMX Group Inc. is at The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2. TMX Group Inc. is existing under the OBCA.

TMX Group's core business segments are set out below:

- *Cash markets—equities and fixed income*—TMX Group owns and operates Canada's two national stock exchanges, TSX and TSX Venture Exchange and Shorcan, a fixed-income IDB. Through its information services operations, TMX Group provides a range of equities and fixed income real-time and historical market data, index products and data delivery solutions, including co-location services. It also provides investor relations and corporate communications services through Equicom.
- *Derivatives markets*—MX provides markets for trading interest rate, index and equity derivatives and CDCC clears and settles all options and futures contracts carried out on MX as well as certain OTC products. MX holds a majority interest in BOX, a US automated equity options market.
- *Energy markets*—NGX provides a platform for the trading and clearing of natural gas, electricity and crude oil contracts. Shorcan Energy, a wholly-owned Subsidiary of Shorcan provides brokerage services for energy contracts, including crude oil.

Further information on TMX Group's business is set out in Part 7—"Information on TMX Group's business" of the Prospectus.

The historical financial information of TMX Group covering the three financial years ended 31 December 2008, 2009 and 2010 has been restated under IFRS and LSEG's accounting policies and is set out in Part 17C—"Restated financial information relating to TMX Group" of the Prospectus.

TMX Group's unaudited interim statements for the three months ended 31 March 2011 have been prepared both: (i) in accordance with CIFRS and TMX Group accounting policies; and (ii) on a basis consistent with LSEG's accounting policies.

As at 31 March 2011, TMX Group reported in its unaudited interim financial statements consolidated total assets of C\$2,976.2 million.

5. Summary of principal terms and conditions of the Merger

Merger ratio

Under the terms of the Merger, which will be implemented by means of a plan of arrangement in Ontario, TMX Group Shareholders will receive 2.9963 New Shares for each TMX Group Share they hold. At Completion, existing LSEG Shareholders will own approximately 55 per cent. and former TMX Group Shareholders approximately 45 per cent., respectively, of the outstanding publicly held equity interests in the Merged Group. Further information in relation to the implementation and terms of the Merger is set out in Part 8—"Description of the Merger" of the Prospectus.

TMX Group Shareholders who are taxable Canadian Residents may elect to receive, for each TMX Group Share in respect of which that TMX Group Shareholder has validly elected to receive Exchangeable

Shares, 2.9963 Exchangeable Shares (and Ancillary Rights) instead of the New Shares to which they would otherwise be entitled. The Exchangeable Shares (together with Ancillary Rights) will carry substantially equivalent economic entitlements (including as to dividends) to the New Shares issued by Mergeco. At its option, an Exchangeable Shareholder will be able to exchange its Exchangeable Shares for Mergeco Shares on a one-for-one basis. Pending exchange, Exchangeable Shareholders will be able to vote on resolutions relating to Mergeco as if they held a Mergeco Share by virtue of the Voting and Exchange Trust Agreement.

Pending exchange, Exchangeable Shareholders will receive, through the Voting and Exchange Trust Agreement, the benefit of voting rights attaching to Mergeco Shares. To enable Exchangeable Shareholders to exercise such voting rights, a number of New Shares will be issued to Jerseyco on the Effective Date equal to the number of Exchangeable Shares being issued to Eligible TMX Group Shareholders on that date. An Exchangeable Shareholder will be entitled to instruct the Trustee to exercise the votes attaching to one Mergeco Share for each Exchangeable Share held by it on the same basis and in the same circumstances as if the holder held one Mergeco Share. Jerseyco will waive the dividend rights attracting to the New Shares held by it and, as such, it will not receive any dividends paid by Mergeco.

Further information in relation to the Exchangeable Shares and the trust voting mechanism is set out in Part 12—“Exchangeable Share structure” of the Prospectus.

Change of name

Conditional on the passing of the relevant Ancillary LSEG Resolution and on, and with effect from, Completion, LSEG will be renamed “LTMX Group plc”. However, the operating exchanges will each continue under their existing names. Mergeco, the existing UK incorporated holding company, will be the holding company of the Merged Group.

Conditions

The Merger is subject to the satisfaction of certain conditions, including the following:

- the approval of the LSEG Resolution by a majority of votes cast by the LSEG Shareholders at the LSEG Meeting;
- the approval of the Plan of Arrangement by at least 66⅔ per cent. of the votes cast by TMX Group Shareholders at the TMX Group Meeting in accordance with the Interim Order;
- certain regulatory approvals, including under the Investment Canada Act and Competition Act, under the HSR Act, UK Enterprise Act 2002 as well as from certain Canadian Securities Regulators; and
- the UKLA having agreed to admit the New Shares and re-admit the Existing Shares to listing on the premium segment of the Official List and such agreement not having been withdrawn.

The TMX Group Meeting to approve the Plan of Arrangement is scheduled for the same date as the LSEG Meeting.

The Merger Agreement, which provides for a long-stop date of 9 November 2011 (subject to an extension of up to 30-days in certain circumstances), contains customary provisions for a transaction of this nature, including customary representations and warranties, covenants, undertakings and conditions.

Termination rights

In the Merger Agreement, each of LSEG and TMX Group Inc. have agreed not to solicit other offers. The Merger Agreement provides that the boards of directors of each of LSEG and TMX Group Inc. may, under certain circumstances, terminate the agreement in favour of a Superior Proposal, subject to a payment of a termination fee of C\$39 million, and subject to a right by each party to match the Superior Proposal in question. Following approval of the Merger by their respective shareholders, neither LSEG nor TMX Group Inc. shall be entitled to terminate the Merger Agreement in favour of a Superior Proposal.

In the event that LSEG Shareholders do not approve the Merger either party will have the right to terminate the Merger Agreement. On such termination an expense fee of C\$10 million is payable by LSEG to TMX Group.

Similarly, if the Merger is not approved by the TMX Group Shareholders either party will have the right to terminate the Merger Agreement. On such termination an expense fee of C\$10 million is payable by TMX Group Inc. to LSEG.

A termination fee will be payable by a party suffering a failed shareholder approval in the amount of C\$39m (less any C\$10m expense fee paid by such party under the provisions described above) if:

- prior to such termination, a *bona fide* 50 per cent. or more Acquisition Proposal for the party suffering the failed shareholder vote is made or publicly announced by any other person; and
- within 12 months following the date of such termination (i) the party suffering the failed shareholder vote or one or more of its Subsidiaries enters into a definitive agreement in respect of such Acquisition Proposal and such Acquisition Proposal is subsequently completed, or (ii) such Acquisition Proposal is completed.

Maple's proposal to acquire TMX Group Inc. described in paragraph 15 will be treated as an Acquisition Proposal for these purposes.

In addition, the Merger Agreement contemplates termination rights in various other circumstances. In certain of those circumstances, termination will result in the payment of either a termination fee or an expense fee.

A summary of the Merger Agreement is set out in Part 4 (Summary of the Merger Agreement) of this Circular. Further detail in relation to the regulatory conditions to the Merger and their satisfaction is set out below.

6. Regulatory approvals

As set out above, Completion is conditional on obtaining approval under the Investment Canada Act and from the Canadian Securities Regulators. As at the date of this Circular, the process of obtaining these approvals is ongoing but none of the relevant approvals have been obtained. It is likely to take several months to obtain these approvals and, accordingly, Completion is not expected to occur until autumn 2011. Further information is set out below.

Investment Canada Act

Under the Investment Canada Act, certain transactions involving the acquisition of control of a Canadian business by a non-Canadian are subject to review and cannot be implemented unless the responsible Minister is satisfied that the transaction is likely to be of net benefit to Canada. The transaction contemplated by the Merger is subject to such review. The exact timetable for this review and obtaining Investment Canada Act Approval is not known as at the date of this Circular. See Section C of Part 8—“Description of the Merger” of the Prospectus for further detail.

Summary of undertakings

In connection with obtaining Investment Canada Act Approval, LSEG has agreed pursuant to the Merger Agreement to provide written undertakings to the Investment Review Division of Industry Canada.

Undertakings will be provided, amongst other things, in relation to the:

- structure of the Mergeco Board (including undertakings as to the ongoing representation of Canadian Directors on the Mergeco Board);
- the Merged Group being jointly headquartered in London and Toronto;
- allocation of senior management positions between officers resident in Canada, the UK and Italy; and
- location of certain global business units and functions in Canada.

The arrangements will contemplate adjustment mechanics in the event of, amongst other things, the Merged Group expanding through further transactions. It is contemplated that these undertakings will be provided for a period of four years.

A description of the proposed undertakings, which, amongst other things, will place significant requirements on the ongoing governance arrangements of the Merged Group, is set out in Part 6 (Proposed Investment Canada Act undertakings) of this Circular. Certain information is also provided

under the heading “Governance” below. In addition to the key undertakings described above, LSEG has agreed to offer, accept and agree to:

- an undertaking as to minimum Canadian employment levels as agreed between TMX Group Inc. and LSEG, subject to changes of no substantive effect;
- other customary undertakings as agreed between TMX Group Inc. and LSEG, including matters in respect of career advancement opportunities for Canadians, Canadian capital expenditures, Canadian research and development and Canadian charitable contributions, subject to changes that are not material, either individually or in the aggregate, in relation to such agreed undertakings.

Modifications to undertakings

In connection with obtaining approval it is possible that the terms of the undertakings to be provided by LSEG in relation to the Merger will be modified. The Merger Agreement sets out the commitment which LSEG has made to TMX Group Inc. in connection with variations to the undertakings. With respect to the undertakings related to:

- corporate governance matters (including board structure, how the principal leadership roles in the Merged Group would be shared and where the Merged Group headquarters for the principal global business and support functions would be located) and minimum Canadian employment levels: LSEG would be obliged to accept any changes emerging from the regulatory process which are of no substantive effect; and
- other matters contemplated by the Merger Agreement: LSEG would be obliged to accept changes that are not material, either individually or in the aggregate, in relation to such matters.

LSEG has further agreed to offer, accept and agree to additional undertakings in respect of matters that are not contemplated by the Merger Agreement and that are acceptable to LSEG, acting in good faith and reasonably. LSEG has not entered into any agreements or undertakings requiring it to make changes which are material to the terms of the Merger. In addition to the undertakings it agreed to provide pursuant to the Merger Agreement, LSEG may be required to provide additional undertakings in order to obtain Investment Canada Act Approval. Accordingly, the final undertakings to be given in connection with Investment Canada Act Approval may vary from those described in this Circular. Such final undertakings may be given after the LSEG Resolution has been passed. To the extent that any amendments to the terms of the Merger are material, LSEG shall seek a further approval from the LSEG Shareholders for the Merger.

Ontario Select Committee

It is the practice of the Investment Review Division of Industry Canada to consult with the governments of the Provinces affected by a proposed investment as part of the Investment Canada Act review process and prior to a determination by the Minister responsible for the Investment Canada Act that he or she is satisfied that the investment is likely to be of net benefit to Canada.

On 23 February 2011, the Legislative Assembly of Ontario appointed a special Select Committee, which included members of all the main political parties in Ontario, to consider and report its observations and recommendations concerning the impact and net benefit of the Merger to Canada, including Ontario, its economy and people, Toronto’s financial services sector and Northern Ontario’s mining industries. The Select Committee conducted hearings on 2, 3, 9 and 10 March 2011 to consider these matters. On 19 April 2011, the Select Committee’s report was published, containing a number of recommendations with respect to regulatory and governance matters, including one that the number of directors ordinarily resident in Canada should always be equal to the number ordinarily resident in UK/Italy.

It is expected that the Minister responsible for the Investment Canada Act will consider the Select Committee’s report and recommendations and the views of provincial governments and other interested parties in reaching any determination as to whether the Merger is likely to be of net benefit to Canada and whether undertakings may be required from LSEG as a condition of obtaining Investment Canada Act Approval which are in addition to or different from those provided for in the Merger Agreement. As well, the OSC has indicated that it will consider the Select Committee’s report and recommendations during its review.

The Merged Group will report annually to the public on its adherence to undertakings made under the Investment Canada Act.

Approvals of Canadian Securities Regulators

Certain approvals are required from Canadian Securities Regulators in order for the Merger to proceed.

Summary of undertakings and changes to terms of recognition orders

Pursuant to the Merger Agreement, LSEG has agreed, in respect of obtaining the Securities Regulatory Approvals from the OSC, AMF, ASC and BCSC, to provide written undertakings to such securities regulators and to agree to amendments to the recognition orders of certain of TMX Group's exchanges. These undertakings include undertakings with respect to the ongoing governance arrangements of Mergeco and its Subsidiaries including undertakings as to the ongoing representation of Canadian Directors on the Mergeco Board. The undertakings provided in connection with the Securities Regulatory Approvals will continue on an ongoing basis and beyond the period of the Investment Canada Act undertakings described above. Additionally, LSEG will request confirmation from the OSC, AMF and Manitoba Securities Commission for the continuing application of exemptive relief in respect of TSX Venture Exchange Inc. Approval of the SEC is also required for certain aspects of the Merger.

Further information in relation to the existing regulatory regime in the core jurisdictions in which TMX Group operates together with the proposed undertakings to be offered in connection with the Securities Regulatory Approvals is set out in Part 5 (Regulation of TMX Group) of this Circular.

Undertakings and changes to terms of recognition orders

In connection with obtaining the approvals it is possible that the terms and conditions agreed between LSEG and TMX Group Inc. to obtain the Securities Regulatory Approvals will be modified. The Merger Agreement sets out the commitments which LSEG has made to TMX Group Inc. in connection with undertakings and variations to terms and conditions of recognition orders in connection with the Securities Regulatory Approvals. With respect to the terms and conditions related to:

- corporate governance and certain other matters set out in the Merger Agreement: LSEG would be obliged to accept any changes emerging from the regulatory process which are of no substantive effect; and
- other matters contemplated by the Merger Agreement: LSEG would be obliged to accept changes that are not material, either individually or in the aggregate, in relation to such matters.

LSEG has further agreed to offer, accept and agree to additional terms and conditions in respect of matters that are not contemplated by the Merger Agreement and that are acceptable to LSEG, acting in good faith and reasonably. LSEG has not entered into any agreements or undertakings requiring it to make changes which are material to the terms of the Merger. In addition to the undertakings, terms and conditions it agreed to pursuant to the Merger Agreement, LSEG may be required to provide additional undertakings and agree to other changes in order to obtain the Securities Regulatory Approvals. Accordingly, the final terms and conditions required to obtain the Securities Regulatory Approvals may vary from those described in this Circular. Such final undertakings may be given after the LSEG Resolution has been passed. To the extent that any amendments to the terms of the Merger are material, LSEG shall seek a further approval from the LSEG Shareholders for the Merger.

Status of Approvals by Canadian Securities Regulators

As outlined in further detail in Part 5 (Regulation of TMX Group) of this Circular, LSEG and TMX Group Inc. (and MX in the case of the application to the AMF) made applications to each of the OSC, the AMF, the ASC and the BCSC on 13 May 2011 to amend and restate, as applicable, the recognition orders and exemption orders of TMX Group Inc. and TSX Inc., MX, TSX Venture Exchange Inc. and CDCC to reflect the Merger. The applications to the OSC and the AMF request approval of the beneficial ownership by LSEG of all of the common shares of TMX Group Inc. and, indirectly of TSX Inc. (in the case of the application to the OSC) and MX (in the case of the application to the AMF).

The OSC, AMF, ASC and BCSC each published the applications of TMX Group Inc. on 13 May 2011 and concurrently published a notice and request for comments within a 45 day comment period.

In the OSC's notice and request for comments, the OSC stated that it will determine whether it is in the public interest to make the requested orders and in doing so will impose any terms and conditions necessary to ensure that the OSC continues to have appropriate regulatory oversight of TMX Group Inc. and TSX Inc. going forward. In the AMF notice of public consultation, the AMF stated that it will make

the requested decisions where it is of the opinion that it is in the public interest to do so, and specified guiding principles it will consider in this regard.

Each of the OSC, AMF, ASC and BCSC has identified certain specific issues for public comment. In the case of the OSC, these issues include: (i) whether Mergeco's proposed undertakings to the OSC provide for a sufficient degree of regulatory oversight by the OSC over the operations of TMX Group Inc., TSX Inc. and Mergeco; (ii) the appropriateness of the proposed undertakings by Mergeco in the context of governance over the operations of TMX Group Inc. and TSX Inc. both before and after the fourth anniversary of Completion (being the date on which it is proposed that the undertakings to the ICA should terminate); (iii) whether the OSC should have certain approval rights in relation to future changes in the composition of the Mergeco Board under the proposed "permitted adjustment" mechanism prior to the fourth anniversary of Completion and after such date pursuant to the proposed test for changes to board composition (which under the proposed arrangements, described in Part 5 (Regulation of TMX Group) of this Circular, would each be matters for the Mergeco Board to determine); and (iv) whether the OSC should have the authority to approve ownership or control of more than 10 per cent. of Mergeco's Shares. A general consideration was also set out as to whether TMX Group Inc., TSX Inc. or any other part of TMX Group is a strategic asset or infrastructure for Canada and if so what implications this should have for the review by the OSC.

In the case of the AMF the issues for comment include: (i) whether the AMF should have approval rights with respect to a proposal by a potential acquirer to acquire or increase control of Mergeco and if so at what percentage thresholds the AMF should have approval rights; (ii) whether the proposed governance undertakings are sufficient (with a particular emphasis on matters that may be relevant to Quebec); (iii) the adequacy of governance arrangements below Mergeco level; and (iv) whether the fact that CDCC would be held or controlled indirectly by foreign interests raises issues that could affect the integrity and efficient operation of Canadian derivatives markets.

Accordingly, a number of the proposed undertakings and amendments to existing recognition orders contemplated by the Merger Agreement and reflected in the applications made to the OSC and the AMF (in particular in relation to Mergeco Board governance and share ownership restrictions) will be under consideration in the context of the public consultation process. See Part 5 (Regulation of TMX Group) of this Circular for a description of the existing recognition orders and the proposed undertakings and amendments to existing recognition orders contemplated by the Merger Agreement.

During the comment period, members of the public are invited to submit written comments with respect to the applications. Shortly after the end of such comment period, the OSC and the AMF will each hold public hearings with respect to the applications. The OSC expects to hold public hearings in July 2011 and the AMF will hold public hearings on 14 and 15 July 2011. Depending on the outcome of this process, it is possible that the terms and conditions agreed between LSEG and TMX Group Inc. to obtain the Securities Regulatory Approvals may be required to be modified by the securities regulatory authorities, as a condition of granting the requested rulings. Accordingly, the final terms and conditions required to obtain the Securities Regulatory Approvals may vary from those described in this Circular. See Part 5 (Regulation of TMX Group) of this Circular.

7. Regulation of the Merged Group

Information on the regulation of the Merged Group, generally, including a description of the share ownership restrictions which will apply upon Completion, is set out in Part 10—"Regulation of the Merged Group" of the Prospectus.

8. Governance and management

With effect from Completion, Mergeco will be the holding company of the Merged Group. Mergeco will retain a unitary board. It is intended that Mergeco will continue to comply with the UK Corporate Governance Code. In addition, following Completion, Mergeco will comply with Canadian corporate governance principles and rules.

The Mergeco Board will initially comprise 15 directors, consisting of eight directors to be nominated by the existing LSEG Board (of which three will be selected from the Italian members of the LSEG Board), and seven directors to be nominated by the existing TMX Group Board. Wayne Fox will be the Chairman of the Mergeco Board, and Massimo Tononi and myself will be Deputy Chairmen. I will remain as Chairman of London Stock Exchange.

The executive board members of Mergeco will be:

- CEO—Xavier Rolet (based in London)
- President—Thomas Kloet (based in Toronto)
- CFO—Michael Ptasznik (based in Toronto)
- Director (and CEO of Borsa Italiana)—Raffaele Jerusalmi (based in Milan)

The non-executive board members of Mergeco will be:

- Wayne Fox (Chairman)
- Chris Gibson-Smith (Deputy Chairman)
- Massimo Tononi (Deputy Chairman)
- Raymond Chan
- Denyse Chicoyne
- Paul Heiden
- Gay Huey Evans
- J. Spencer Lanthier
- John P. Mulvihill
- Andrea Munari
- Robert Webb

The appointment of new directors will be subject to relevant regulatory approvals. As noted above, in connection with obtaining Investment Canada Act Approval and the Securities Regulatory Approvals, certain undertakings are being given by LSEG with respect to governance matters, including the ongoing composition of the Mergeco Board and, in particular, the ongoing representation of Canadian Directors. A description of the proposed undertakings to be provided in the context of Investment Canada Act Approval is contained in Part 6 (Proposed Investment Canada Act undertakings) of this Circular. A description of the proposed undertakings, terms and conditions to be provided in the context of the Securities Regulatory Approvals is contained in Part 5 (Regulation of TMX Group) of this Circular.

The Merged Group will continue to maintain local boards of the legal entities within the Merged Group in Europe and Canada.

The executive management and senior leadership of Mergeco will be drawn from a balance of leaders from both organisations and will be represented in its joint headquarters of London and Toronto as well as other core centres, including Calgary, Colombo, Milan, Montreal, Rome and Vancouver.

Details of the contracts for current LSEG Executive Directors who will sit on the Mergeco Board and Prospective Directors' are set out in Part 13—"Directors and officers of Mergeco" of the Prospectus.

Given the Mergeco Board will be enlarged upon Completion, it is proposed that the aggregate remuneration of the non-executive directors (excluding the Mergeco Chairman) be increased from £1.5 million to £2.0 million for the purposes of Article 137 of the LSEG Articles which requires that LSEG must pass an ordinary resolution to increase the aggregate maximum remuneration payable to non-executive directors of LSEG. Further detail is set out under the heading "Resolution to increase the aggregate maximum remuneration payable to non-executive directors of Mergeco" in paragraph 4 (Ancillary LSEG Resolutions) of Part 7 (Additional information) of this Circular.

Further information on the governance of Mergeco is set out in Part 13—"Directors and officers of Mergeco" of the Prospectus.

9. Employees

The Merged Group attaches great importance to the skills and experience of existing management and employees. It is expected that employees will generally have greater opportunities arising out of the Merger due to the enhanced growth prospects of the Merged Group. Existing employment rights of employees of both TMX Group and LSEG will be fully safeguarded.

10. Financial summary

An unaudited pro forma statement of net assets illustrating the effects of the Merger on the net assets of the Merged Group at 23 May 2011 is set out in Part 18—“Unaudited pro forma financial information relating to the Merged Group” of the Prospectus.

Summary historical financial information

The LSEG Group

The financial information discussed below has been extracted without material adjustment from the documents incorporated by reference described in Part 16—“Historical financial information relating to the LSEG Group” of the Prospectus. The total revenue, total income, adjusted operating profit and profit before taxation of the LSEG Group for the three years ended 31 March 2011, are summarised below.

	Year ended 31 March		
	2011	2010	2009
	£m	£m	£m
Total revenue	615.9	605.6	644.7
Total income	674.9	628.3	671.4
Adjusted operating profit ⁽¹⁾	341.1	280.3	340.7
Profit before taxation	151.6	90.4	(338.0)

Note:

(1) Before amortisation of purchased intangibles and non-recurring items

TMX Group

The financial information discussed below has been extracted without material adjustment from the documents set out in Part 17—“Historical financial information relating to TMX Group” of the Prospectus. The total revenue, operating profit, net income before income taxes and net income for the year of TMX Group for the three years ended 31 December 2010, are summarised below.

	Year ended 31 December		
	2010	2009	2008
	C\$m	C\$m	C\$m
Total revenue	625.6	590.4	563.3
Operating profit	338.6	224.1	300.1
Net income before income taxes	337.6	221.3	291.1
Net income for the year	237.5	126.5	190.0

11. Funding

TMX Group Inc.’s outstanding facilities as at 31 March 2011 of C\$430 million (£275.7 million, based on foreign exchange rates of 1.5599) are able to be refinanced from LSEG’s existing facilities, which have undrawn capacity of £500 million (C\$780 million, based on foreign exchange rates of 1.5599) as of 31 March 2011.

12. Dividends

On 13 May 2011 LSEG proposed a final dividend of 18 pence per share in respect of the year ended 31 March 2011. TMX Group Inc. declared a quarterly dividend for the three months ended 31 March 2011 of C\$0.40 per TMX Group Share on 12 May 2011. Each of LSEG and TMX Group Inc. intend to pay their respective shareholders pro-rated dividends in respect of the period from 31 March 2011 and 31 December 2010, respectively, to Completion in an amount in line with the relevant company’s existing dividend policy.

Following Completion, Mergeco intends, subject to the approval of the Mergeco Board, to maintain a progressive dividend policy, as earnings and cash flows allow, from the base of the current combined gross amount of dividends paid in connection with the Existing Shares and TMX Group Shares in aggregate. The New Shares issued to TMX Group Shareholders in exchange for TMX Group Shares upon Completion shall be issued, credited as fully paid and rank *pari passu* with the Existing Shares and carry the right to receive all dividends and other distributions (if any) declared, made or paid after the date of issue of the New Shares, except that any dividend to be paid to Mergeco Shareholders after Completion relating

to the period between 31 March 2011 and the date of Completion in accordance with the terms of the Merger Agreement shall be paid only to the holders of Existing Shares.

The dividends on Mergeco Shares will be declared in pounds sterling. Mergeco Shareholders will receive dividends in Canadian dollars or pounds sterling, as applicable based on their residency according to the share register and calculated based on the exchange rates prevailing on each date on which dividends are declared.

Exchangeable Shareholders will receive dividends equivalent to those paid on the Mergeco Shares. These dividends will be paid in Canadian dollars, based on the exchange rates prevailing on each date on which dividends are declared. Exchangeable Shares allow residents of Canada, for tax purposes, to receive dividends from a Canadian corporation which are generally subject to more favourable tax treatment than dividends from a non-Canadian corporation.

Jerseyco will waive the dividend rights attaching to the New Shares held by it and, as such, will not receive any dividends paid by Mergeco. Further information is set out in Part 19—"Taxation" and Part 12—"Exchangeable Share structure" of the Prospectus.

13. Current trading and prospects

The LSEG Group

On 13 May 2011, LSEG announced its financial results for the year ended 31 March 2011. Since 31 March 2011, the LSEG Group's core business segments of capital markets, post-trade services, information services and technology services continue to perform well overall.

TMX Group

On 13 May 2011, TMX Group announced its financial results for the quarter ended 31 March 2011. Since March 2011, TMX Group's business continues to perform well overall.

14. Risk factors

The proposed Merger and the Merged Group are subject to a number of risks and uncertainties which LSEG Shareholders should carefully consider. Risks related to the Merger and the future business and operations of the Merged Group are described in Part 3 (Risk factors) of this Circular.

15. Maple proposal

On 13 May 2011, TMX Group Inc. received a written proposal for the acquisition of TMX Group Inc. from Maple Group Acquisition Corporation, a corporation formed by a number of Canadian financial institutions comprising Alberta Investment Management Corporation, Caisse de dépôt et placement du Québec, Canada Pension Plan Investment Board, CIBC World Markets Inc., Fonds de solidarité des travailleurs du Québec, National Bank Financial Inc., Ontario Teachers' Pension Plan Board, Scotia Capital Inc. and TD Securities Inc. ("**Maple**").

The Maple proposal, which is not binding and was prepared for discussion purposes, provides for a combination of cash and equity consideration stated to be at a premium to the then current market price of TMX Group Shares. The proposal also involves a number of significant conditions, including regulatory approval for the combination of TMX Group with both Alpha Group and CDS Inc., but does not specify the means for satisfying these conditions.

On 20 May 2011, the TMX Group Board announced that it had considered the Maple proposal and determined, after consultation with its financial advisers and outside counsel that, for the purposes of the Merger, the Maple proposal did not constitute a Superior Proposal and nor could it reasonably be expected to result in a Superior Proposal. The TMX Group Board reiterated its support of the Merger and stated that it was the view of the TMX Group Board that the Merger continued to be in the best interests of TMX Group Inc. and its shareholders and stakeholders.

On 25 May 2011, Maple made a public announcement regarding its intention to initiate a unilateral offer to acquire TMX Group Inc. As at the LSEG Latest Practicable Date, such unilateral offer had not been initiated. The TMX Group Board has stated that it will review and respond to the formal Maple offer if and when it is made.

16. Admission

Application will be made to the FSA and to the London Stock Exchange, respectively, for the Existing Shares of 6⁷⁹/₈₆ pence each to be re-admitted and the New Shares of 6⁷⁹/₈₆ pence each to be admitted to listing on the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange. In addition, LSEG has applied for the listing of all of the Mergeco Shares and of the Exchangeable Shares on TSX as soon as reasonably practicable following Completion.

Save as contemplated above, application has not been, and will not be, made for the Mergeco Shares or the Exchangeables to be admitted to, or to trade on, any other stock exchange.

17. Resolutions

Due to its size, the Merger requires the approval of the LSEG Shareholders at the LSEG Meeting. The LSEG Meeting has been convened to consider and, if thought fit, to approve ordinary resolutions approving the Merger and authorising the LSEG Directors to allot New Shares up to a maximum aggregate nominal amount of £15,912,791 in connection with the Merger. The New Shares to be issued pursuant to the Merger (including New Shares to be issued to Jerseyco as described in Part 12—“Exchangeable Share structure” of the Prospectus) will result in an increase of approximately 82.5 per cent. of the issued ordinary share capital of LSEG⁽²⁾.

In addition, conditional on the passing of the LSEG Resolution and on, and with effect from, Completion, Resolutions will be proposed at the LSEG Meeting as follows:

(a) ordinary resolutions to:

- increase the aggregate maximum remuneration payable to non-executive directors of Mergeco (excluding the Mergeco Chairman) from £1.5 million to £2.0 million reflecting the increased size of the LSEG Board;
- adopt a replacement general authority for the Mergeco Directors to allot Mergeco Shares by reference to the issued ordinary share capital of LSEG as enlarged by the Merger; and

(b) special resolutions to:

- change the name of LSEG to “LTMX Group plc”;
- adopt a replacement share buy back authority by reference to the issued ordinary share capital of LSEG as enlarged by the Merger; and
- adopt a replacement general authority disapplying pre-emption rights in relation to allotments of Mergeco Shares for cash consideration by reference to the issued ordinary share capital of LSEG as enlarged by the Merger.

Under the terms of the Merger Agreement, it is not a condition to Completion that these Ancillary LSEG Resolutions be approved.

Further detail on the Resolutions is provided under paragraph 4 (Ancillary LSEG Resolutions) of Part 7 (Additional information) of this Circular.

18. General Meeting and action to be taken

The notice convening the LSEG Meeting to be held at London Stock Exchange, 10 Paternoster Square, London EC4M 7LS at 3:00 p.m. on 30 June 2011 is set out at the end of this Circular. The purpose of this meeting is to seek LSEG Shareholders’ approval of the LSEG Resolution and the Ancillary LSEG Resolutions.

Please be informed that the Prospectus is available at <http://www.londonstockexchange.com/investor-relations/investor-relations.htm> to view and to download electronically. Details of how to access the Prospectus are set out in paragraph 17 of the notes to the notice convening the LSEG Meeting. If you have previously indicated that you would prefer to receive hard copies of LSEG Shareholder documents, then you will also find a copy of the Prospectus enclosed.

(2) Based on LSEG’s and TMX Group Inc.’s issued share capital as at the LSEG Latest Practicable Date and assuming that no options to acquire Existing Shares are exercised or Existing Shares issued under the LSEG Employee Share Plans and no options to acquire TMX Group Shares are exercised between the LSEG Latest Practicable Date and Admission of the New Shares.

I would ask you to complete the yellow Form of Proxy and return it to the Registrars, Equiniti, Aspect House, Lancing, West Sussex, BN99 6ZL so as to arrive as soon as possible but in any event not later than 3:00 p.m. on 28 June 2011. Alternatively, if you would prefer to appoint a proxy or proxies electronically, you may do so via the website run by the Registrars at www.sharevote.co.uk using the number provided on the yellow Form of Proxy or, if you are a CREST member, by following the procedure explained in paragraph 7 of the notes to the notice convening the LSEG Meeting. This will not prevent you from also attending the LSEG Meeting and voting in person. Further details relating to voting by proxy are set out in the notes to the notice convening the LSEG Meeting on pages 75 and 76 of this Circular.

19. Shareholder Helpline

If you have any questions relating to the enclosed documents, please call the Registrars on 0871 384 2544. Call to this number are charged at 8 pence per minute from a BT landline; other providers' costs may vary. Lines are open from 8.30 a.m. to 5.30 p.m. on any Business Day. If calling from outside the UK, please call the following number instead: +44 121 415 7047. The Shareholder Helpline cannot give any financial, legal or tax advice.

20. Recommendation

The LSEG Board, which has received financial advice from Barclays Capital, Morgan Stanley and RBC Capital Markets, considers the terms of the Merger to be fair and reasonable. In providing such financial advice to the LSEG Board, Barclays Capital, Morgan Stanley and RBC Capital Markets have relied upon the LSEG Board's commercial assessments of the Merger.

The LSEG Board believes the Merger and each of the LSEG Resolution and the Ancillary LSEG Resolutions to be in the best interests of the LSEG Shareholders as a whole and, accordingly, unanimously recommends that the LSEG Shareholders vote in favour of each of the LSEG Resolution and the Ancillary LSEG Resolutions proposed at the LSEG Meeting as they have each undertaken to do in respect of their own beneficial holdings amounting to 173,960 Existing Shares representing approximately 0.06 per cent. of LSEG's existing issued share capital as at the LSEG Latest Practicable Date.

Yours sincerely



Chris Gibson-Smith

Chairman

London Stock Exchange Group plc

PART 3: RISK FACTORS

A number of factors affect the business, operating results, financial condition and/or prospects of the LSEG Group and are expected to affect the Merged Group after Completion. LSEG Shareholders should consider the following risks and uncertainties, together with all the information set out in this Circular, prior to making any decision as to whether or not to vote in favour of the Resolutions. The risks and uncertainties described below, which are not set out in any order of priority, represent those risks and uncertainties known to the LSEG Directors at the date of this Circular and include those risks relating to the Merger known to the LSEG Directors as at the date of this Circular, in each case which the LSEG Directors consider to be material. However, the risks and uncertainties set out below do not purport to be a complete list or explanation of all the risks and uncertainties facing the LSEG Group and which will face the Merged Group after Completion. Additional risks and uncertainties, which are currently unknown to the LSEG Directors or which the LSEG Directors do not consider to be material, may adversely affect the business of the LSEG Group and may adversely affect the business of the Merged Group in the future.

If this, or any, or a combination of any of these risks were to occur, the business, operating results, financial condition and/or prospects of the LSEG Group and, after Completion, the Merged Group could be materially adversely affected. In such a case, the value of the Existing Shares (following Completion, the Mergeco Shares) could decline and LSEG Shareholders could lose all or part of the value of their investment in Existing Shares (following Completion, the Mergeco Shares).

Risks relating to the Merger

The Merger is conditional and the conditions may not be satisfied.

The Merger is conditional upon, amongst other things, regulatory approvals, including the Investment Canada Act Approval, Securities Regulatory Approvals and anti-trust clearances, as well as requisite approvals of LSEG Shareholders and TMX Group Shareholders. Although LSEG and TMX Group Inc. have agreed to use their commercially reasonable efforts to take, or cause to be taken, all actions to do, or cause to be done, all things necessary, proper or advisable to obtain the requisite approvals, there can be no assurance that these conditions will be fulfilled to the satisfaction of LSEG or TMX Group Inc. or that the Merger will be completed.

In relation to LSEG Shareholder Approval, LSEG has several significant shareholders on its register (see paragraph 10.1 of Part 20—“Additional information” of the Prospectus for details of such significant shareholders) that may be able to influence the outcome of decisions taken by LSEG Shareholders as a whole in relation to the Merger and any other matters put to LSEG Shareholders by the LSEG Board prior to the Merger.

Regulatory approval processes and/or anti-trust clearances may take a lengthy period of time to complete.

The regulatory approval processes and/or the anti-trust clearance processes may take a lengthy period of time to complete, which could delay Completion. There can be no assurance as to the outcome of the approval processes, including the undertakings and conditions that may be required for approval.

There can be no assurance that Governmental Entities will not seek to impose new or more stringent conditions on the Merged Group in connection with granting regulatory approvals.

The relevant Governmental Entities may impose conditions on Completion or require changes to the terms of the Merger. The terms and conditions of approvals that are granted may impose additional requirements, limitations or costs on the business of the Merged Group. There can be no assurance that these conditions or undertakings will not materially limit the revenues of the Merged Group, increase the costs of the Merged Group, reduce the ability of the Merged Group to achieve cost synergies or lead to the abandonment of the Merger.

The final undertakings, terms and conditions agreed to in connection with the Investment Canada Act Approval and the Securities Regulatory Approvals may vary from those described in the Prospectus. Such final undertakings may be given after the LSEG Resolution has been passed. To the extent that any amendments to the terms of the Merger are material, LSEG shall seek a further approval from the LSEG Shareholders for the Merger.

The Merged Group may fail to realise the perceived benefits of the Merger.

The LSEG Group and TMX Group have operated and, until Completion, will continue to operate independently. LSEG and TMX Group Inc. have entered into the Merger Agreement because they believe

that the Merger will be beneficial to their respective companies, shareholders and other stakeholders. The success of the Merger will depend, in part, on the ability of the LSEG Group and TMX Group to realise the anticipated benefits and cost savings from combining their respective businesses.

The success of the Merger will depend in large part on the success of management of the Merged Group in integrating the respective operations, systems and personnel of the LSEG Group and TMX Group in an efficient and effective manner following Completion. The failure to successfully integrate the operations of the LSEG Group and TMX Group, or to otherwise realise any of the anticipated benefits of the Merger, could impair the operating results, profitability and financial results of the Merged Group. In particular, a failure to realise increased earnings, cost savings and enhanced growth opportunities described elsewhere in the Prospectus could have a material adverse effect on the Merged Group's operating results.

Key potential difficulties with the integration are:

- integrating technology infrastructure, software, standards, controls, operations, products, services, procedures and accounting and other policies, business cultures and compensation structures;
- consolidating corporate and administrative infrastructures and managing tax costs or inefficiencies associated with the Merged Group;
- co-ordinating geographically dispersed organisations that operate within distinct regulatory structures;
- complexities associated with operating a large number of markets that use different technology platforms and difficulties in rationalising this technology base;
- loss of key employees; and
- disruption to each company's ongoing business.

It is possible that Completion, or the post-closing integration, may be delayed, challenged by parties opposing the Merger or not be possible at all. Furthermore, the Merged Group may not realise the expected benefits and synergies from the Merger or may encounter difficulties or higher costs in achieving these anticipated benefits and synergies. This could affect the services that each of the LSEG Group and TMX Group currently provide and the Merged Group will provide going forward and could have a material adverse impact on relationships with customers, regulators, employees, suppliers and other market participants.

The failure to successfully integrate the operations of the LSEG Group and TMX Group could impair the operating results, profitability and financial results of the Merged Group.

The Merged Group will incur significant Merger-related costs.

The Merged Group expects to incur a number of non-recurring costs associated with combining the operations of the LSEG Group and TMX Group after Completion. There can be no assurance that the actual costs of this integration process will not exceed those estimated and the actual integration process may result in additional and unforeseen expenses. In addition, the Merged Group will incur legal, accounting and other professional services fees and other costs related to the Merger itself. Some of these costs will be payable whether or not the Merger reaches Completion. While it is expected that the cost savings and synergies achieved by the Merged Group will offset these transaction and integration-related costs over time, this net benefit may not be achieved in the short-term or at all, particularly if the Merger is delayed or does not happen at all. In addition, the Merged Group may incur increased compliance costs arising from complying with both the UK and Canadian ongoing reporting and disclosure regimes and increased costs arising from the issue of, and ongoing reporting obligations in relation to, the Exchangeable Shares. These combined factors could adversely affect the business, operating profit or overall financial condition of the Merged Group.

Management distraction or overstretch in connection with the Merger could have an adverse effect on the business of the Merged Group.

LSEG and TMX Group Inc. anticipate benefits and cost savings as a result of the Merger. However, the Merged Group will be required to devote significant management attention and resources to integrating the LSEG Group's and TMX Group's business practices and operations. Furthermore, the Merged Group will operate businesses across nine time zones and, although all regulatory and operational decision-making will be undertaken by each of the markets locally, co-ordinating its decision-making across all the markets in the Merged Group will present challenges to the Merged Group's management team.

There is a risk that the challenges associated with managing the Merged Group will result in management distraction or overstretch and that consequently the underlying businesses will not perform in line with expectations.

Loss of sole residency in the UK for tax purposes could have adverse tax consequences for Mergeco and its shareholders.

It is intended that Mergeco will remain solely resident in the UK for tax purposes. If Mergeco were to cease to be solely resident in the UK for tax purposes and become resident in Canada for tax purposes, this could have adverse tax consequences for Mergeco and its shareholders.

Risks relating to the financial markets industry

Economic, political and social factors that influence the level of activity in capital markets and issuers' market capitalisations will be beyond the Merged Group's control and may adversely affect its financial condition.

The Merged Group will be highly dependent upon the level of activity in capital markets, as well as the individual market capitalisations of the issuers listed or admitted to trading on the markets that the Merged Group will operate, for much of its revenues. Many of the factors that influence the levels of secondary market trading, utilisation of the Merged Group's post-trade services and primary market issuance (listings), together with issuers' market capitalisations, will be beyond the control of the Merged Group but have the potential to adversely affect the business, financial condition and operating results of the Merged Group. As shown during the financial crisis (2008 to 2010), material factors will be:

- general economic conditions, including the level of economic growth in the relevant economies, governments' monetary policies, the level of interest rates and the rate of inflation;
- broad trends in business and corporate finance, global financial credit, currency, capital or securities markets and the mergers and acquisitions environment;
- macro-economic trends, such as the current commodities "super-cycle" during which the demand for and the price of many critical natural resources has risen;
- governments' fiscal policies and the laws and regulations of the jurisdictions in which the Merged Group will operate, which may affect the relative attractiveness of trading or investing in exchange-traded products and public market equity compared with other forms of investment and/or the attractiveness of the listing venues in which the markets of the Merged Group will operate compared with alternative global locations;
- any change or development in global, national or regional political conditions, external events such as acts of terrorism or any outbreak of hostilities or war and natural disasters;
- institutional and retail investor confidence and disposable income levels, which may affect the propensity to invest in and hold exchange-traded products; and
- demographic changes, which may lead to an ageing population with a preference for low-risk, guaranteed-return products.

Competitive pressures relating to the Merged Group

Consolidation is making the exchange sector more competitive.

In recent years, the gradual liberalisation and globalisation of world financial markets has resulted in increased competition and consolidation taking place across international boundaries. Exchanges in many developed markets began to demutualise and become public companies in the 1990s and 2000s. Subsequently, there has been consolidation in the exchange industry, first within national borders and now, increasingly, across them. As a result, the exchange sector in which the Merged Group will operate is becoming more competitive. If the Merged Group is unable to compete successfully in this environment, the Merged Group's business, financial condition and operating results may be adversely affected.

Regulatory changes may increase competitive pressure on the Merged Group.

MiFID, which came into force on 1 November 2007, has liberalised the markets in which the Merged Group will operate by creating a harmonised regime for equity trading across the EU and achieving consistent levels of transparency. While MiFID will provide the Merged Group with the opportunity to compete for pan-European trade reporting, it also results in increased competition, which could result in a consequent loss of market share and a reduction in the level of fees that the Merged Group's exchanges will be able to charge.

In late 2001, regulatory changes permitting the creation of ATSS in Canada were introduced. There are currently a number of ATSSs operating or who intend to operate in Canada. This competition may increase in the future, especially as these technological advances create pressure to develop more efficient and less costly trading.

A negative impact on the revenues of the Merged Group may result if competitors are more efficient, more cost-effective or better able to provide a market model to meet evolving customer requirements for trading in securities.

The Merged Group will be exposed to the risk of competition from:

Alternative platforms

The Merged Group, like other traditional exchange groups, will face increased competition from new, alternative platforms, including Multilateral Trading Facilities and ATSSs, as well as from internalisation by its member firms. Some of these alternative platforms are seeking or may seek exchange status which, if granted, would put such facilities in direct competition with certain of the Merged Group's equity exchanges. Such competition may intensify and result in a reduction in the Merged Group's share of value or volume traded and downward pressure on trading tariffs charged by the markets that will be operated by the Merged Group. If the Merged Group's share of value or volume traded is reduced, then the Merged Group's appeal in price formation as a trading venue may erode.

Competing alternative platforms may be able to respond more quickly to competitive pressures, especially if they are not subject to the same degree of regulatory oversight as the Merged Group's equity exchanges. These alternative platforms are typically smaller entities than the conventional exchanges that will be operated by the Merged Group, which target particular segments of the market and may have different economic objectives.

In addition, many of the global investment banks, who provide significant liquidity to the Merged Group's equity exchanges, now operate their own in-house electronic trade execution platforms, which can bypass exchange markets by executing client orders against each other or against proprietary capital, as well as holding equity interests in other competing alternative platforms. Global investment banks and other major participants in the markets that will be operated by the Merged Group may direct order flow to competing alternative platforms.

Competition from these alternative platforms may increase, placing further strain on the Merged Group's share of value or volume traded and pricing, negatively impacting revenues across the Merged Group and leading to an adverse effect on the Merged Group's business, financial condition and operating results.

Global equity markets

The Merged Group's equity markets will face increased competition for business from other venues as they consolidate and investing becomes more global. These equity markets face competition from foreign exchanges and other venues for listings, trading and the provision of market data for their securities. If the Merged Group's equity markets are unable to continue to provide competitive trade execution, they could fail to attract new listings and the volume traded on the Merged Group's equity platforms could decrease in the future, each of which could adversely affect the Merged Group's operating results.

Derivatives markets

The Merged Group's derivatives markets will be in direct competition with securities, options and other derivatives exchanges, as well as Multilateral Trading Facilities, ATSSs or electronic communication networks and other trading and crossing venues, clearing member firms and IDB firms for the trading, clearing and the provision of market data. Furthermore, a large number of derivatives trades do not occur on exchanges, but in the OTC market. These competitors may respond more quickly to competitive pressures, develop similar products to those the Merged Group will offer or alternative competitive products that are preferred by customers, they may price their products more competitively, use, develop and expand their network infrastructures and offerings more efficiently, adapt more swiftly to new or emerging technologies and changes in customer requirements and use better, more user friendly and reliable technology. Increased competition could lead to reduced interest in the Merged Group's products, which could materially adversely affect the Merged Group's business and operating results.

While the LSEG Group's and TMX Group's derivatives markets have developed various initiatives, including a pricing mix designed to attract greater liquidity to their markets, while maintaining the LSEG Group's and TMX Group's derivatives markets' average price per contract, market conditions may result

in increased competition, which, in turn, may create significant pricing pressures in the future. Some competitors may seek to increase their share of trading by reducing their transaction fees, by offering larger liquidity payments or by offering other forms of financial or other incentives. The Merged Group's business, financial condition and operating results could be materially adversely affected as a result of these developments.

Energy markets

TMX Group's business of trading and clearing natural gas, electricity and crude oil contracts faces primary competition in Canada and the US from other exchanges, electronic trading and clearing platforms and from the OTC or bilateral markets (with support from voice brokers). Voice brokers continue to provide efficient contract matching services for both standardised and structured products and are expanding their service offerings to include access to clearing facilities for trading parties who may have credit constraints. Other exchanges and electronic trading platforms are now starting to list physical products designed to compete directly with NGX contracts. If the Merged Group is unable to compete with these platforms and markets, including voice brokers, the Merged Group's energy markets may not be able to maintain or expand their business, which could materially affect the Merged Group's business, financial condition and operating results.

Post-trade

The post-trade industry is undergoing changes following the financial crisis, with a push by regulators and policy makers for more OTC trading to be carried out on market and for participants to utilise clearing services following the G20 agreements reached after September 2008 (through the Dodd Frank rules in the US and EMIR in the EU). There is also an increasing desire among participants to have the ability to choose a preferred provider of CCP services. Ongoing developments, such as the Target2 Securities initiative from the European Central Bank, may also facilitate competition in settlement services in Europe.

The competitive landscape developing from such changes may create new business opportunities for the Merged Group's European post-trade facilities, Monte Titoli and CC&G, but could also increase the demand for alternative, competitive post-trade offerings or require the Merged Group to introduce offerings in relation to underlying instruments (such as OTC derivatives) which may lead to an increase in the costs associated with the Merged Group's financial risk management, which could have a consequently negative (or downward) impact on the Merged Group's business, financial condition and operating results.

Technology sales

The Merged Group's business of technology sales will operate in a rapidly changing and highly competitive environment. If the Merged Group is unable to develop systems that are able to compete effectively with those of its competitors, this may adversely affect its business, financial condition and operating results.

In addition, the Merged Group, as part of its technology sales, will commit to develop and deliver new technological platforms and other products to third party customers. Delays or failures (in whole or part) in the delivery of such products may have an adverse effect on the Merged Group's ability to compete and the reputation, revenues and financial condition of the Merged Group.

Risks relating to the regulation of the Merged Group

Regulatory restrictions will apply to the Merged Group's businesses.

The Merged Group and its exchanges and other regulated entities will operate in highly regulated industries and will be subject to extensive regulation by governmental, competition and regulatory bodies at local or provincial and national or federal levels, as well as at a European level. Such regulation:

- may limit the Merged Group's ability to build an efficient, competitive organisation and may also limit its ability to expand foreign and global access to its markets;
- will limit the Merged Group's ability to outsource its activities;
- will place financial and corporate governance restrictions on the Merged Group and its exchanges; and

- will constrain some of the Merged Group's operations, including certain listing or trading activities and the fee structures of the Merged Group's markets, as well as the features and operations of, or changes to, its markets' systems and wider business activities. In some cases, such regulatory constraints may affect the Merged Group disproportionately in comparison to some of its competitors, who are subject to less onerous regulatory requirements and restrictions. Such constraints, including the terms and conditions imposed by requisite regulatory approvals or reviews, as well as the timescales involved in seeking them, may increase the Merged Group's costs and delay its plans for implementation of existing and new business strategies.

Such restrictions, restraints, constraints and costs could materially adversely affect the Merged Group's business, financial condition and operating results.

There is a risk that one or more of the Merged Group's regulated entities may fail to comply with the laws and regulatory and competition conditions and obligations to which it is, or becomes, subject. In this event, the regulated entity in question may be subject to censures, fines and other legal proceedings if it fails to comply.

In extreme circumstances, a competent regulatory body could revoke one or more Merged Group entity's authorisation or regulatory approval to operate as an exchange or conduct other regulated activities.

The Merged Group may be subject to more intensive regulatory scrutiny (including over previously unregulated areas of the Merged Group's business) and such scrutiny could impact the Merged Group disproportionately.

The Merged Group could be subject to increased regulatory scrutiny in the future. The multi-market environment and the global economic crisis could lead to more aggressive and intensive regulation of the Merged Group's business by securities and other regulatory agencies in the jurisdictions in which the Merged Group operates and will operate, including the UK, Italy (and Europe more generally), Canada and the US. Additionally, regulation could extend to areas of the Merged Group's business that, to date, have not been regulated. Such increased regulatory scrutiny could affect the business of the Merged Group disproportionately in comparison to those of its competitors who are subject to less onerous regulatory requirements and restrictions. This could increase the cost of complying with regulations and co-operating adequately with regulatory bodies, and could reduce the scope for, and success of, the new products and strategy of the Merged Group and could have an adverse effect on the business, financial condition and operating results of the Merged Group.

Changes in applicable regulations or requirements may have a negative impact on the Merged Group's business.

A number of regulatory initiatives and changes have been identified or proposed or are being implemented by regulators in the jurisdictions in which the Merged Group will operate. However, the Merged Group cannot be certain whether, or in what form, regulatory changes will take place and cannot predict with certainty their impact on its businesses and operations. Changes in and additions to the rules and regulations affecting Canadian, US or European exchanges or other trading venues could require the Merged Group to change the manner in which its exchanges and authorised firms conduct their respective businesses or govern themselves. In addition, such changes could extend regulatory restrictions to areas of the Merged Group's businesses that to date have not been regulated.

In particular, key regulatory developments in Europe which may materially affect the Merged Group are the MiFID Review (which includes proposals relating to market structures and practices, SME markets (i.e. markets for small and medium sized enterprises), automated trading, pre-and post-trade transparency, data consolidation and on-venue trading of standardised OTC derivatives, among other things), EMIR (addressing issues relating to clearing of OTC derivatives, CCPs and trade repositories) and the Short Selling Regulation (involving greater transparency, clear powers for regulators and a co-ordinated European framework on short selling and tackling specific risks of naked short selling). Other planned regulatory measures will cover capital requirements, CSDs, corporate governance, market abuse, issuer transparency, financial transaction/activity taxes and crisis management.

In the US, expanding regulation and proposed initiatives, in particular the Dodd-Frank Act, impacts OTC derivatives markets, exempt commercial markets, derivatives clearing organisations and foreign boards of trade, amongst other things. In Canada, the provincial securities regulators have released a proposal paper regarding the regulation of the Canadian OTC derivatives markets. The Canadian provincial securities regulators continue to review developments in the structure of the equities market and have undertaken to conduct a review of market data fees charged by Canadian marketplaces. Regulatory initiatives are under

consideration by the CSA that may introduce new or varied regulation in the areas of: internalisation of order flow by member firms, order execution priority and pre-trade transparency. The CSA have published proposed amendments to the rules that govern marketplace operations in Canada and have published a proposed national instrument regarding electronic trading and direct electronic access to marketplaces. These proposals, if approved in the form proposed, will impact the transparency of marketplace fees, marketplace operations, reporting obligations and the provision of risk management and supervisory controls over members' order flow of certain of the Merged Group's markets.

These developments may affect, amongst other things: (i) the market structure in which the Merged Group will operate; (ii) the SME markets the Merged Group will operate; (iii) the level of trading on the Merged Group's markets; (iv) sale of the Merged Group's market data; and (v) standards for clearing houses and trade repositories; and may also impose requirements on the Merged Group regarding short selling and imposing settlement discipline. These regulatory initiatives could also impose capital requirements and proprietary trading restraints on market participants, which could constrain the level of activity on certain of the Merged Group's markets.

In Europe, the creation of three new European supervisory authorities with greater powers and the ability to implement binding technical standards as well as the revision of the UK regulatory structure, with the replacement of the FSA with the Prudential Regulatory Authority and the Financial Conduct Authority, brings further risk of changes to the regulatory environment in which the Merged Group will operate.

Such changes may also make it more difficult or more costly for the Merged Group to maintain compliance with relevant regulations and for relevant markets within the Merged Group to operate their existing businesses or to enter into new business areas. In addition, high levels of regulation may stifle growth and innovation in capital markets generally and may adversely affect the Merged Group's business, financial condition and operating results.

In addition, certain entities within the Merged Group will perform primary market (listings) regulatory functions, such as acting as the competent listing authority. Changes to applicable regulation or legislation in certain jurisdictions may affect the ability of these entities to perform these functions, as well as the revenues and systems of the Merged Group, and may diminish the extent of the Merged Group's control over its primary markets' offering and products.

Share ownership restrictions will apply to the Merged Group.

Approvals from local securities regulators will be required in relation to certain share ownership restrictions prior to a change of control of Mergeco. These restrictions may delay, defer, prevent or render more difficult a takeover attempt that Mergeco Shareholders might consider in their best interests. For instance, they may prevent Mergeco Shareholders from receiving the benefit from any premium to the market price of Mergeco's Shares offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these restrictions may adversely affect the prevailing market price of the Mergeco Shares if they are viewed as discouraging takeover attempts in the future.

Regulatory capital requirements may negatively affect the Merged Group's business.

In order to maintain their regulatory status, certain of the regulated entities within the Merged Group will be subject to minimum capital requirements. The regulatory capital regimes vary by jurisdiction and form of regulatory status and in some cases entities within the LSEG Group currently benefit from customised regulatory capital regimes which differ from those of banks, broker-dealers or other investment firms, while certain firms in the LSEG Group are subject to the regulatory capital requirements applicable to investment firms established by the EU Capital Requirements Directive. In contrast, other entities within the LSEG Group and TMX Group are subject to regulatory capital requirements that are less prescriptive and which, in certain cases, may require the relevant entities to retain surplus capital, leading to capital inefficiencies within the LSEG Group and TMX Group.

Since late 2009 LSEG has been in discussions with the FSA about the applicability of the Group Consolidation Rules to the LSEG Group because of the presence of authorised firms in the LSEG Group. The FSA has reserved its position regarding the application of the Group Consolidation Rules to the LSEG Group pending the outcome of its forthcoming consultation on the future financial resources requirements regime for Recognised Bodies, which is due to commence in the second or third quarter of 2011. There is therefore a risk that the regulatory capital regimes which apply to entities within the Merged Group, and the Merged Group itself, may change. Although LSEG is not aware of the content of the

proposed consultation process, it is expected that the key focus will be the regulatory capital regime for Recognised Bodies that are undertakings within wider groups of companies. Prior to the outcome of this consultation process, LSEG does not expect that it will be subject to a significant increase in the level of the financial resources requirements applicable to the LSEG Group in the UK.

However, there is a risk that changes to the financial resources requirements applicable to the Merged Group arising out of the proposed consultation by the FSA and any other such changes in the regulatory capital regimes applicable to one or more entities within the Merged Group may result in increased capital requirements for one or more entities within the Merged Group or for the Merged Group as a whole, which may adversely affect the Merged Group's financial condition, operations and results as a whole.

If such an increase in the capital requirements for one or more entities within the Merged Group or for the Merged Group as a whole is significant, the Merged Group may be required to raise further capital by an equity issuance or other appropriate financing. Although LSEG considers the risk of having to undertake such an equity issuance as highly unlikely as it should be able to take mitigating action to rectify the problem and in any event does not anticipate such an event occurring in the next twelve months, there is a risk that prevailing economic and market conditions may prevent the Merged Group from completing any such financing within any timeframe required. Any failure to do so may lead to the relevant entity or the Merged Group being subject to regulatory sanctions and may adversely affect the Merged Group's reputation, financial condition, operations and results as a whole.

There is also a risk that regulatory changes such as EMIR and/or the CSD Regulation and/or other changes, such as the revised Committee on Payment and Settlement Systems/International Organisation of Securities Commissions standards, could lead to a need for increased capital in the post-trade businesses.

There may be conflicts between the regulatory responsibilities of the Merged Group's exchanges and its commercial relationships with market participants.

There may be a conflict between the self-regulatory responsibilities of the Merged Group's exchanges and the interests of some of their market participants or the Merged Group's own commercial interests. Although the exchanges of the LSEG Group and TMX Group have implemented stringent governance measures to avoid such conflicts, any failure by any of them to diligently and fairly regulate their respective approved participants or to otherwise fulfil their regulatory obligations could significantly harm the Merged Group's reputation, lead to a regulatory investigation of the relevant exchange and/or the Merged Group as a whole and materially adversely affect the Merged Group's business, financial condition and operating results.

Risks relating to the business of the Merged Group

The Merged Group may be unsuccessful in the implementation of future business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties.

Following the Merger, new business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties are expected to be a material part of the Merged Group's strategy. Any such business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties may pose regulatory and anti-trust risks, as well as integration risks, which may significantly affect the benefit or anticipated benefit of such acquisitions or investments. Furthermore, such actions will require significant time and resources from management and may require the diversion of resources from other activities.

Due to the regulatory environment in which the Merged Group will operate, it faces restrictions with respect to the way in which it conducts certain operations. These may limit the Merged Group's ability to implement its global strategy and its ability to achieve synergies as a consequence of the Merger. Additionally, the Merged Group may experience certain competitive disadvantages if it does not receive necessary regulatory approvals for new business initiatives, or if it receives them in an untimely manner. Certain competitors may be able to obtain regulatory approval more rapidly or with less cost or difficulty than the Merged Group, providing them with an advantage in a new market or product area.

All of the foregoing factors may limit the Merged Group's ability to achieve future business growth. Such risk extends to new acquisitions or mergers and will be particularly relevant if the Merged Group seeks to develop business initiatives in new jurisdictions or in jurisdictions in which the Merged Group has little or no regulatory expertise.

In addition, any companies, businesses or new initiatives acquired or invested in may not achieve levels of profitability or revenue that justify the original investment made by the Merged Group or support the goodwill recorded on the acquisition. The occurrence of any of these risks could have a material adverse effect on the Merged Group's prospects, business, financial condition or results of operations.

The Merged Group will be highly dependent on the development and operation of sophisticated technology and advanced information systems; these systems and related development projects may fail or be subject to disruption (including by cyber attacks).

The provision of platforms for the execution, clearing and settlement, as applicable, of trades on the Merged Group's markets and for the collection and aggregation of trade and price information predominantly depends on technology that is secure, stable and performs to high levels of availability and throughput at low latency. The Merged Group will operate sophisticated technology platforms and service management processes in conjunction with external suppliers, and its markets will not rely upon third party suppliers for the majority of its IT development. However, while such IT insourcing will provide the Merged Group with a greater degree of control, there remains a risk of resource over-stretch to meet both the requirements of the Merged Group and those of third parties.

To compete effectively, the Merged Group must be able to anticipate and respond, in a timely and effective manner, to the need for new and enhanced technology. The markets in which the Merged Group will compete are characterised by rapidly changing technology, evolving industry standards, frequent enhancements to existing products and services, the introduction of new services and products and changing customer demands. If the Merged Group's systems are unable to expand to meet increased demand, are disrupted or otherwise fail to perform, the Merged Group's reputation, business and operating results could be materially adversely affected.

Major IT projects have risks associated with them, particularly with regards to migrating markets to new technological platforms. Major IT projects and technology migrations are often associated with significant capital investment and there is no guarantee that such migrations will be completed successfully or in line with allocated budgets. It also cannot be assured that new or upgraded trading platforms will perform as intended or that such platforms will deliver the expected benefits, including, where relevant, increased trading volumes and lower operating costs. There cannot, therefore, be any assurance that such projects will prove cost-effective and, in such circumstances, the profitability and reputation of the Merged Group, its markets and its technology brands could be damaged if the migration to new technological platforms is not successful or the technological platforms used by the Merged Group fail. The strategic flexibility of the Merged Group and its ability to respond to customer needs for services could consequently be hampered. The LSEG Group and TMX Group have incident and disaster recovery and business contingency plans and back-up procedures to minimise, mitigate, manage and recover from the risk of an interruption of, or failure to, their critical IT operations. However, the Merged Group cannot entirely eliminate the risk of a system failure or interruption occurring. If the Merged Group's systems suffer from major or repeated failures, this could interrupt or disrupt the Merged Group's trading, clearing and settlement or information services and undermine confidence in the Merged Group's exchanges and services, cause reputational damage, impact operating results and lead to customer claims, litigation and regulatory sanctions.

As with all IT dependent companies, the Merged Group's IT systems and networks, and those of its third party service providers, may be vulnerable to cyber attacks, unauthorised access, computer viruses and other security issues. These events could damage the integrity of the Merged Group's markets and data provision as well as the Merged Group's reputation and business more generally.

The Merged Group will be dependent on the maintenance of its brands and reputation.

The exchanges operated by the Merged Group will have iconic national brands that are well-recognised at international as well as at provincial and national levels. The strong reputation of the LSEG Group's and TMX Group businesses and its valuable brand names are currently and will be a key competitive strength. Any events or actions that damage the reputation and/or brands of the Merged Group will adversely affect its business, financial condition and operating results.

Damage to the reputation and brands of the Merged Group may arise from internal factors (technology failures, regulatory investigations, sanctions and litigation) and external factors (legal, economic and political factors) which make the venues in which the Merged Group will operate less attractive. The impact of such damage on the Merged Group may result in a reduction in listings, a loss of trading volumes

and market share, a decline in sales of the Merged Group's trading technology and increased regulatory oversight. There may also be an associated direct cost of resolving specific incidents or events.

The Merged Group may face challenges in using its own and its licensed intellectual property.

The Merged Group will derive a significant proportion of its revenues from its information products and services and information technology operations. Consequently, although LSEG and TMX Group Inc. are currently unaware of the existence of any such matters that are material in the context of the Merged Group as a whole, challenges to the intellectual property belonging to or licensed by the Merged Group and/or claims or allegations of infringement by the Merged Group of third party intellectual property on which the Merged Group will rely for revenue and which are specifically configured for the Merged Group's use could, individually or in aggregate, have an adverse effect on the Merged Group's business, financial condition, operating results and reputation.

The LSEG Group and TMX Group protect their intellectual property by relying upon a combination of trade mark laws, copyright laws, patent laws, trade secret protection, confidentiality agreements and other contractual arrangements with its affiliates, clients, customers, strategic partners and others. Such protection may be inadequate to deter misappropriation of the Merged Group's proprietary information and other intellectual property rights, and there can be no assurance that the Merged Group's registered intellectual property rights will not be successfully challenged. The Merged Group may not be able to detect the unauthorised use of, or take adequate steps to enforce, its intellectual property rights. Failure to protect its intellectual property rights adequately could harm the Merged Group's reputation and affect the ability of the Merged Group to compete effectively. Further, defending or enforcing the Merged Group's intellectual property rights could result in the expenditure of significant financial and managerial resources, which could adversely affect the Merged Group's business, financial condition and operating results.

In addition to using its own intellectual property rights, the Merged Group will license a variety of intellectual property rights from third parties. If there was to be a breach or alleged breach of any of these licenses, or any other allegation of intellectual property right infringement, a third party could bring infringement or other claims against the Merged Group or its customers. Any such litigation could be lengthy, costly and could result in the expenditure of significant financial and managerial resources, which could adversely affect the Merged Group's reputation, business, financial condition and operating results. If determined in favour of such a third party, it could result in a financial penalty and other remedies being awarded against the Merged Group. Additionally, as a result of such litigation, the Merged Group may be required to develop its own intellectual property or license similar intellectual property from an alternative supplier. There is no guarantee that either outcome could be achieved on cost-effective terms, which could have an impact on the business, financial condition and operating results of the Merged Group.

The loss of the Merged Group's senior management and other key employees, as a whole, could have adverse consequences on the Merged Group.

The calibre and performance of the Merged Group's senior management and other key employees, as a whole, is critical to the success of the Merged Group. The Merged Group's ability to attract and retain key personnel will be dependent on a number of factors, including prevailing market conditions, compensation packages offered by competing companies and any regulatory impact thereon and the impact of share price performance on the Merged Group's share schemes. There can be no assurance that the Merged Group will be successful in attracting and retaining the personnel it requires, which may adversely affect the Merged Group's ability to conduct its business through an inability to execute business operations and strategies effectively.

The Merged Group's clearing activities will expose it to the risk of a default by a clearing member or a third party central counterparty.

The Merged Group's post-trade operations will provide CCP services to multiple trading venues on a broad range of asset classes (such as cash equities, ETFs, equity, fixed income and energy derivatives, closed-end funds, investment companies and government, corporate and convertible bonds and money market repos). This will include providing services for the Merged Group's markets and for markets outside the Merged Group.

The clearing provider entities within the LSEG Group and TMX Group will hold margin and/or default funds comprising contributions of cash and highly liquid securities or letters of credit by clearing members.

In the case of the LSEG Group, the cash is invested by the clearing provider. There is a risk that these deposits may not be properly invested, resulting in partial or total loss of the funds. Such loss might occur due to the default of an issuer of bonds in which funds might be invested or the default of a bank in which funds are deposited. There is also a risk that the clearing provider will be unable to call upon the letter of credit to monetise a clearing member's obligation. In addition, certain of the third party clearing provider entities within the LSEG Group have inter-operability margin arrangements with other CCPs requiring collateral to be exchanged in proportion to the value of the underlying transactions involved. The relevant clearing provider entities within the Merged Group will therefore be exposed to the risk of a default of the third party CCPs under such arrangements by their respective third party CCPs. Whilst the clearing provider entities within the LSEG Group and TMX Group have strict policies and procedures for financial management, which set stringent investment limits to mitigate such risk, losses could materially adversely affect the Merged Group's business and operating results.

The Merged Group's clearing providers will assume the counterparty risk for all transactions that are cleared through their markets and are exposed to the risk of default by their clearing members. This risk will be greater if market conditions are unfavourable at the time of the default. Exposure to clearing members is expected to be closely monitored and addressed by setting high membership standards for firms, holding collateral in the form of margin deposits and letters of credit from clearing members and, in the case of certain clearing providers, by maintaining significant default funds comprised of clearing members' contributions. In addition, credit lines have been arranged with a number of high quality commercial banks to cover the immediate liquidity requirements of the clearing provider. Default by a clearing member could adversely affect the Merged Group's revenues and its customers' goodwill and, in extreme circumstances, in the case of certain clearing providers, should the collateral held in case of default be insufficient, could lead to a call on the clearing provider's own capital, or, to the extent guarantees are in place with other Merged Group companies, the Merged Group's own capital (to the level of the guarantee—which the LSEG Group does not currently consider to be material in the context of the LSEG Group overall), potentially impacting the capacity of its clearing providers to continue to do business. In addition, the credit lines are on demand facilities and there can be no guarantee that all of the banks will maintain their facilities or provide immediate liquidity to the clearing provider, particularly in extreme market circumstances. Such circumstances are considered exceptional and highly unlikely to occur. Nevertheless, the Merged Group cannot be certain that its measures will be sufficient to protect it from a default.

The Merged Group will provide routing, netting and settlement services to ensure that cash and securities are exchanged in a timely and secure manner for a multitude of Italian, international and Canadian products. There are operational risks associated with such services, particularly where processes are not fully automated. A failure to receive funds from participants may result in a debiting of the Merged Group's cash accounts.

The Merged Group will be exposed to third party credit risk.

The Merged Group will be exposed to third party credit risk, including from customers (principally from the financial and information services sectors), counterparties and clearing and broking agents. The Merged Group may undertake derivatives transactions in accordance with its treasury management policies. Such parties may default on their obligations to the Merged Group, which may adversely affect the results and operations of the Merged Group.

The Merged Group is expected to rely on established policies with minimum counterparty credit criteria, instructions, rules and regulations, as well as procedures specifically designed to actively manage and mitigate such risks. There is no assurance that these measures will be sufficient to protect the Merged Group from a default or that the Merged Group's business, financial condition and operating results will not be materially adversely affected in the event of a significant default.

The Merged Group will hold investments in marketable securities (including units in money market and short-term bond and mortgage funds) to earn investment income and manage its exposure to credit risk arising from such investments in cash deposits and marketable securities by holding a diversified portfolio of investment funds.

The Merged Group's exposure to credit risk resulting from uncollectable accounts will be influenced by the individual characteristics of its customers, many of whom are banks and financial institutions.

The Merged Group will depend on a number of third party suppliers.

The Merged Group will depend on a number of third parties, such as post-trade and regulatory service providers, data processors, software and hardware suppliers (in particular SIA-SSB in relation to the supply of software and hardware to Monte Titoli, MTS and CC&G), index providers, other exchange groups communication and network suppliers and suppliers of electricity for elements of or relating to its trading, data, post-trade and other systems. These providers may not be able to provide these services or products without interruption and in an efficient, cost-effective manner. They also may not be able to adequately expand their services or develop their products to meet the Merged Group's needs. If a service provider suffers an interruption in or stops providing services or products (including failing to renew applicable licence agreements on favourable terms, if at all) and the Merged Group cannot make suitable alternative arrangements or accept additional obligations sought by the relevant third party, it could materially adversely affect the ability of the Merged Group to operate its markets and the Merged Group's business, financial condition and operating results. CCP clearing services for securities on the LSEG Group's markets are predominantly provided by LCH.Clearnet Limited, a subsidiary of LCH.Clearnet Group Limited. Since December 2008, SIS X-Clear AG has also provided CCP services for London Stock Exchange's SETS market.

Detailed contractual provisions are in place in order to ensure the fair treatment of the LSEG Group and its customers by LCH.Clearnet Limited, SIS X-Clear AG and other post-trade service providers, as well as in relation to the quality of the services provided to the LSEG Group. In the event that such contractual arrangements are breached by such post-trade service providers, this could impact the efficiency and competitiveness of the Merged Group's markets. It is possible in the future that such post-trade service providers may be owned by one or more competitors of the Merged Group.

Settlement services for UK and Irish securities on London Stock Exchange's markets are predominantly provided by EUI. Settlement services are provided for Borsa Italiana by Monte Titoli.

Certain clearing and settlement services for securities traded on TMX Group's equity exchanges are provided to TMX Group's equity exchanges' participants by CDS. Although TMX Group has a minority holding in CDS, TMX Group does not have any significant influence over its business generally, particularly with respect to relationships with third parties.

Such settlement service providers will play a vital role in the proper safe settlement of the Merged Group's markets' trades, and any difficulties that such settlement service providers may experience may directly affect the Merged Group. Such settlement service providers may materially change their business relationships with the Merged Group in the future.

To the extent that any of these third party providers experiences serious difficulties or materially changes its business with the Merged Group, the markets operated by the Merged Group may be unable to function and the business of the Merged Group may be adversely affected.

There is a risk that the Merged Group may not be able to refinance or renew its long-term credit facilities on acceptable terms or at all and may not be able to pursue new opportunities or initiatives if it cannot secure financing.

LSEG's term borrowing facilities expire at varying times from 2013 and there is a risk that the Merged Group may not be able to secure replacement financing on acceptable or comparable terms. LSEG and TMX Group have existing obligations to meet regular interest payments and comply with certain covenants under their borrowing facilities. Such replacement financings may impose more onerous obligations with respect to interest and covenants than are applicable to LSEG's and TMX Group's current term borrowing facilities.

The Merged Group may require additional funds to pursue new business initiatives, mergers, acquisitions, partnerships and joint ventures with third parties (other than in respect of the Merger or currently planned business activities, for which no further funding is required). The Merged Group may need to raise such additional funds through equity or debt financing or from other sources. Any additional equity financing may be dilutive to Mergeco Shareholders and any debt financing may not be available or may be available only on less favourable terms than under LSEG's and TMX Group's current borrowing facilities. There is a risk that such financing requirements may prevent the Merged Group from pursuing these opportunities or that they may cause additional restrictions to be placed on the Merged Group's future financing and operating activities.

In addition, legal and technical complexities associated with Mergeco's share capital structure, including those arising from the Exchangeable Shares to be issued in connection with the Merger, may make equity financing more difficult in the future.

The Merged Group will be exposed to foreign exchange rate fluctuations.

The Merged Group will be subject to risks associated with exchange rate fluctuations. The Merged Group will file its consolidated financial reports and accounts in pounds sterling and Canadian dollars and will pay dividends (which will be declared in pounds sterling) to its shareholders in pounds sterling or in Canadian dollars, as applicable. The Merged Group will generate its revenues and incurs its costs in a mixture of currencies, including pounds sterling, Euros, United States dollars and Canadian dollars. There can be no assurance that the Merged Group will be successful in mitigating the impact of such potential risks associated with the volatility in foreign currency rates. Such rates or changes could have an adverse effect on the value of the Merged Group's financial covenant ratios, operating results and financial condition.

The Merged Group will be exposed to interest rate fluctuations.

The Merged Group will be subject to risks associated with interest rate fluctuations. The Merged Group will hold a portion of its borrowings and marketable securities and deposit cash and cash equivalents (including but not limited to in the Merged Group's clearing operations) at floating rates of interest. It is also exposed to interest rate risk on its marketable securities.

There can be no assurance that the Merged Group will be successful in mitigating the impact of such potential risks associated with the volatility of interest rates. Such rates or changes could have an adverse effect on the Merged Group's results and financial condition.

The Merged Group's cost structure will be largely fixed.

Many of the Merged Group's expenses will be fixed and cannot be easily reduced in the short-term if its revenue decreases. In addition, regulatory and legal constraints in certain jurisdictions and in certain businesses in which the Merged Group will operate further reduce the Merged Group's flexibility to reduce its cost base. This could have an adverse effect on the Merged Group's competitiveness, profitability and financial condition.

Damage to, or destruction of, the Merged Group's property or infrastructure could have adverse consequences for the Merged Group.

The Merged Group will have a portfolio of freehold and leasehold property. Damage to, or destruction of, property or its infrastructure could impair the conduct of its business and adversely impact its revenue. Given the prominence the Merged Group will have in the global securities industry and property locations in several large cities, including London, Toronto, Montreal, Milan, Rome, Calgary, Vancouver and Colombo, the Merged Group may be more likely than other companies to be the subject of terrorist activity.

Whilst the LSEG Group and TMX Group have established security measures and contingency plans, these may prove inadequate to prevent significant disruptions to the Merged Group's business operations, technology or access to the infrastructure and personnel required to maintain its business. Although unlikely, any damage to the Merged Group's facilities due to terrorist attacks may be in excess of the amount of the Merged Group's insurance coverage. The threat of terrorist attacks may prevent the Merged Group from being insured against such damage at reasonable premiums.

Other potential impacts from this type of property security threat include reputational damage, decreased trading in the Merged Group's markets and an increased difficulty to attract new employees and/or retain existing employees.

PART 4: SUMMARY OF MERGER AGREEMENT

This Part 4 (Summary of the Merger Agreement) provides a summary of the material terms of the Merger Agreement.

Parties

The Merger Agreement was entered into on 9 February 2011 between LSEG and TMX Group Inc. and is governed by the laws of the Province of Ontario and the laws of Canada applicable thereon. The Merger Agreement sets out the arrangements for the implementation of the Merger and certain matters ancillary to it.

Representations and warranties

The Merger Agreement contains a number of customary and mutual representations and warranties of TMX Group Inc. and LSEG relating to: (i) organisation and qualification; (ii) authority relative to the Merger Agreement; (iii) absence of conflict or breach and required filings and consents; (iv) Subsidiaries; (v) compliance with laws; (vi) Authorisations; (vii) capitalisation and listing; (viii) absence of shareholder agreements and similar agreements; (ix) reporting issuer status; (x) US securities law matters; (xi) public disclosure; (xii) stock exchange or listing authority compliance, as applicable; (xiii) financial statements; (xiv) absence of undisclosed liabilities; (xv) real property; (xvi) personal property; (xvii) intellectual property; (xviii) employment matters; (xix) absence of certain changes or events; (xx) litigation; (xxi) taxes; (xxii) books and records; (xxiii) insurance; (xxiv) non-arm's length transactions; (xxv) benefit plans; (xxvi) restrictions on business activities; (xxvii) material contracts; and (xxviii) brokers and expenses. The Merger Agreement also contains additional representations and warranties of LSEG relating to: (i) Exchangeco and Calco; and (ii) the issuance of Mergeco Shares.

Covenants

Covenants of TMX Group Inc. regarding the conduct of business

TMX Group has agreed that prior to the Effective Date, unless otherwise agreed to in writing by LSEG, the business of TMX Group will be conducted only in the ordinary course of business.

TMX Group Inc. has agreed to certain restrictions regarding the conduct of its business, including with respect to: (i) issuing securities of TMX Group Inc. and its Subsidiaries; (ii) except in the ordinary course of business, selling, pledging, leasing, disposing of, mortgaging, licensing, encumbering or otherwise transferring assets having a value greater than C\$30,000,000 in the aggregate; (iii) amending or proposing to amend its articles, by-laws or other constitutional documents; (iv) splitting, combining or reclassifying TMX Group Shares, or to the extent prejudicial to the Merger or to LSEG, the securities of any of TMX Group Inc.'s Subsidiaries; (v) redeeming, purchasing or offering to purchase any of the TMX Group Shares or, to the extent prejudicial to the Merger or to LSEG, the securities of any of TMX Group Inc.'s Subsidiaries; (vi) the declaration or payment of dividends other than as specified in the Merger Agreement; (vii) reorganising, amalgamating or merging with any other person or, to the extent prejudicial to the Merger or to LSEG, reorganising, amalgamating or merging any of TMX Group Inc.'s Subsidiaries with any other person; (viii) reducing the stated capital of the TMX Group Shares or, to the extent prejudicial to the Merger or to LSEG, any of the shares of TMX Group Inc.'s Subsidiaries; (ix) other than cash management investments made in accordance with existing cash management policies and practices, acquisitions, investments, property transfers or purchases of any property or assets having a value greater than C\$60,000,000 in the aggregate; (x) except in the ordinary course of business, incurring indebtedness (except for refinancing or replacing TMX Group Inc.'s current credit facilities); (xi) any liquidation or dissolution of TMX Group Inc. or any of its non-dormant Subsidiaries; (xii) the settlement of liabilities other than in the ordinary course of business, where the liability is greater than C\$10,000,000, or any payment of fees relating to the Merger; (xiii) taking or failing to take any actions in a manner adversely affecting Authorisations; (xiv) taking or failing to take any actions in a manner that prevents, materially delays or materially impedes the ability of TMX Group Inc. or LSEG to complete the Merger; (xv) except in the ordinary course of business (consistent with past practice), increasing or accelerating any compensation or benefits for directors, officers and employees of TMX Group; (xvi) other than in the ordinary course of business, entering into or materially amending any Material Contracts; (xvii) incurring capital expenditures involving payments in aggregate in excess of C\$100,000,000; (xviii) maintenance of insurance policies; (xix) maintenance and preservation of Authorisations; (xx) filing of Tax Returns;

(xxi) withholding, collection, remittance and payment of taxes; (xxii) settling material disputes relating to taxes; and (xxiii) amending Tax Returns.

Covenants of TMX Group Inc. relating to the Merger

TMX Group Inc. has agreed to use commercially reasonable best efforts to perform all obligations required to be performed by TMX Group under the Merger Agreement, co-operate with LSEG in connection therewith, and to do all other acts and things as may be necessary or desirable in order to complete and make effective as soon as reasonably practicable the transactions contemplated by the Merger Agreement.

Covenants of LSEG regarding the conduct of business

LSEG has agreed that prior to the Effective Date, unless otherwise agreed to in writing by TMX Group Inc., the business of LSEG and its Subsidiaries will be conducted only in the ordinary course of business.

LSEG has agreed to certain restrictions regarding the conduct of its business, including with respect to: (i) issuing securities of LSEG and its Subsidiaries; (ii) except in the ordinary course of business, selling, pledging, leasing, disposing of, mortgaging, licensing, encumbering or otherwise transferring assets having a value greater than C\$30,000,000 in the aggregate; (iii) amending or proposing to amend its articles, by-laws or other constitutional documents; (iv) splitting, combining or reclassifying Existing Shares or, to the extent prejudicial to the Merger or to TMX Group, the securities of any of LSEG's Subsidiaries; (v) redeeming, purchasing or offering to purchase any of the Existing Shares or, to the extent prejudicial to the Merger or to TMX Group, the securities of any of LSEG's Subsidiaries; (vi) the declaration or payment of dividends other than as specified in the Merger Agreement; (vii) reorganising, amalgamating or merging with any other person or, to the extent prejudicial to the Merger or to TMX Group, reorganising, amalgamating or merging any of LSEG's Subsidiaries with any other person; (viii) reducing the stated capital of Existing Shares or, to the extent prejudicial to the Merger or to TMX Group, any of the shares of LSEG's Subsidiaries; (ix) other than cash management investments made in accordance with existing cash management policies and practices, acquisitions, investments, property transfers or purchases of any property or assets having a value greater than C\$60,000,000 in the aggregate; (x) except in the ordinary course of business, incurring indebtedness (except for refinancing or replacement of LSEG's current credit facilities); (xi) any liquidation or dissolution of LSEG or any of its non-dormant Subsidiaries; (xii) the settlement of liabilities other than in the ordinary course of business, where the liability is greater than C\$10,000,000, or any payment of fees relating to the Merger; (xiii) taking or failing to take any actions in a manner adversely affecting Authorisations; (xiv) taking or failing to take any actions in a manner that prevents, materially delays or impedes the ability of LSEG or TMX Group Inc. to complete the Merger; (xv) except in the ordinary course of business (consistent with past practice), increasing or accelerating any compensation or benefits for directors, officers and employees of LSEG or its Subsidiaries; (xvi) other than in the ordinary course of business, entering into or materially amending any Material Contracts; (xvii) incurring capital expenditures involving payments in aggregate in excess of C\$100,000,000; (xviii) maintenance of insurance policies; (xix) maintenance and preservation of Authorisations; (xx) filing of Tax Returns; (xxi) withholding, collection, remittance and payment of taxes; (xxii) settling material disputes relating to taxes; and (xxiii) amending Tax Returns.

Covenants of LSEG relating to the Merger

LSEG has agreed to use commercially reasonable efforts to perform all obligations required to be performed by LSEG or any of its Subsidiaries under the Merger Agreement, to co-operate with TMX Group in connection therewith, and do all other acts and things as may be necessary or desirable in order to complete and make effective as soon as reasonably practicable the transactions contemplated by the Merger Agreement.

Regulatory Approvals

TMX Group Inc. and LSEG have agreed to proceed diligently, in a co-ordinated fashion, to apply for and seek to obtain the Regulatory Approvals.

In furtherance of obtaining Investment Canada Act Approval, LSEG has agreed to offer, accept and agree to:

- a list of undertakings related to corporate governance matters (including board structure, how the principal leadership roles in the Merged Group will be shared and where the Merged Group headquarters for the principal global business and support functions would be located) as set out and appended to the Merger Agreement and any undertaking as to minimum Canadian employment levels as agreed between TMX Group Inc. and LSEG and certain other matters set out in the Merger Agreement, subject to changes of no substantive effect;
- other customary undertakings as agreed between TMX Group Inc. and LSEG, subject to changes that are not material, either individually or in the aggregate, in relation to such agreed undertakings; and
- additional undertakings, terms and conditions that are not contemplated by the Merger Agreement that are acceptable to LSEG, acting in good faith and reasonably.

In furtherance of obtaining Securities Regulatory Approvals, LSEG has agreed to offer, accept and agree to:

- certain terms and conditions related to corporate governance and certain other matters as set out in and appended to the Merger Agreement, subject to changes of no substantive effect;
- additional terms and conditions appended to the Merger Agreement (save for those covered by the paragraph above), subject to changes that are not material, either individually or in the aggregate, in relation to such agreed terms and conditions; and
- additional undertakings, terms and conditions that are not contemplated by the Merger Agreement that are acceptable to LSEG, acting in good faith and reasonably.

See paragraph 6 (Regulatory approvals) of Part 2 (Chairman's Letter) of this Circular, Part 5 (Regulation of TMX Group) of this Circular and Part 6 (Proposed Investment Canada Act undertakings) of this Circular.

No Regulatory Approval shall be considered to have been obtained unless it is on terms satisfactory to each of TMX Group Inc. and LSEG, acting reasonably, provided, however, that certain of the undertakings, terms and conditions appended to the Merger Agreement are deemed to be satisfactory to each of the parties. For the avoidance of doubt, LSEG will be entitled to take the position that the Investment Canada Act Approval and the Securities Regulatory Approvals will not have been obtained on satisfactory terms if any of the abovementioned undertakings or terms and conditions, as the case may be, are imposed that do not satisfy the applicable standard set out for each undertaking or terms and conditions, as the case may be, in the Merger Agreement. No Regulatory Approval shall be considered to have been obtained if an appeal, stop-order, stay or revocation (or proceeding seeking an appeal, stop-order, stay or revocation) has been instituted or threatened after the granting of any Regulatory Approval and remains outstanding or subject to final judgment or adjudication prior to the filing of the Articles of Arrangement and receipt of the Certificate of Arrangement.

Corporate governance

The parties have agreed to take all actions to ensure that as of the Effective Date:

- the Mergeco Board shall have 15 directors, including seven nominees of TMX Group Inc. and eight nominees of LSEG;
- the eight nominees of LSEG shall include the persons who are, respectively, the LSEG Chairman and the Chief Executive Officer of LSEG and the Chief Executive Officer of Borsa Italiana, in each case, immediately before the Effective Date;
- the seven nominees of TMX Group Inc. shall include the persons who are, respectively, the Chairman, the Chief Executive Officer and the Chief Financial Officer of TMX Group Inc. immediately before the Effective Date and four independent Canadian Directors of TMX Group Inc.;
- the membership of the Mergeco Board committees will be substantially proportionate to the percentage of TMX Group Inc. and LSEG nominees to the Mergeco Board, respectively, and at least one of the standing Mergeco Board committees shall be chaired by a current TMX Group Inc. director;

- one-third of Mergeco Board meetings shall be held in Canada (rounded down) and a majority of the Mergeco Board meetings will be held in the UK;
- the position of the Chief Executive Officer of Mergeco will be filled by the person who is, immediately before the Effective Date, the Chief Executive Officer of LSEG;
- the position of the President of Mergeco will be filled by the person who is, immediately before the Effective Date, the Chief Executive Officer of TMX Group Inc.;
- the position of the Chairman of Mergeco will be filled by the person who is, immediately before the Effective Date, the Chairman of TMX Group Inc.;
- the positions of the Deputy Chairmen of Mergeco will be filled by the persons who are, immediately before the Effective Date, the LSEG Chairman and the Deputy Chairman of LSEG;
- the position of Chief Financial Officer of Mergeco will be filled by the person who is, immediately before the Effective Date, the Chief Financial Officer of TMX Group Inc.;
- the positions on the executive committee of Mergeco and the persons filling such roles will include: Chief Executive Officer—Xavier Rolet, Chief Executive Officer of LSEG; President—Thomas Kloet, Chief Executive Officer of TMX Group Inc.; Chief Financial Officer—Michael Ptasznik, Chief Financial Officer of TMX Group Inc.; and director—Raffaele Jerusalmi, Chief Executive Officer of Borsa Italiana;
- the position of the Chairman of London Stock Exchange shall be filled by the person who is, immediately before the Effective Date, the LSEG Chairman. The Chairman of London Stock Exchange, from time to time, will be a UK resident and Mergeco shall be entitled to amend the articles of association of London Stock Exchange to reflect such matter; and
- the positions of the Chairman of TMX Group Inc. and TSX Inc. shall be filled by the persons who are, immediately before the Effective Date, the chairmen of TMX Group Inc. and TSX Inc., respectively. The Chairman of TMX Group Inc., from time to time, will be a Canadian resident and Mergeco shall be entitled to amend the articles of TMX Group Inc. and TSX Inc. to reflect such matter.

Mergeco shall ensure that, from and after the Effective Date, Mergeco and Exchangeco are in compliance with applicable Canadian securities laws and standards.

Non-solicitation

Each of LSEG and TMX Group Inc. have agreed not to, directly or indirectly, do any of the following:

- solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) any inquiries, proposals or offers relating to any Acquisition Proposal;
- engage in, continue or otherwise participate in any discussions or negotiations with any person regarding any Acquisition Proposal;
- approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal;
- accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal; or
- make a TMX Group Change in Recommendation or an LSEG Change in Recommendation, as applicable.

At the time of entering into the Merger Agreement, each of LSEG and TMX Group Inc. agreed to:

- immediately cease and cause to be terminated any existing solicitation, encouragement, discussion or negotiation with any person (other than the other party) conducted by such party or any of its Subsidiaries or representatives with respect to any Acquisition Proposal;
- discontinue access to any confidential information;
- request, and exercise all rights it has to require, the return or destruction of all confidential information previously provided to any such person or any other person to the extent such information has not already been returned or destroyed;

- not release any third party from any confidentiality, non-solicitation or standstill agreement, or terminate, modify, amend or waive the terms thereof; and
- enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that such party or any of its Subsidiaries has entered into prior to the date thereof, except to allow a person to propose an Acquisition Proposal to the party.

TMX Group Inc. and LSEG have each agreed to immediately provide notice to the other party of any Acquisition Proposal or any proposal, inquiry or offer that could lead to an Acquisition Proposal or any amendments to the foregoing or any request for non-public information relating to it or any of its Subsidiaries in connection with such an Acquisition Proposal or for access to the properties, books or records of such party or any of its Subsidiaries by any person that informs such party, any member of the LSEG Board or the TMX Group Board, as applicable, or any of such party's Subsidiaries that it is considering making, or has made, an Acquisition Proposal. Such notice to the other party shall be made, from time to time, at first immediately, orally, and then promptly (and in any event within 24 hours) in writing and shall indicate the identity of the person or persons making such proposal, inquiry, offer or request, all material terms thereof and such other details of the proposal, inquiry, offer or request known to such party, and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. TMX Group Inc. and LSEG have agreed to keep one another promptly and fully informed of the status, including any change to the material terms, of any such proposal, inquiry, offer or request and will respond promptly to all inquiries by the other party with respect thereto.

Notwithstanding the above and any confidentiality or standstill agreement between a party and any other person, if at any time following the date of the Merger Agreement and prior to obtaining the TMX Group Shareholder Approval or LSEG Shareholder Approval, as applicable, a party receives a request for material non-public information, or to enter into discussions, from a person that proposes to such party an unsolicited *bona fide* written Acquisition Proposal that did not result from a breach of the above non-solicitation covenants and the TMX Group Board or the LSEG Board, as applicable, determines, in good faith after consultation with its financial advisers and outside legal counsel, that such Acquisition Proposal constitutes or could reasonably be expected to result in a Superior Proposal, then, and only in such case, such party may: (i) provide the person making such Acquisition Proposal with access to information regarding such party and its Subsidiaries; and/or (ii) enter into, participate, facilitate and maintain discussions or negotiations with, and otherwise co-operate with or assist, the person making such Acquisition Proposal, subject to compliance with certain requirements (including entering into a confidentiality and standstill agreement on customary terms).

TMX Group Inc. or LSEG, as the case may be, can only accept, approve or enter into an agreement, understanding or arrangement relating to an Acquisition Proposal if:

- the board of directors of the party in receipt of the Acquisition Proposal determines that the Acquisition Proposal constitutes a Superior Proposal;
- the TMX Group Shareholder Approval or the LSEG Shareholder Approval, as applicable, has not been obtained;
- such party has complied in all material respects with its non-solicitation covenants;
- such party has provided the other party with a notice in writing that there is a Superior Proposal, together with all documentation related to and detailing the Superior Proposal, including a copy of any Proposed Agreement relating to such Superior Proposal, such documents to be so provided to the other party not less than five Business Days prior to the proposed acceptance, approval or execution of the Proposed Agreement by such party;
- five Business Days has elapsed from the date that the other party received the requisite notice and documentation from such party and, if the other party has proposed to amend the terms of the Merger, the TMX Group Board or the LSEG Board, as applicable, has determined, in good faith, after consultation with its financial advisers and outside legal counsel, that the Acquisition Proposal is a Superior Proposal compared to the proposed amendment to the terms of the Merger by the other party;
- such party concurrently terminates the Merger Agreement; and
- such party has previously paid, or concurrently pays, to the other party the TMX Group Termination Fee or the LSEG Termination Fee, as applicable.

Each party is required to grant the other party, during the Response Period (or such longer period as such party may approve for such purpose), the opportunity, but not the obligation, to propose to amend the terms of the Merger Agreement, including an increase in, or modification of, the Consideration. The TMX Group Board or the LSEG Board, as applicable, will review any proposal by the other party to amend the terms of the Merger Agreement in order to determine, in good faith in the exercise of its fiduciary duties, whether the other party's proposal to amend the Merger Agreement would result in the Acquisition Proposal ceasing to be a Superior Proposal. If the TMX Group Board or the LSEG Board, as applicable, determines that the Acquisition Proposal is not a Superior Proposal as compared to the proposed amendments to the terms of the Merger Agreement, it will promptly enter into an amended agreement with the other party reflecting such proposed amendments. Each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal and the other party shall be afforded a new Response Period in respect of each such Acquisition Proposal.

Notwithstanding the foregoing or anything else in the Merger Agreement, the TMX Group Board or LSEG Board, as the case may be, shall still be permitted to make a TMX Group Change in Recommendation or LSEG Change in Recommendation, as the case may be, or make any disclosure to any security holders of such party prior to the Effective Time, if, in the good faith judgment of the TMX Group Board or LSEG Board, as the case may be, after consultation with outside legal counsel, failure to take such action or make such disclosure would be inconsistent with the TMX Group Board's or LSEG Board's exercise of its fiduciary duties or such action or disclosure is otherwise required under applicable law (including by responding to an Acquisition Proposal under a directors' circular or otherwise as required under applicable securities laws). Prior to making a Change in Recommendation, each party shall give the other party not less than 48 hours' notice of its intention to do so.

In circumstances where a party has notified the other party that it intends to make a Change in Recommendation or a party provides the other party with notice of a Superior Proposal, in either case, on a date that is less than seven Business Days prior to the TMX Group Meeting or the LSEG Meeting, as applicable, either party may, or if requested by the other party shall, adjourn the TMX Group Meeting or the LSEG Meeting, as applicable, to a date that is seven Business Days after the date of such notice, provided, however, that neither the TMX Group Meeting nor the LSEG Meeting shall be adjourned or postponed to a date later than the seventh Business Day prior to the Outside Date.

Conditions

Mutual conditions precedent

The following are the mutual conditions to completing the Merger contemplated by the Merger Agreement:

- the Arrangement Resolution has been approved and adopted by TMX Group Shareholders at the TMX Group Meeting in accordance with the Interim Order;
- the Interim Order and Final Order have each been obtained on terms consistent with the Merger Agreement and have not been set aside or modified in a manner unacceptable to TMX Group Inc. or LSEG, acting reasonably, on appeal or otherwise;
- no Governmental Entity shall have enacted, issued, promulgated, enforced or entered into any law which is then in effect and has the effect of making the Merger illegal or otherwise preventing or prohibiting TMX Group Inc. or LSEG from completing the Merger;
- the LSEG Shareholder Approval has been obtained;
- all Regulatory Approvals have been obtained in accordance with the terms of the Merger Agreement, and there is not, at the time when all other conditions have been satisfied or waived, any outstanding Regulatory Intervention;
- LSEG has delivered evidence to TMX Group Inc. that, as soon as practicable following the Effective Time, the Mergeco Shares issuable pursuant to the Merger will be admitted to the Official List and to trading on the Main Market of the London Stock Exchange and that the New Shares issuable upon exchange of the Exchangeable Shares and exercise of the Replacement Options shall have been conditionally approved for listing on TSX (subject only, in each case, to the satisfaction of the customary listing conditions of the UK Listing Authority or TSX, as the case may be);

- LSEG has delivered evidence to TMX Group Inc. that, as soon as practicable following the Effective Time, the New Shares issuable pursuant to the Exchangeable Shares or Replacement Options shall be admitted to the Official List and to trading on the London Stock Exchange (subject only, in each case, to the satisfaction of the customary listing conditions of the London Stock Exchange); and
- the New Shares and the Exchangeable Shares to be issued pursuant to the Merger have been allotted by the LSEG Board and the board of directors of Exchangeco, respectively, conditional only on Completion and that such New Shares and Exchangeable Shares issuable pursuant to the Merger are exempt from the registration requirements under US securities laws.

Additional conditions precedent to the obligations of LSEG

The obligations of LSEG to complete the Merger contemplated by the Merger Agreement are also subject to the following conditions:

- all covenants of TMX Group Inc. to be performed on or before the Effective Time have been performed (or waived by LSEG) in all material respects;
- the representations and warranties of TMX Group Inc. relating to issued capitalisation and listing, termination payments for directors, officers and employees and salary, bonus or remuneration increases or amendments to vesting or acceleration of options or deferred compensation for officers are true and correct in all respects (subject to *de minimis* inaccuracies) as at 9 February 2011;
- the representations and warranties of TMX Group Inc. relating to brokerage fees and expenses are true and correct in all material respects as of the Effective Time as if made at and as of such time;
- all other representations and warranties of TMX Group Inc. in the Merger Agreement are true and correct in all respects (disregarding for these purposes any materiality or TMX Group Material Adverse Effect qualification contained in such representation or warranty) as of the Effective Time as if made at and as of such time (except that any representation and warranty that, by its terms, speaks specifically as of the date of the Merger Agreement or another date is true and correct in all respects as of such date), except where the failure to be so true and correct in all respects, individually and in the aggregate, has not had a TMX Group Material Adverse Effect;
- the total number of TMX Group Shares with respect to which dissent rights have been properly exercised does not exceed 2 per cent. of the outstanding TMX Group Shares as of the Effective Date;
- there has been no TMX Group Material Adverse Effect since the date of the Merger Agreement; and
- the “key third party consents” (listed in the Merger Agreement) have been obtained on terms satisfactory to LSEG, acting reasonably.

Additional conditions precedent to the obligations of TMX Group Inc.

The obligations of TMX Group Inc. to complete the Merger contemplated by the Merger Agreement are also subject to the following conditions:

- all covenants of LSEG to be performed on or before the Effective Time have been performed (or waived by TMX Group Inc.) in all material respects as of the Effective Time as if made at and as of such time;
- the representations and warranties of LSEG relating to issued capitalisation and listing, termination payments for directors, officers and employees and salary, bonus or remuneration increases or amendments to vesting or acceleration of options or deferred compensation for officers are true and correct in all respects (subject to *de minimis* inaccuracies) as at 9 February 2011;
- the representations and warranties of LSEG relating to brokerage fees and expenses are true and correct in all material respects as of the Effective Time as if made at and as of such time;
- all other representations and warranties of LSEG in the Merger Agreement are true and correct in all respects (disregarding for these purposes any materiality or LSEG Material Adverse Effect qualification contained in such representation or warranty) as of the Effective Time as if made at and as of such time (except that any representation and warranty that, by its terms, speaks specifically as of the date of the Merger Agreement or another date is true and correct in all respects as of such date), except where the failure to be so true and correct in all respects, individually and in the aggregate, has not had an LSEG Material Adverse Effect; and

- there has been no LSEG Material Adverse Effect since the date of the Merger Agreement.

Termination

The Merger Agreement may be terminated by notice in writing, at any time prior to the Effective Date, by mutual written agreement of the parties.

Either party may terminate the Merger Agreement in the event that:

- the Effective Time does not occur on or before the Outside Date, except that the right to terminate is not available to any party whose failure to fulfil any of its obligations or breach of any of its representations and warranties has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date;
- a law is enacted that makes Completion illegal, or otherwise enjoins TMX Group Inc. or LSEG from completing the Merger and such law becomes final and non-appealable;
- TMX Group Shareholder Approval has not been obtained at the TMX Group Meeting in accordance with the Interim Order; or
- LSEG Shareholder Approval has not been obtained at the LSEG Meeting.

TMX Group Inc. may terminate the Merger Agreement, by notice to LSEG, in the event that:

- there is an LSEG Change in Recommendation (but only until such time as the LSEG Shareholder Approval has been obtained);
- LSEG breaches its non-solicitation covenants in any material respect;
- LSEG breaches any representation or warranty or fails to perform any covenant or agreement set forth in the Merger Agreement that would cause the conditions of TMX Group Inc.'s obligations to complete the Merger not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date as reasonably determined by TMX Group Inc. and provided that TMX Group Inc. is not then in breach of the Merger Agreement so as to cause any of the reciprocal conditions not to be satisfied; or
- TMX Group Inc. wishes to enter into a binding written agreement with respect to a Superior Proposal (other than a confidentiality and standstill agreement), provided that it complies with the relevant non-solicitation provisions of the Merger Agreement and pays the TMX Group Termination Fee (C\$39,000,000).

LSEG may terminate the Merger Agreement, by notice to TMX Group Inc., in the event that:

- there is a TMX Group Change in Recommendation (but only until such time as the TMX Group Shareholder Approval has been obtained);
- TMX Group Inc. breaches its non-solicitation covenants in any material respect;
- TMX Group Inc. breaches any representation or warranty or fails to perform any covenant or agreement set forth in the Merger Agreement that would cause the conditions of LSEG's obligations to complete the Merger not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date as reasonably determined by LSEG and provided that LSEG is not then in breach of the Merger Agreement so as to cause the reciprocal conditions not to be satisfied; or
- LSEG wishes to enter into a binding written agreement with respect to a Superior Proposal (other than a confidentiality and standstill agreement), provided that it complies with the relevant non-solicitation provisions of the Merger Agreement and pays the LSEG Termination Fee (C\$39,000,000).

Termination fees

TMX Group Inc. will be obligated to pay the TMX Group Termination Fee (C\$39,000,000) to LSEG in the event that:

- LSEG terminates the Merger Agreement due to: (i) a TMX Group Change in Recommendation by the TMX Group Board (but not including circumstances where the Change in Recommendation resulted from the occurrence of an LSEG Material Adverse Effect); or (ii) TMX Group breaching its non-solicitation covenants in any material respect;

- LSEG exercises its termination right (described above) in respect of breaches of TMX Group's covenants or representations and warranties which cause conditions to LSEG's obligations to complete the Merger not to be satisfied and where such breaches are due to a wilful breach or fraud of TMX Group;
- TMX Group Inc. terminates the Merger Agreement for the purpose of entering into a binding written agreement with respect to a Superior Proposal; or
- either party terminates the Merger Agreement because: (i) the Effective Time did not occur on or before the Outside Date; or (ii) TMX Group Shareholder Approval had not been obtained, but only if: (A) prior to such termination a *bona fide* Acquisition Proposal for TMX Group has been made by a person other than LSEG; and (B) within 12 months following the date of such termination: (I) TMX Group Inc. enters into a definitive agreement in respect of such Acquisition Proposal which is subsequently completed; or (II) such Acquisition Proposal shall have been completed (in each case references in the definition of Acquisition Proposal to "20 per cent." are deemed to be references to "50 per cent.") (note that if the TMX Group Termination Fee is payable under this provision, any TMX Group Expense Fee paid under the provisions set out below shall be credited towards payment of the TMX Group Termination Fee).

LSEG will be obligated to pay the LSEG Termination Fee (C\$39,000,000) to TMX Group Inc. in the event that:

- TMX Group Inc. terminates the Merger Agreement due to: (i) an LSEG Change in Recommendation by the LSEG Board (but not including circumstances where the Change in Recommendation resulted from the occurrence of a TMX Group Material Adverse Effect); or (ii) LSEG breaching its non-solicitation covenants in any material respect;
- TMX Group Inc. exercises its termination right (described above) in respect of breaches of LSEG's covenants or representations or warranties which cause conditions to TMX Group Inc.'s obligations to complete the Merger not to be satisfied and where such breaches are due to a wilful breach or fraud of LSEG;
- LSEG terminates the Merger Agreement for the purpose of entering into a binding written agreement with respect to a Superior Proposal; or
- either party terminates the Merger Agreement because: (i) the Effective Time did not occur on or before the Outside Date; or (ii) LSEG Shareholder Approval had not been obtained, but only if: (A) prior to such termination, a *bona fide* Acquisition Proposal for LSEG has been made by a person other than TMX Group; and (B) within 12 months following the date of such termination: (I) LSEG enters into a definitive agreement in respect of such Acquisition Proposal which is subsequently completed; or (II) such Acquisition Proposal will have been completed (in each case references in the definition of Acquisition Proposal to "20 per cent." are deemed to be references to "50 per cent.") (note that if the LSEG Termination Fee is payable under this provision, any LSEG Expense Fee paid under the provisions set out below shall be credited towards payment of the LSEG Termination Fee).

Expense fees

TMX Group Inc. will be obligated to pay the TMX Group Expense Fee (C\$10,000,000) to LSEG in the event that:

- either party terminates the Merger Agreement as a result of TMX Group Shareholder Approval not being obtained at the TMX Group Meeting in accordance with the Interim Order;
- LSEG exercises its termination right (described above) in respect of breaches of TMX Group Inc.'s covenants or representations and warranties which cause conditions to LSEG's obligations to complete the Merger not to be satisfied and where such breaches are not due to a wilful breach or fraud of TMX Group Inc.; or
- TMX Group Inc. terminates the Merger Agreement as a result of the Effective Time not occurring on or before the Outside Date if all of the conditions to TMX Group Inc.'s obligations to complete the Merger, other than the Regulatory Approvals condition, have been satisfied and the Regulatory Approvals condition has not been satisfied because of a Regulatory Intervention in respect of which TMX Group Inc. is the Declaring Party.

LSEG will be obligated to pay the LSEG Expense Fee (C\$10,000,000) to TMX Group Inc. in the event that:

- either party terminates the Merger Agreement as a result of LSEG Shareholder Approval not being obtained at the LSEG Meeting;
- TMX Group Inc. exercises its termination right (described above) in respect of breaches of LSEG's covenants or representations or warranties which cause conditions to TMX Group Inc.'s obligations to complete the Merger not to be satisfied and where such breaches are not due to a wilful breach or fraud of LSEG;
- LSEG or TMX Group Inc. terminates the Merger Agreement as a result of the Effective Time not occurring on or before the Outside Date if all of the conditions to LSEG's obligations to complete the Merger have been satisfied or waived other than the Regulatory Approvals condition, and the Regulatory Approvals condition has not been satisfied because undertakings or terms and conditions that are required to obtain Investment Canada Act Approval or the Securities Regulatory Approvals (and that relate to matters other than corporate governance and any undertaking as to minimum Canadian employment levels as agreed between TMX Group Inc. and LSEG) exceed those contemplated by the Merger Agreement, but would not, together with the undertakings and terms and conditions related to corporate governance and any undertaking as to minimum Canadian employment levels as agreed between TMX Group Inc. and LSEG, be substantially detrimental to LSEG; or
- LSEG terminates the Merger Agreement as a result of the Effective Time not occurring on or before the Outside Date if all of the conditions to LSEG's obligations to complete the Merger have been satisfied other than the Regulatory Approvals condition, and the Regulatory Approvals condition, has not been satisfied because of a Regulatory Intervention in respect of which LSEG is the Declaring Party.

In no event shall either TMX Group Inc. or LSEG be obligated to pay to the other an amount in respect of the termination of the Merger Agreement pursuant to the termination fee and expense fee provisions that is, in aggregate, greater than the TMX Group Termination Fee or the LSEG Termination Fee, as applicable.

PART 5: REGULATION OF TMX GROUP

This Part 5 (Regulation of TMX Group) describes the regulatory regime in the core jurisdictions in which TMX Group operates. It also describes the proposed changes to the existing recognition requirements in order to obtain the necessary Securities Regulatory Approvals.

Section A of Part 10—“Regulation of the Merged Group” of the Prospectus includes the information set out below and also describes the regulatory regime in the core jurisdictions in which the LSEG Group operates. In addition, a summary of the share ownership restrictions that will apply to Mergeco and other members of the Merged Group is set out in section B of Part 10—“Regulation of the Merged Group” of the Prospectus.

TMX Group regulatory matters

Overview of the recognition and regulation of TMX Group

Different organisations regulate or monitor the participants in the Canadian capital markets. These participants include issuers, brokerage firms, exchanges, ATSS, trading and quotation systems and IDBs. Self-regulatory organisations, such as IIROC, regulate the activities of brokerage firms and their capital requirements, as well as their business and trading conduct. TMX Group’s equity exchanges, TSX and TSX Venture Exchange, also establish standards for their listed issuers and rules for their trading participants to maintain quality marketplaces and investor confidence.

TMX Group Inc. is a reporting issuer in all provinces and territories of Canada. Following Completion, Mergeco will become a reporting issuer in all provinces and territories of Canada. TMX Group Inc. will apply to the securities regulatory authorities in Canada to cease to be a reporting issuer upon Completion.

TSX Venture Exchange, TSX Inc. and TMX Group Inc. are all regulated as exchanges in Canada. TSX Inc. is also regulated as an information processor by the AMF and operates as an information processor in accordance with a determination made by the CSA chairs. NGX is regulated as an exchange and a clearing agency in Canada. In addition, NGX currently operates as an exempt commercial market pursuant to the US Commodity Exchange Act and is registered as a derivatives clearing organisation with the CFTC. MX is regulated as an exchange and an SRO in Canada and as a FBOT in the US. In addition, MX is subject to certain regulatory requirements imposed by other foreign regulators. CDCC is regulated as an SRO in Canada. CDCC is also subject to regulatory requirements of the SEC and various US state securities regulators. BOX is regulated in the US by the SEC. Shorcan is an OSC registrant under the category of “exempt market dealer” and is an IIROC-approved IDB for the purposes of IIROC members’ financial reporting requirements.

An exchange or clearing agency operating in Canada must be recognised in certain jurisdictions under applicable legislation. In some circumstances, an exchange or clearing agency may obtain an exemption from this requirement. The Quebec, Ontario, Alberta and British Columbia securities regulatory authorities have issued recognition orders and oversee the operations of TMX Group Inc. and those of TSX, TSX Venture Exchange, NGX, MX and CDCC to ensure they are operated in the public interest. The OSC is the lead regulator for TMX Group Inc. and TSX Inc. (which operates TSX), the ASC and BCSC are the joint lead regulator for TSX Venture Exchange Inc. (which operates TSX Venture Exchange), the ASC is the lead exchange regulator for NGX and the AMF is the lead regulator for MX and CDCC.

The lead regulator of an exchange or clearing agency focuses, among other things, on the listing or eligibility standards and trading or clearing activities (embodied in the rules of the exchange or the clearing agency), including its market quality rules, and, in the case of equity exchanges, universal market integrity rules approved by all of the recognising regulators. Generally, the lead regulator must approve any new standards or rules or changes to existing rules. In some instances, new rules or changes to existing rules must be published for a 30-day public comment period as part of the rule approval process. With respect to MX and CDCC, under the Derivatives Act (Quebec), new rules pertaining to market activities or new products, or rule changes must be submitted to the AMF in accordance with the self-certification process. Significant rule changes must also be published for a 30-day public comment period before self-certification. The lead regulator also has the general power to make any decision in respect of an exchange or clearing agency that it deems necessary in the public interest, and can review any direction, decision, order or ruling of that exchange or clearing agency at the request of the regulator’s executive director, or equivalent position, or any person directly affected by the direction, decision, order or ruling.

Proposed changes in connection with the Merger

Pursuant to the Merger Agreement, LSEG has agreed, in furtherance of obtaining the Securities Regulatory Approvals from the OSC, AMF, ASC and BCSC, to provide written undertakings to certain securities regulators and to agree to amendments to the recognition orders of certain TMX Group exchanges and CDCC. Additionally, LSEG will request confirmation from the OSC, AMF and Manitoba Securities Commission for the continuing application of exemptive relief in respect of TSX Venture Exchange. Approval of the SEC is also required for certain aspects of the Merger (in relation to BOX). Below is a description of the current recognition orders of TMX Group Inc. and certain of its Subsidiaries, as well as a list of changes to be made to such recognition orders in connection with the Securities Regulatory Approvals.

TMX Group Inc. and TSX Inc.

TSX Inc. (which operates TSX) and TMX Group Inc., as the parent holding company of TSX Inc., are recognised and regulated by the OSC as carrying on business as an exchange, subject to certain terms and conditions. TSX Inc. has received an exemption from recognition from the regulators in British Columbia, Alberta and Quebec.

Overview of current TSX Inc. and TMX Group Inc. recognition order

The terms and conditions of the current OSC recognition order for TSX Inc. and TMX Group Inc. include the following:

- TSX Inc. must ensure that its governance structure provides for fair and meaningful representation on its board of directors and any governance committee of the board, including a requirement that at least 50 per cent. of its board of directors be independent. A director is independent if he or she is independent within the meaning of section 1.4 of National Instrument 52-110—*Audit Committees*, and he or she meets the additional standards established by TSX Inc.'s board of directors. The additional standards establish examples of when an individual is considered to have a material relationship with TSX Inc. and is, therefore, considered not to be independent (e.g. an employee of a participant). Approximately 90 per cent. of the current members of the board of TSX Inc. are independent for these purposes. TSX Inc. is also required to take reasonable steps to ensure that each of its directors and officers is fit to serve in that role;
- TSX Inc. is required to meet specified financial viability tests to ensure that it maintains sufficient financial resources to properly perform its functions. Those financial ratios consist of:
 - a current ratio that must be greater than or equal to 1.1:1 based on current assets to current liabilities;
 - a debt to cash flow ratio that must be less than or equal to 4:1 based on total debt used to finance TSX Inc.'s operations to adjusted earnings before interest, taxes, depreciation and amortisation for the most recent twelve month period; and
 - a financial leverage ratio that must be less than or equal to 4:1, based on adjusted total assets to adjusted shareholders' equity.

If any of these tests are not met for a period of more than three months, TSX Inc.'s Chief Executive Officer must immediately deliver a letter advising the OSC staff of the reasons for the continued deficiencies and the steps being taken to rectify the situation. In these circumstances, TSX Inc. will not, without the prior approval of the director of the OSC, pay dividends (among other things) until the deficiencies have been eliminated for at least six months or a shorter period of time as agreed to by OSC staff;

- all fees imposed by TSX Inc. on participants must be equitable and cannot have the effect of creating barriers to access;
- TSX Inc. must meet requirements for the capacity and integrity of the components of its trading system;
- any material agreement or transaction entered into between TSX Inc. and TMX Group Inc. or a Subsidiary or associate of TMX Group Inc. must be on terms that are at least as favourable to TSX Inc. as market terms and conditions;

- TSX Inc. is required to maintain board-approved policies and procedures to: (i) evaluate and approve material outsourcing arrangements with parties, except TMX Group Inc. or an affiliate or associate of TMX Group Inc.; (ii) assess the risk of any such arrangement; and (iii) in certain circumstances, ensure that the outsourcing contract permits the OSC to have access to any data and information maintained by the service provider; and
- TSX Inc. has special terms and conditions relating to the listing of TMX Group Shares on TSX; after the Merger, it is proposed that such terms and conditions will apply to Mergeco and Exchangeco.

TMX Group Inc. has similar requirements to TSX Inc. with respect to governance structure, including the independence requirement (TMX Group Inc.'s independent directors are currently the same as TSX Inc.'s independent directors) and fitness of officers and directors. TMX Group Inc. is also required to allocate sufficient financial and other resources to TSX Inc., so long as TSX Inc. carries on business as an exchange, to permit TSX Inc. to operate in accordance with the terms of its recognition order. In addition, TMX Group Inc. is required to do everything in its control to cause TSX Inc. to comply with the terms and conditions in its recognition order.

Proposed amendments to TSX Inc. and TMX Group Inc. recognition order

TMX Group Inc. and LSEG made application to the OSC on 13 May 2011 to amend and restate TMX Group Inc. and TSX Inc. recognition order to reflect the Merger. Pursuant to this application, following Completion, the provisions of the current recognition order relating to TSX Inc. will remain in effect, except as modified by the following additional provisions:

- *corporate governance*—at least 50 per cent. of the directors and members of each of the committees of the TSX Inc. board of directors will be both ordinarily resident in Canada and independent, as defined in the current recognition order;
- *offices*—the head office and the executive offices of TSX Inc. will be located in Toronto;
- *senior management*—the Chief Executive Officer, and the most senior executives of TSX Inc. responsible for each of listing and issuer services, trading, market data, and compliance and regulation functions (or their equivalents from time to time), will be ordinarily resident in Ontario and their principal place of business will be in Toronto. For greater certainty, those most senior executives will be subject to the strategic and policy direction of Mergeco;
- *continuity of operations*—TSX Inc. will be locally managed, subject to the strategic and policy direction of Mergeco. TSX Inc. will maintain its core operations in Canada, except to the extent that, in accordance with its obligations outlined in the following paragraph, TSX Inc. ceases or otherwise changes its operations;
- *change in operations*—TSX Inc. will not cease to operate or suspend, discontinue or wind-up all or a significant portion of TSX Inc.'s operations, or dispose of all or substantially all of TSX Inc.'s assets, without:
 - providing the OSC at least six months' prior notice of TSX Inc.'s intention; and
 - complying with any terms and conditions that the OSC may impose in the public interest for the orderly discontinuance of TSX Inc.'s operations or the orderly disposition of TSX Inc.'s assets;
- *regulation functions to be carried on in Canada*—the recognition order will be revised to ensure that all regulation functions of TSX Inc. will be carried on in Canada;
- *self-listing conditions*—the listing on TSX of the Mergeco Shares and the Exchangeable Shares will be subject to special conflict of interest rules designed to ensure that the initial and continued listing of those shares are dealt with appropriately, including by providing the OSC with the right to approve or disapprove the listing. See under the heading "Listing of TMX Group Shares on TSX" within this Part 5 (Regulation of TMX Group);
- *outsourcing*—the requirements of the recognition order regarding outsourcing that currently apply to third parties shall also apply to associates and affiliates of TMX Group Inc. that are incorporated, or that primarily carry on business, outside Canada;
- *related party transactions*—the provisions of the recognition order regarding related party transactions will govern material agreements and transactions between TSX Inc. and TMX Group Inc. and any affiliate of TMX Group Inc., in addition to Subsidiaries and associates of TMX Group Inc.; and

- *Appendix I*—Appendix I to the recognition order (which sets out the self-listing conditions, related party transaction and other conflict of interest provisions referred to above) will remain in effect, except as modified to reflect the fact that TMX Group Inc. will no longer be a listed issuer on TSX and that Mergeco and Exchangeco each propose to become a listed issuer on TSX.

Pursuant to the application, following Completion, the provisions of the current recognition order relating to TMX Group Inc. will remain in effect, except as modified by the following additional provisions:

- *corporate governance*—at least 50 per cent. of the directors and members of each of the committees of the TMX Group Board will be both ordinarily resident in Canada and independent. TMX Group Inc. shall maintain the finance and audit committee of its board of directors.
- *offices*—the head office and executive offices of TMX Group Inc. will be located in Toronto; and
- *senior management*—the Chief Executive Officer of TMX Group Inc. will be ordinarily resident in Ontario and his or her principal place of business will be in Toronto. For greater certainty, that officer will be subject to the strategic and policy direction of Mergeco.

Undertakings of LSEG to the OSC regarding corporate governance

LSEG has agreed, pursuant to the Merger Agreement, to provide written undertakings to the OSC in support of the application by TMX Group Inc. to amend the recognition order of TMX Group Inc. and TSX Inc.

The undertakings to the OSC will contain the following provisions regarding the corporate governance of Mergeco.

Corporate governance until the fourth anniversary of the undertakings

The Mergeco Board will consist of 15 directors, subject to permitted adjustment. Appropriate nominations will be made by the Mergeco Board at each Mergeco AGM to ensure that the Mergeco Board will consist of at least seven directors who are Canadian Directors (assuming that the election of those nominees is approved by the shareholders of Mergeco). In the event that any of those nominees are not elected by the Mergeco Shareholders, the Mergeco Directors will identify and appoint alternative directors to the Mergeco Board so that at least seven of Mergeco's Directors are Canadian Directors as soon as reasonably practicable thereafter and will ensure that those alternative directors are nominated by the Mergeco Board for election at the next Mergeco AGM.

Subject to permitted adjustment, the Canadian Directors will include:

- the Senior Canadian Officer;
- at least four independent Canadian Directors (who may include, for greater certainty, the Chairman of the Mergeco Board), at least three of whom will be independent directors of TMX Group Inc. at the relevant time; and
- residents of Quebec in a number equal to 25 per cent. of the independent Canadian Directors (rounded down).

The composition and number of the Canadian Directors are permitted to be adjusted either if Mergeco (or its Subsidiaries worldwide) expands its operations through a transaction with another party and adds directors from the other party's board of directors to the Mergeco Board or if Mergeco adds directors who are resident outside Canada and Europe, on the basis that, after the addition:

- Canadian Directors represent at least the same proportion of those individuals who both were Mergeco Directors before the change and continue as Mergeco Directors after the change (rounded down) as Canadian Directors represented of Mergeco Directors before the change, subject to a minimum of three Canadian Directors;
- one of the Canadian Directors will be the Senior Canadian Officer;
- at least 50 per cent. of the Canadian Directors will be independent directors (who may include, for greater certainty, the Chairman of the Mergeco Board) who will be independent directors of TMX Group Inc. at the relevant time; and
- of those independent Canadian Directors, 25 per cent. (rounded down) will be residents of Quebec.

The Canadian Directors who are members of committees of the Mergeco Board will be substantially proportionate to the percentage of Canadian Directors, from time to time, and at least one standing committee of the Mergeco Board will be chaired by an independent Canadian Director.

Corporate governance after the fourth anniversary of the undertakings

On or after the fourth anniversary of the date of the undertakings, the number of Canadian Directors is permitted to be reduced to a minimum that is the greater of:

- the number that the Mergeco Board, in the exercise of its fiduciary duties and having regard to the interests of all stakeholders in all the jurisdictions in which Mergeco (and its Subsidiaries worldwide) operates from time to time, determines to be appropriate in light of the overall current and prospective significance of the Canadian business to Mergeco's business as a whole (and to the business of its Subsidiaries worldwide), having regard to both relevant financial measures and non-financial factors, including the strategic significance of the Canadian business to the Mergeco business (or to the business of its Subsidiaries worldwide) and the development of the Mergeco business (or that of its Subsidiaries worldwide) since the Merger; and
- three;

and:

- of those Canadian Directors, at least 50 per cent. will be independent directors of TMX Group Inc. at the relevant time; and
- of those independent Canadian Directors, 25 per cent. (rounded down) will be residents of Quebec.

In the event that the Mergeco Board, in the exercise of its fiduciary duties and having regard to the interests of all stakeholders in all jurisdictions in which the Merged Group operates from time to time, determines that a material change in circumstances makes inappropriate the requirement of three Canadian Directors provided for in the immediately preceding paragraph, Mergeco may apply to the OSC for a change in that requirement and the OSC may, in the public interest, consider that change.

The nomination procedure provided for under the heading "Corporate governance until the fourth anniversary of the undertakings" within this Part 5 (Regulation of TMX Group) will also apply to the election or appointment of Canadian Directors on the basis of permitted adjustment or reduction of the number or composition of the Canadian Directors.

There will be appropriate representation of Canadian Directors on committees of the Mergeco Board, as determined by the Mergeco Board in the exercise of its fiduciary duties and having regard to the interests of all stakeholders in all the jurisdictions in which Mergeco (and its Subsidiaries worldwide) operates from time to time.

Undertakings of LSEG to the OSC regarding business continuity

In addition, LSEG's written undertakings to the OSC in support of the application by TMX Group Inc. to amend the recognition order of TMX Group Inc. and TSX Inc. will contain the following provisions regarding the business continuity of TMX Group Inc. and TSX Inc.

Allocation of resources

Mergeco will undertake that the Merged Group will allocate sufficient financial and other resources to TMX Group Inc. and TSX Inc. to ensure that each of TMX Group Inc. and TSX Inc. can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of its recognition order. Mergeco will notify the OSC immediately upon becoming aware that it is or will be unable to allocate such resources to either TMX Group Inc. or TSX Inc. to ensure that each of TMX Group Inc. and TSX Inc. can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of its recognition order.

Continuity of operations

Mergeco will cause TSX Inc. to be locally managed, subject to the strategic and policy direction of Mergeco. Mergeco will cause TSX Inc. to maintain its core operations in Canada, except to the extent that, in accordance with its obligations with respect to "Change in Operations" under its recognition order, TSX Inc. ceases or otherwise changes its operations. Mergeco will not do anything to cause TSX Inc. to

cease to be the Canadian national exchange for the listing of issuers and the trading of their securities without the prior approval of the OSC and complying with any terms and conditions it may impose in the public interest in connection with any change to TSX Inc.'s operations.

Financial information

Mergeco will prepare, as mandated for the Merged Group under applicable securities legislation, and file with the OSC within periods as are mandated for the Merged Group under applicable securities legislation, unaudited interim consolidated financial statements of the Merged Group and audited annual consolidated financial statements of the Merged Group.

Compliance

Mergeco will do everything within its control to cause each of TMX Group Inc. and TSX Inc. to carry out its activities as an exchange recognised under section 21 of the Securities Act and to comply with the terms and conditions in its recognition order.

Access to information

Mergeco will, and will cause its Subsidiaries to, permit the OSC to have access to and to inspect all data and information in its or their possession that is required for the assessment by the OSC of the performance of TSX Inc. of its regulation functions and the compliance of each of TMX Group Inc. and TSX Inc. with the terms and conditions in its recognition order. Mergeco will permit the OSC to have access to and to inspect all data and information in its possession that is required for the assessment by the OSC of the compliance of Mergeco with its undertakings to the OSC.

Change in ownership of TMX Group Inc. or TSX Inc.

The Merged Group will not sell or otherwise dispose of any voting or equity securities of TMX Group Inc. or TSX Inc. (except, for greater certainty, to their direct or indirect wholly-owned Subsidiaries) without the prior approval of the OSC.

Failure to comply

If Mergeco fails to perform any of its undertakings, then, after any period that the OSC in its discretion grants Mergeco to remedy the failure, the OSC may require the recognition order of TMX Group Inc. or of TSX Inc. to be changed, including, without limitation, by revoking it.

Term

The undertakings of Mergeco to the OSC will cease to have effect if: (i) the OSC revokes TMX Group Inc. and TSX Inc. recognition order for any reason other than the failure by Mergeco to fulfil its undertakings with the OSC; (ii) TMX Group Inc. and TSX Inc. cease to carry on the business after complying with any terms and conditions the OSC may impose; or (iii) TMX Group Inc. and TSX Inc. cease to be Subsidiaries of Mergeco.

TSX Inc. as information processor

TSX Inc. also operates as an information processor for exchange-traded securities other than options. TSX Inc. is recognised by the AMF to act as an information processor, subject to certain terms and conditions, and the CSA Chairs have determined that it is not contrary to the public interest for TSX Inc. to act as the information processor for exchange-traded securities other than options, based on regulatory filings and undertakings provided by TSX Inc. to the CSA. TSX Inc.'s information processor mandate continues until 30 June 2014.

TSX Inc. can determine, in its discretion, to re-apply to operate as an information processor for a subsequent period. The terms and conditions of the AMF recognition order for TSX Inc. as information processor include the following:

- the governance structure for carrying on the TSX Inc. information processor business must ensure: (i) fair and significant representation of each data contributing marketplace on the governance committee created for the information processor business; and (ii) appropriate representation of data contributing marketplaces and those parties who access information processor services;

- TSX Inc. must not discriminate in favour of any particular marketplace when collecting, processing, disseminating or publishing the information;
- all fees charged must be transparent, fair and reasonable; and
- the financial and other resources allocated to the information processor business must be sufficient for the proper performance of the information processor's functions and must ensure the information processor's financial viability.

TSX Inc. has not made an application to the AMF for any amendments to the recognition order recognising TSX Inc. as an information processor in connection with the Merger.

Undertakings made by TSX Inc. to the CSA in connection with its role as the information processor

The undertakings made by TSX Inc. to the CSA in connection with its role as the information processor for exchange-traded securities other than options include the following:

- TSX Inc. must establish policies and procedures to separate TSX Inc.'s marketplace business operations from the information processor operations, and manage inherent conflicts of interest;
- data required to be provided to the information processor cannot be used for other products without the permission of the data contributors;
- as of 1 July 2012, TSX Inc. will conduct a review of the information processor's pass-through fee model and provide the results of its review to the CSA; and
- TSX Inc. will conduct an annual self-assessment of its compliance with provisions applicable to an information processor in National Instrument 21-101—*Marketplace Operations*.

Such undertakings will not change in connection with the Merger.

TSX Venture Exchange Inc.

Overview of current TSX Venture Exchange Inc. recognition order

The ASC and the BCSC each recognise and regulate TSX Venture Exchange Inc. (which operates TSX Venture Exchange) as an exchange, subject to certain terms and conditions. TSX Venture Exchange Inc. is exempt from recognition by the securities regulatory authorities in Ontario, Manitoba and Quebec. The ASC and BCSC recognition orders for TSX Venture Exchange recognise it as an exchange and impose similar terms and conditions to those in the OSC recognition order for TSX Inc. regarding: (i) governance structure, including the independence requirement (TSX Venture Exchange Inc.'s independent directors are the same as TSX Inc.'s independent directors); (ii) fitness of directors and officers; (iii) fees and fair access to the trading facilities; (iv) trading system capacity and integrity; (v) material related party agreements or transactions; and (vi) material outsourcing. In addition, at least 25 per cent. of the directors of TSX Venture Exchange Inc. must have expertise in or be associated with the Canadian public venture capital market. The current members of the board of directors of TSX Venture Exchange Inc. for this purpose are Messrs. Fox, Hagg, Jaako, Cedraschi, Martel, Turmel, Mulvihill and Kloet and Mss. Chicoyne, O'Neill and Sinclair, who together comprise approximately 80 per cent. of the directors of TSX Venture Exchange Inc. TSX Venture Exchange Inc. cannot, without the prior approval of the ASC and BCSC, implement any significant changes to its governance structure and the practices of its board of directors.

The ASC and BCSC recognition orders also state that TSX Venture Exchange Inc. will not cease to operate or suspend, discontinue or wind-up all or a significant portion of its operations, or dispose of all or substantially all of its assets, without: (i) providing the ASC and BCSC at least six months' prior written notice of its intention; and (ii) complying with any terms and conditions that the ASC and BCSC may impose in the public interest for the orderly discontinuance of its operations or the orderly disposition of its assets. In addition, the ASC and BCSC recognition orders state that TSX Venture Exchange Inc. will not cease to be wholly-owned or directly controlled by TSX Inc. or TMX Group Inc. without TSX Venture Exchange Inc.: (i) providing the ASC and BCSC at least three month's prior notice of its intention; and (ii) complying with any terms that the ASC or BCSC may impose in the public interest.

TSX Inc. and TMX Group Inc.—undertakings regarding TSX Venture Exchange

TSX Inc. and TMX Group Inc. have provided related Undertakings Regarding TSX Venture Exchange, including undertakings to allocate sufficient financial and other resources to TSX Venture Exchange Inc.

to permit it to operate in accordance with its recognition order. They have also agreed not to cause or permit TSX Venture Exchange Inc. to cease to operate or suspend, discontinue or wind-up all or a significant portion of its operations, or dispose of all or substantially all of TSX Venture Exchange Inc.'s assets without: (i) providing the ASC and BCSC with at least six months' prior notice of their intention; and (ii) complying with any terms and conditions that the ASC or BCSC may impose in the public interest.

In addition, TMX Group Inc. and TSX Inc. have represented in the Undertakings Regarding TSX Venture Exchange that they will do everything in their control to cause TSX Venture Exchange Inc. to comply with the terms and conditions of its recognition order. TMX Group Inc. has also created and agreed to maintain a public venture market committee of its board of directors. The ASC and BCSC recognitions orders for TSX Venture Exchange Inc. impose conditions related to changes in ownership. TSX Inc. and TMX Group Inc. also agreed in the Undertakings Regarding TSX Venture Exchange not to complete or authorise a transaction that would result in TSX Venture Exchange Inc. ceasing to be wholly-owned or directly controlled by TSX Inc. without: (i) providing the ASC and BCSC at least three months' prior notice of their intention; and (ii) complying with any terms and conditions that the ASC or the BCSC may impose in the public interest.

The Undertakings Regarding TSX Venture Exchange will remain in effect following Completion.

Proposed amendments to TSX Venture Exchange Inc. recognition order

TMX Group Inc. has made an application to the ASC and the BCSC on 13 May 2011 to amend and restate TSX Venture Exchange Inc.'s recognition orders to reflect the Merger. Pursuant to this application, following Completion, the provisions of the current recognition orders relating to TSX Venture Exchange Inc. will remain in effect, except as modified by the following additional provisions.

The proposed amendments under this application include:

- *corporate governance*—at least 50 per cent. of the directors and members of each of the committees of the TSX Venture Exchange Inc. board of directors will be both ordinarily resident in Canada and independent;
- *regulation functions*—the requirements of the recognition orders will be revised to ensure that all regulation functions of TSX Venture Exchange Inc. will be carried on in Canada; and
- *outsourcing*—the requirements of the recognition order will be modified to provide that the outsourcing requirements in the recognition orders that apply to third parties also apply to affiliates and associates of TMX Group Inc. that are incorporated, or that primarily carry on business, outside Canada.

Undertakings of LSEG to the ASC and the BCSC regarding TSX Venture Exchange Inc.

LSEG has agreed, pursuant to the Merger Agreement, to provide written undertakings to the ASC and the BCSC in support of the application by TMX Group Inc. to amend the recognition orders of TSX Venture Exchange Inc.

Under these written undertakings, Mergeco will undertake to the ASC and BCSC that it will:

- do everything within its control to cause TMX Group Inc. and TSX Inc. to perform their undertakings to the ASC and BCSC with respect to TSX Venture Exchange Inc;
- do everything within its control to cause TSX Venture Exchange Inc. to comply with the terms and conditions of its recognition orders; and
- assume certain undertakings of TMX Group Inc. with respect to TSX Venture Exchange Inc. as if it were the maker of them, including with respect to: (i) performance of functions; (ii) change in ownership of operation; (iii) systems; (iv) access to information; and (v) corporate governance with respect to the creation and maintenance of TMX Group Inc. public venture market committee.

These undertakings will cease to have effect if: (i) the ASC or BCSC, as applicable, revokes the TSX Venture Exchange Inc. recognition order for any reason other than the failure by Mergeco to fulfil its undertakings with the ASC or BCSC, as applicable; (ii) TSX Venture Exchange Inc. ceases to carry on business after complying with any terms and conditions that the ASC or BCSC, as applicable, may impose; or (iii) TSX Venture Exchange Inc. ceases to be a Subsidiary of Mergeco.

MX and CDCC

The AMF recognises and regulates MX as an exchange and an SRO for the purpose of carrying on business in Quebec, subject to certain terms and conditions. MX received an exemption from recognition as an exchange and registration as a commodities futures exchange from the OSC.

Overview of current MX recognition order

The AMF recognition order for MX imposes similar terms and conditions to those in the OSC recognition order for TSX Inc. regarding: (i) the independence requirement of MX's governance structure (MX's independent directors are the same as TSX Inc.'s independent directors); (ii) fitness of directors and officers; (iii) fees and fair access to the trading facilities; (iv) trading system capacity and integrity; (v) material related party agreements or transactions; and (vi) material outsourcing of its business functions.

The terms and conditions of the AMF recognition order for MX (and CDCC to the extent applicable) include the following:

- In addition to the independence requirement, MX's governance structure shall provide:
 - that at least 25 per cent. of its directors are residents of Quebec at the time of their election or appointment; and
 - fair and meaningful representation of directors with expertise in derivatives on the board of directors and the special committee—regulatory division. MX's special committee is responsible for the regulatory division. Members of the special committee are appointed by the MX board of directors, and a majority of the special committee members must be residents of Quebec and must satisfy the same independence requirements as those set out for MX directors.
- The MX regulatory division must have a separate administrative structure and must be completely autonomous in performing its functions and in its decision-making process. The MX regulatory division must be a separate business unit of MX and operate on a cost-recovery/not-for-profit basis. Any changes to the MX regulatory division's administrative and organisational structure or to MX's special committee that may materially affect regulatory duties and operations must be approved by the AMF. The AMF imposes periodic financial reporting, activity reporting and other reporting obligations regarding the MX regulatory division's regulatory functions.
- The head office and executive offices of MX and CDCC will remain in Montreal, Quebec, and the most senior executive officer of each of MX and CDCC will be a resident of Quebec at the time of his or her appointment and for the duration of his or her term of office and will work in Montreal, Quebec.
- MX will not cease to operate or suspend, discontinue or wind-up all or a significant portion of its operations, or dispose of all or substantially all of its assets, without: (i) providing the AMF at least six months' prior written notice of its intention; and (ii) complying with any terms and conditions that the AMF may impose in the public interest for the orderly discontinuance of its operations or the orderly disposition of its assets.
- MX shall maintain sufficient financial and other resources to ensure: (i) its financial viability and the proper performance of its functions; and (ii) the exercise of the self-regulatory functions of the MX regulatory division and must meet the following financial viability tests:
 - a working capital ratio of greater than 1.5:1;
 - a cash flow/total debt outstanding ratio greater than 20 per cent.; and
 - a financial leverage ratio of less than 4:1 (total assets/capital).

The above-mentioned ratios are calculated based on MX's consolidated financial statements.

Should MX fail to respect any of the above-mentioned financial ratios for a period of more than three months, it must promptly inform the AMF in writing of the reasons for the continued ratio deficiencies and the steps being taken to rectify the problem and re-establish its financial equilibrium. In these circumstances, MX will not, without the prior approval of the AMF, pay dividends (among other things) until the ratio deficiencies have been eliminated for at least six months.

No person or company and no combination of persons or companies acting jointly or in concert shall own or exercise control or direction over more than 10 per cent. of any class or series of voting shares of MX without the prior approval of the AMF, except for TMX Group Inc. or an affiliate of TMX Group Inc.

As a condition to obtaining the necessary approval for the combination with MX, on 9 April 2008, TMX Group Inc. provided the AMF with a written undertaking in support of the AMF recognition order for MX (the “*TMX Group Undertaking*”), which provides for certain restrictions and undertakings. TMX Group Inc. has also agreed, in the TMX Group Undertaking, that it will not complete or authorise a transaction that would result in any person or company, or any combination of persons or companies acting jointly or in concert, owning or exercising control or direction over more than 10 per cent. of any class or series of voting shares of MX, without obtaining the prior authorisation of the AMF, except for TMX Group Inc. or an affiliate of TMX Group Inc. Furthermore, TMX Group Inc. undertook to continue to exercise control or direction over more than 50 per cent. of all classes or series of voting shares of MX. TMX Group Inc. also undertook not to complete or authorise a transaction that would result in more than 50 per cent. of any class or series of voting shares of MX ceasing to be controlled by TMX Group Inc., directly or indirectly, without obtaining the prior authorisation of the AMF. See also section B of Part 10—“Regulation of the Merged Group” of the Prospectus.

In addition to restrictions relating to share ownership, TMX Group Inc. agreed in the TMX Group Undertaking that 25 per cent. of TMX Group Inc. directors will be residents of Quebec. TMX Group Inc. also agreed in the TMX Group Undertaking that it shall cause the existing derivatives trading and related products operations of MX (as those operations existed on 1 May 2008) to remain in Montreal.

Proposed amendments to MX recognition order

TMX Group Inc., on its own behalf and on behalf of MX, and LSEG have made application to the AMF on 13 May 2011 to amend and restate the current recognition order of MX to reflect the Merger. Pursuant to this application, following Completion the provisions of the current recognition order relating to MX will remain in effect, except as modified by the following additional provisions:

- *corporate governance*—the corporate governance provisions would be modified to add a condition that at least 50 per cent. of the directors and members of each of the committees of the MX board of directors will be both ordinarily resident in Canada and independent; and
- *outsourcing*—the outsourcing provision would also be modified to add that the outsourcing requirements in the recognition order that apply to third parties also apply to affiliates and associates of TMX Group Inc. that are incorporated, or that primarily carry on business, outside Canada.

Undertakings of LSEG to the AMF regarding MX

LSEG has also agreed, pursuant to the Merger Agreement, to provide written undertakings to the AMF in support of the application by TMX Group Inc. and MX to amend the recognition order of MX. These undertakings will contain the provisions below.

Mergeco will undertake to the AMF that it will:

- do everything within its control to cause TMX Group Inc. to perform its undertakings to the AMF with respect to MX;
- do everything within its control to cause MX to comply with the terms and conditions in its recognition order;
- ensure that appropriate nominations are made by the Mergeco Board at each Mergeco AGM to ensure that the Mergeco Directors will include directors who are both residents of Canada and independent directors, with residents of Quebec in a number equal to 25 per cent. of those independent directors (rounded down to the next lowest integer); and
- assume certain undertakings of TMX Group Inc. with respect to MX as if it were the maker of them in lieu of TMX Group Inc., including: (i) MX operations; (ii) change in ownership; (iii) strategic plan for derivatives; (iv) access to information; and (v) non-compliance.

These undertakings will cease to have effect if: (i) the AMF revokes the MX recognition order for any reason other than the failure by Mergeco to fulfil its undertakings with the AMF; (ii) MX ceases to carry on business after complying with any terms and conditions the AMF may impose; or (iii) MX ceases to be a Subsidiary of Mergeco.

The TMX Group Undertakings to the AMF with respect to MX will remain in effect.

MX is also subject to certain foreign regulatory requirements imposed by the regulators, which have granted MX specific authorisations. In 2002, the CFTC granted a no-action relief to MX, as an FBOT, permitting US broker-dealers to have remote access to most of MX's futures products. According to the no-action relief, MX is required to report to the CFTC on a regular basis and disclose any material changes affecting its application. MX allows remote access to its futures and options products to UK "authorised persons" and, as such, is required to notify the FSA of material changes to its business. In France, the *Autorité des marchés financiers* recognised MX as an exchange, thereby enabling it to give remote access to its futures and options markets to French broker-dealers. MX is required to notify France's *Autorité des marchés financiers* of any material changes affecting its recognition.

The CFTC has published for comments proposed rules that consist of a proposed registration requirement for FBOTs. These proposed rules would establish a registration requirement to replace the current no-action relief framework for FBOTs wishing to provide direct access from the US to the FBOT's electronic trading platform. If these proposed rules were to be implemented as published, it would impose additional regulatory compliance obligations upon MX.

Current regulation of CDCC

The AMF recognises and regulates CDCC as an SRO in Quebec (since 1987, when CDCC was known as Trans Canada Options Inc. and recognised by the Commission des valeurs mobilières du Québec, predecessor to the AMF). CDCC must provide the AMF, and the OSC through the AMF, with specified information on a regular basis in compliance with AMF requirements and pursuant to the terms and conditions of the OSC exemption order for CDCC, such as the rules that it files for review and approval with the AMF and financial information. CDCC is also subject to regulatory requirements of the SEC and various US state regulators.

Recent amendments to the Securities Act prohibit clearing agencies from carrying on business in Ontario unless they are either recognised by the OSC as a clearing agency or exempted from this requirement. CDCC's operations are undergoing major changes and are likely to evolve significantly in the near future. Specifically, CDCC is expected to begin clearing fixed income repurchase agreements and cash buy and sell transactions during the autumn of 2011. CDCC has also recently responded to an industry-issued request for information by indicating its intention to operate as a CCP for the Canadian market for OTC interest rate swaps and other derivatives. In addition, the Bank of Canada is undertaking a comprehensive assessment of CDCC's operations, systems, rules and risk management for the purposes of designating and overseeing of CDCC pursuant to the Payment Clearing and Settlement Act (Canada). As a result of these changes and developments, the OSC has provided CDCC with a temporary exemption from the requirement to be recognised as a clearing agency. The temporary exemption order will terminate on the earlier of: (i) the date that the OSC renders a subsequent order recognising CDCC as a clearing agency or exempting it from such requirement; and (ii) 1 March 2012. The temporary exemption order should provide CDCC with the time needed to establish its new clearing functions (particularly in relation to fixed income securities) and should provide the OSC with the time needed to assess the impact of CDCC's new functions and to consider an appropriate regulatory framework for CDCC.

Proposed amendments to CDCC recognition order

CDCC is in the process of applying to the AMF for recognition as a clearing house on a basis that is independent of the Merger. For the purposes of approval of the Merger, the terms of that recognition order may be modified by the following additional provisions:

- *corporate governance*—at least 50 per cent. of the directors and members of each of the committees of the board of directors of CDCC will be both ordinarily resident in Canada and independent; and
- *outsourcing*—the requirements of the section of its recognition order dealing with outsourcing that apply to third parties also apply to affiliates and associates of CDCC that are incorporated, or that primarily carry on business, outside Canada.

For purposes of approval of the Merger, Mergeco and TMX Group Inc. will undertake that Mergeco and/or TMX Group Inc. will do everything within their control to cause CDCC to comply with the terms and conditions of its recognition order.

NGX

Overview of current NGX recognition order

The ASC recognises and regulates NGX as an exchange for the trading of natural gas, electricity and crude oil contracts, exempts NGX from the requirement to obtain acceptance from the ASC of the form of NGX's current contracts as exchange contracts and exempts NGX from registration requirements for the contracting parties who enter into NGX's standard form exchange agreement with NGX. The ASC also recognises NGX as a clearing agency for clearing and settlement of natural gas, electricity and crude oil contracts, certain of which constitute exchange contracts, futures contracts or options. The terms and conditions of the ASC recognition orders require NGX to comply with certain exchange and clearing principles, reporting requirements, notification and other obligations.

NGX currently operates as an exempt commercial market pursuant to the US Commodities Exchange Act, and is also registered as a derivatives clearing organisation with the CFTC. NGX provided notice to the CFTC on 5 November 2002 of its operation as an exempt commercial market and has requested an extension to operate as an exempt commercial market for a period of one year following the effective date of the Dodd-Frank Act. NGX currently intends to replace the exempt commercial market status with an alternative status under the Dodd-Frank Act. As an exempt commercial market, NGX must comply with certain legislative requirements for the transactions in exempt commodities that are traded on a principal-to-principal basis by eligible commercial entities. The terms and conditions of the derivatives clearing organisation order include the requirement for NGX to operate its clearing system in accordance with certain clearing principles as well as reporting and other obligations. NGX currently anticipates derivatives clearing organisation regulation expanding under the Dodd-Frank Act.

No changes are proposed to NGX's recognition orders as a result of the Merger.

BOX

BOX is regulated by the SEC. BOX's options trades are cleared through the Options Clearing Corporation. BOX is also a party to a regulatory services agreement (the "*RSA Agreement*") with NASDAQ OMX Group, Inc., NASDAQ OMX BX, Inc., formerly BSE, and Boston Options Exchange Regulation LLC, a wholly-owned Subsidiary of NASDAQ OMX BX, Inc. Under the RSA Agreement, NASDAQ OMX BX, Inc. has delegated to Boston Options Exchange Regulation LLC certain of its day-to-day responsibilities for the surveillance operations of the BOX marketplace and also administers the regulatory aspects of BOX's relationship with BOX participants and has also delegated other market regulation services under a regulation services agreement to the Financial Industry Regulatory Authority, Inc., an SRO. The RSA Agreement will terminate on the earlier of 31 May 2012 or automatically on the 90th calendar day following the date BOX is approved as an SRO by the SEC or has obtained another regulatory services provider.

No changes are proposed to BOX's regulations as a result of the Merger.

Other regulation of Canadian markets

Regulation of brokerage firms

All brokerage firms trading through TSX, TSX Venture Exchange or MX must be members of a recognised SRO, which regulates its members. These organisations regulate the broker-client relationships, business conduct and capital adequacy of their members. This regulation seeks to maintain the credibility of marketplaces, protect investors' interests and instil investor confidence by addressing general issues of trading ethics and investor protection in the markets. Participants and member firms trading on TSX and TSX Venture Exchange, and Canadian-approved participants trading on MX are regulated by IIROC. Foreign-approved participants trading through MX must be regulated by a recognised SRO or regulator in their jurisdiction. The exchanges, however, also have criteria for access to their markets.

Regulation of market participants

In Canada, an exchange can regulate its markets and its participants and enforce its requirements either directly or through a regulation services provider. IIROC is the SRO that provides regulation services to both TSX and TSX Venture Exchange, monitoring and enforcing compliance with UMIR.

The regulatory functions of MX are conducted by the MX regulatory division. As a recognised exchange and SRO, the MX regulatory division is responsible for regulating its markets and its participants on a day-to-day basis. The MX regulatory division achieves this by adopting and enforcing rules and policies governing MX's markets and the conduct of approved participants.

The MX regulatory division is independent from its other operations and is under the sole internal oversight of the MX special committee, which is fully independent from MX and its management. The objective of creating the MX regulatory division was to ensure neutrality and impartiality when the MX regulatory division applies the rules that govern MX's markets and the relationships between MX and its approved participants.

No changes are proposed to the MX regulatory division as a result of the Merger.

Issuers of securities

In Canada, there is one securities regulatory body in each province or territory. These provincial and territorial securities regulatory authorities regulate the offering of securities by issuers and their reporting and continuous and other timely disclosure requirements and, in certain cases, the conduct of various market participants, including exchanges and intermediaries. The ASC and BCSC have required TSX Venture Exchange Inc. to review and approve certain prospectuses filed by issuers listed on TSX Venture Exchange.

Each of TMX Group's equity exchanges establishes standards for listed issuers, and enforces compliance with those standards through the exchange's powers to halt trading in a security or to suspend or delist the listing of a security.

Listing of TMX Group Shares on TSX

TSX and staff of the OSC approved the listing and posting for trading of TMX Group's Shares on TSX under the symbol "X" on 12 November 2002. The OSC established procedures that require TSX to promptly report to the OSC any conflicts or potential conflicts of interest that arise or may arise with respect to TMX Group Inc.'s continued listing or the initial listing or continued listing of a competitor of TMX Group Inc. or its affiliates. Under these procedures, TMX Group Inc. established a conflicts committee, with at least two members who are independent of TSX Inc., and all conflict determinations and resolutions must be approved by staff of the OSC.

After the Merger, it is proposed that these procedures will apply to the listing of Mergeco and Exchangeco on TSX.

PART 6: PROPOSED INVESTMENT CANADA ACT UNDERTAKINGS

LSEG has agreed, pursuant to the Merger Agreement, that Mergeco will provide written undertakings to Her Majesty in right of Canada in support of the application by LSEG to the Investment Review Division of Industry Canada. In furtherance of obtaining the Investment Canada Act Approval, LSEG has agreed that Mergeco will offer, accept and agree to a list of key undertakings appended to the Merger Agreement for a period of four years. Should Investment Canada Act Approval be received, the Merged Group will be subject to such undertakings for such period. The proposed undertakings appended to the Merger Agreement are summarised below.

See paragraph 6 (Regulatory approvals) of Part 2 (Chairman's Letter) of this Circular for further information relating to Investment Canada Act Approval.

Proposed Investment Canada Act undertakings

The undertakings contemplated by the Merger Agreement include the following:

Mergeco Board

- The Mergeco Board will initially consist of the following nominees from each of LSEG and TMX Group Inc.:
 - initially coming from LSEG: the individuals who hold the positions of LSEG Chairman, LSEG Chief Executive Officer and Chief Executive Officer of Borsa Italiana, in each case, immediately before Completion, as well as five additional directors from the LSEG Board immediately before Completion; and
 - initially coming from TMX Group Inc.: the individuals who hold the positions of TMX Group Inc. Chairman, TMX Group Inc. Chief Executive Officer and TMX Group Inc. Chief Financial Officer, in each case, immediately before Completion as well as four additional independent directors coming from the TMX Group Board immediately before Completion.
- The Mergeco Board will consist of 15 directors. The Mergeco Board will ensure that appropriate nominations are made at each Mergeco AGM to ensure that the Mergeco Board will consist of at least seven Canadian Directors (assuming that the election of such nominees is approved by the Mergeco Shareholders). Of the seven Canadian Directors, one will be the most senior executive officer of Mergeco (excluding the Chairman) who is a Canadian resident, at least four will be independent Canadians and at least three of those four will be independent Canadian Directors of TMX Group Inc. at the relevant time (which may include the Chairman of Mergeco).
- The Canadian members of the Mergeco Board's committees will be substantially proportionate to the percentage of Canadian Directors on the Mergeco Board from time to time. At least one standing committee will be chaired by an independent Canadian Director.
- In each calendar year, a minimum of one-third (rounded down) of the Mergeco Board's meetings will be held in Canada, except as necessary to maintain sole UK tax residency of Mergeco.
- The initial Chairman of Mergeco will be TMX Group Inc.'s Chairman immediately before Completion. Mergeco will undertake that the Chairman will be a Canadian resident.
- The role of the Chairman will be consistent with UK and Canadian corporate governance principles.

The Merged Group senior management positions

- The initial President of Mergeco will be TMX Group Inc.'s Chief Executive Officer immediately before Completion. LSEG will undertake that the President of Mergeco will principally perform his or her duties and be resident in Toronto (but will spend substantial time in London and elsewhere globally as necessary to perform his or her function).
- The initial Chief Financial Officer of Mergeco will be TMX Group Inc.'s Chief Financial Officer immediately before Completion. LSEG will undertake that the Chief Financial Officer of Mergeco will principally perform his or her duties and be resident in Toronto (but will spend substantial time in London and elsewhere globally as necessary to perform his or her function).

The Merged Group co-headquarters

- Toronto and London will be the designated co-headquarters of the Merged Group, with one or more global business units and one or more support functions being headquartered in Toronto.

The Merged Group global business units and functions headquarters

- The global primary markets business unit (listings and issuer services) will be headquartered in Toronto and run by an executive of Mergeco who principally performs his or her duties and is resident in Toronto.
- The Merged Group's global finance function will be headquartered in Toronto and run by the Chief Financial Officer of Mergeco, who principally performs his or her duties and is resident in Toronto.
- The global derivatives business unit will be headquartered in Montreal and run by an executive of Mergeco who principally performs his or her duties and is resident in Montreal.
- The global energy business unit will be headquartered in Calgary and run by an executive of Mergeco who principally performs his or her duties and is resident in Calgary.

For the purposes of the proposed undertakings, a business unit or a support function is "headquartered" in the jurisdiction where both: (i) the most senior executive officer of Mergeco (other than the Chief Executive Officer or President) responsible for that business unit or support function; and (ii) executives who are responsible for managing the development and execution of the policy and direction for that business unit or support function sufficient to permit the executive officer to execute his or her responsibilities effectively from that location, perform their respective duties and responsibilities, and are resident.

Other

- The applicable stock exchanges will remain headquartered in Canada and will be locally managed in Canada with a locally resident Chief Executive Officer, under the strategic and policy direction of Mergeco.
- Mergeco will publicly disclose the full text of the undertakings referred to in the Merger Agreement following Completion. Mergeco will disclose on an annual basis in its public securities filings its compliance with the undertakings.
- Mergeco will acknowledge in the "About Merged Group" disclosure at the bottom of press releases, in all other references in disclosure documents to the Merged Group's head office or headquarters and in any substantive description of the combination, that the Merged Group is co-headquartered in London and Toronto.

Adjustment of Mergeco Board, Merged Group senior management positions and business units and support functions undertakings

- If Mergeco (and its Subsidiaries worldwide): (i) expands its operations through a transaction with another party and adds directors from the other party's board of directors to the Mergeco Board; or (ii) adds directors who are resident outside Europe and Canada to the Mergeco Board, then, in either case, the composition and size of the Mergeco Board may change on the following basis: Canadian Directors will represent at least the same proportion of those individuals who both were Mergeco Directors before the change and continue as directors of Mergeco after the change (rounded down) as Canadian Directors (including, for greater certainty, any directors who are Canadian residents for purposes of these undertakings) represented of the full Mergeco Board before the change. During the term of the undertaking, there will also be a minimum of three Canadian Directors. Of the Canadian Directors, at least 50 per cent. will be independent Canadian Directors of TMX Group Inc. and at least one will be the most senior executive officer of Mergeco (excluding the Chairman) who is a Canadian Resident.
- If the Chief Executive Officer principally performs his or her duties and becomes resident in Toronto, the undertakings in respect of the Chairman, President and Chief Financial Officer set out above will not be applicable, so long as there is a substitute undertaking in place that the Chief Executive Officer of Mergeco will continue to principally perform his or her duties and be resident in Toronto.

- The global business units and support functions headquartered in Canada may be moved and headquartered outside Canada at any time (other than in the context of an acquisition or expansion described below), provided that the Merged Group maintains both an overall balance between global business units and support functions headquartered in Canada and those headquartered in the UK and Italy, and an overall balance between members of senior management who perform their duties and responsibilities and are Canadian residents and those who perform their duties and responsibilities and are resident in the UK and Italy, in each case, as determined by the Mergeco Board.
- The undertakings with respect to senior management positions, business units and functions will be subject to adjustment in the event of a significant acquisition or significant greenfield expansion outside of the UK, Italy and Canada, in each case, that materially changes the overall scale or profile of the Canadian business relative to the pro forma operations of the Merged Group. These undertakings may be adjusted to add additional co-headquarters locations and relocate or change the Merged Group's global business units, support functions and senior management positions, having regard to, among other things, the principle that the transaction is a merger of equals and that the Merged Group will continue to be co-headquartered in Toronto.

In addition to the key undertakings described above, LSEG has agreed to offer, accept and agree to:

- an undertaking as to minimum Canadian employment levels as agreed between TMX Group Inc. and LSEG, subject to changes of no substantive effect;
- other customary undertakings as agreed between TMX Group Inc. and LSEG, including matters in respect of career advancement opportunities for Canadians, Canadian capital expenditures, Canadian research and development and Canadian charitable contributions, subject to changes that are not material, either individually or in the aggregate, in relation to such agreed undertakings; and
- additional undertakings that are not contemplated by the Merger Agreement that are acceptable to LSEG, acting in good faith and reasonably.

PART 7: ADDITIONAL INFORMATION

1 Responsibility statement

The LSEG Directors accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the LSEG Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect its import.

2 Relevant Documentation

The following sections of the Prospectus (but not any information incorporated therein by reference) are incorporated by reference into this Circular:

<u>Information</u>	<u>Sections of the Prospectus incorporated by reference into the Circular</u>	<u>Page Number</u>
Information on the LSEG Group		
Trend information relating to the LSEG Group business	Paragraph 11 of Part 6	47
Details of the LSEG Directors' interests in Existing Shares and in the enlarged issued ordinary share capital of LSEG	Paragraph 6 of Part 13 Paragraph 6 of Part 20	138 375
Service agreements of the LSEG Directors	Paragraph 12 of Part 13 Paragraph 7 of Part 20	151 381
Service agreements of Prospective Directors	Paragraph 12 of Part 13	152
The major interests in Existing Shares and in the enlarged issued ordinary share capital of LSEG	Paragraph 10 of Part 20	389
Related party transactions	Paragraph 19 of Part 20	397
Details of material contracts	Paragraph 16 of Part 20	394
Details of material litigation	Paragraph 18 of Part 20	397
The significant change statement of LSEG	Paragraph 15 of Part 20	394
Information on TMX Group		
Trend information relating to TMX Group's business	Paragraph 9 of Part 7	53
Interim consolidated financial statements of TMX Group for the three months ended 31 March 2011	Part 17A	227
• Interim condensed consolidated balance sheet		228
• Interim condensed consolidated income statement		229
• Interim condensed consolidated statement of comprehensive income		230
• Interim condensed consolidated statement of changes in equity		231
• Interim condensed consolidated statement of cash flows		232
• Notes to interim consolidated financial statements		233
Historical financial information relating to TMX Group:	Part 17C	291
• Consolidated income statement		291
• Consolidated statement of comprehensive income		292
• Consolidated balance sheet		293
• Consolidated statement of cash flows		294
• Consolidated statement of changes in equity		295
• Notes to the financial statements		296
Accountant's report from KPMG LLP on financial information relating to TMX Group	Part 17B	289
Details of material contracts	Paragraph 17 of Part 20	396
Details of material litigation	Paragraph 18 of Part 20	397
The significant change statement of TMX Group	Paragraph 15 of Part 20	394

<u>Information</u>	<u>Sections of the Prospectus incorporated by reference into the Circular</u>	<u>Page Number</u>
Unaudited pro forma financial information		
Unaudited pro forma income statement relating to the Merged Group	Part 18B	354
Unaudited pro forma statement of net assets relating to the Merged Group	Part 18B	355
Notes to the unaudited pro forma financial information relating to the Merged Group	Part 18B	356
Accountant's report from PricewaterhouseCoopers LLP on the unaudited pro forma statement of the net assets of the Merged Group	Part 18A	352
The Merged Group and the Merger		
Description of the Merger	Part 8	55
Regulation of the Merged Group	Part 10	82
Exchangeable Share structure	Part 12	109
Directors and officers of Mergeco	Part 13	124
General		
Presentation of financial information	Part 3	23

3 Information about the New Shares

The New Shares will be issued credited as fully paid and will rank *pari passu*, in all respects, with the Existing Shares in issue at the time the New Shares are delivered pursuant to the Merger. This includes the right to receive all dividends and other distributions (if any) declared, made or paid after the date of issue of the New Shares, except that any dividend to be paid to the Mergeco Shareholders after Completion relating to the period between 31 March 2011 and the date of Completion in accordance with the terms of the Merger Agreement shall be paid only to the holders of Existing Shares.

The New Shares will be ordinary shares in registered form and, from Admission, will be capable of being held either: (i) in certificated form; or (ii) in uncertificated form, and title to such shares may be transferred by means of a relevant system (as defined in the Regulations). Where New Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where New Shares are held in paperless form, the relevant CREST stock account of the registered members will be credited.

Application will be made to the FSA and to the London Stock Exchange, respectively, for the Existing Shares of 6⁷⁹/₆ pence each to be re-admitted and the New Shares of 6⁷⁹/₆ pence each to be admitted to listing on the Official List and to trading on the Main Market of the London Stock Exchange. Subject to the conditions of the Merger Agreement having been satisfied (or, if applicable, waived), it is expected that Admission will become effective and that dealings in the Existing Shares and the New Shares will commence on the London Stock Exchange as soon as reasonably practicable following Completion. In addition, LSEG has applied for the listing of all of the Mergeco Shares and of the Exchangeable Shares on TSX as soon as reasonably practicable following Completion.

If, as a result of the Exchange Ratio, a TMX Group Shareholder is entitled to a fractional interest in a New Share, that entitlement shall instead be satisfied by a cash payment (without interest) determined by multiplying such fraction by an amount equal to (i) the average of the daily high and low sales prices per share of TMX Group Shares on the TSX on the last trading day immediately prior to the Effective Date divided by (ii) the Exchange Ratio.

This Circular does not constitute an offer or invitation to any person to subscribe for or purchase any securities in LSEG. The Prospectus relating to the Existing Shares and the New Shares required in connection with the application for Admission has been published on the same date as this Circular. You can obtain a copy of the Prospectus from LSEG's website (<http://www.londonstockexchange.com/investor-relations/investor-relations.htm>) or by calling the Shareholder Helpline (which will provide practical information but not investment advice) on telephone number 0871 384 2544 (+44 121 415 7047 if

calling from outside the UK) open from 8.30 a.m. to 5.30 p.m. (UK time) on any Business Day (calls to this number are charged at 8 pence per minute from a BT landline; other providers' costs may vary) or, on request, free of charge from the registered office of LSEG (being, 10 Paternoster Square, London, EC4M 7LS). A copy of the Prospectus will also be available for inspection at the National Storage Mechanism online (www.hemscott.com/nsm.do) and at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HT up until Admission during normal business hours on any Business Day.

4 Ancillary LSEG Resolutions

As described in paragraph 17 of Part 2 (Chairman's Letter) of this Circular, it is proposed that the following Resolutions be passed at the LSEG Meeting, which will, conditional on the passing of the LSEG Resolution and on, and with effect from Completion, have the following results:

Resolution to increase the aggregate maximum remuneration payable to non-executive directors of Mergeco

This Resolution will increase the aggregate maximum remuneration payable to non-executive directors of Mergeco (excluding the Mergeco Chairman) from £1.5 million to £2.0 million for the purposes of Article 137 of the LSEG Articles which requires that LSEG must pass an ordinary resolution to increase the aggregate maximum remuneration payable to non-executive directors of LSEG. The increase is considered necessary due to the increase in the number of non-executive directors on the LSEG Board (as a result of the Merger) since the aggregate maximum remuneration was last set at LSEG's extraordinary general meeting on 8 August 2007. It is anticipated that such an increase will provide Mergeco with sufficient flexibility going forward to accommodate new appointments and honour existing arrangements. Any increase in the remuneration of the non-executive directors of Mergeco will be subject to the approval of the Mergeco Board.

Resolution to adopt a replacement general authority for the Mergeco Directors to allot Mergeco Shares

This Resolution will authorise the Mergeco Directors to allot:

- (a) shares in Mergeco (including treasury shares) or grant rights to subscribe for, or convert any security into, shares in Mergeco up to a maximum nominal amount of £11,400,000 (representing approximately 33 $\frac{1}{3}$ per cent. of LSEG's issued ordinary share capital (excluding treasury shares) as enlarged by the Merger); and
- (b) including the shares referred to in sub-paragraph (a) above, further of Mergeco's unissued shares up to an aggregate nominal amount of £22,800,000 (representing approximately 66 $\frac{2}{3}$ per cent. of LSEG's issued ordinary share capital (excluding treasury shares) as enlarged by the Merger) in connection with a pre-emptive offer to existing Mergeco Shareholders by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems).

This Resolution is considered necessary due to the increase in the issued ordinary share capital of LSEG (as a result of the Merger) and replaces any such authority conferred on the LSEG Directors at the most recent annual general meeting of LSEG held prior to Completion. The authority will expire (unless previously unconditionally renewed, varied or revoked) on the conclusion of the first annual general meeting of Mergeco following Completion. There is no present intention to exercise this authority. It is expected that if the Mergeco Board exercises the authority described under sub-paragraph (b) above prior to the first annual general meeting of Mergeco following Completion, the Mergeco Board will stand for re-election at the first annual general meeting of Mergeco following Completion.

This Resolution is in accordance with the most recent institutional guidelines published by the Association of British Insurers. LSEG currently holds no shares in treasury.

Resolution to change the name of LSEG

This Resolution will change the name of LSEG to "LTMX Group plc". This Resolution is considered necessary as a result of the Merger and in order to reflect Mergeco's increased international profile.

Resolution to adopt a replacement share buy back authority

This Resolution will confer authority on Mergeco to make market purchases of, or tender offers for, its own ordinary shares. Approval of the Resolution would enable Mergeco to purchase up to a maximum of 49,400,000 ordinary shares in Mergeco (representing approximately 10 per cent. of LSEG's issued ordinary share capital as enlarged by the Merger).

This Resolution is considered necessary due to the increase in the issued ordinary share capital of LSEG (as a result of the Merger) and replaces any such authority conferred on the LSEG Directors at the most recent AGM of LSEG prior to Completion. The authority will expire (unless previously unconditionally renewed, varied or revoked) on the conclusion of the first AGM of Mergeco following Completion or, if earlier, 18 months from the date of the most recent AGM of LSEG prior to Completion. The price per ordinary share that Mergeco may pay is set at a minimum amount of the nominal value of each ordinary share and a maximum amount of the higher of: (i) 5 per cent. over the average of the previous five days' middle market prices and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS).

There is no present intention of making such purchases but it is considered prudent to retain the ability to do so. It is expected that the Mergeco Board will only exercise the authority if such exercise would in their opinion result in an increase in earnings per share and would be likely to promote the success of the Company for the benefit of its shareholders as a whole.

Any ordinary shares purchased pursuant to the authority conferred by this Resolution may be cancelled or held by Mergeco as treasury shares, within the limits allowed by law. Such treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to Mergeco's employees' share schemes or otherwise disposed of by the Mergeco Board in accordance with the requirements of the relevant legislation and the authority relating to rights of pre-emption granted by the shareholders of Mergeco in a general meeting.

The total number of ordinary shares which may be issued on the exercise of outstanding options as at the LSEG Latest Practicable Date is 11,946,181,⁽³⁾ which represents approximately 2.42 per cent. of the issued ordinary share capital of LSEG as enlarged by the Merger (excluding treasury shares). If Mergeco were to purchase shares up to the maximum permitted by this Resolution, the proportion of ordinary shares subject to outstanding options would represent approximately 2.68 per cent. of the issued ordinary share capital of LSEG as enlarged by the Merger (excluding treasury shares). There are no warrants outstanding.

Resolution to adopt a replacement general authority disapplying pre-emption rights

Subject to the resolution to adopt a replacement general authority for the Mergeco Directors to allot Mergeco Shares being passed, this Resolution will authorise the Mergeco Directors to allot ordinary shares, or grant rights to subscribe for, or convert securities into, ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) without application of the pre-emption rights pursuant to section 561 of the Companies Act. Other than in connection with a rights issue or any other pre-emptive offer concerning equity securities, the authority contained in this Resolution will be limited to the issue of shares for cash up to an aggregate nominal value of £1,700,000 (which includes the sale on a non pre-emptive basis of any shares held in treasury), which represents approximately 5 per cent. of the issued ordinary share capital of LSEG as enlarged by the Merger.

This Resolution is considered necessary due to the increase in the issued ordinary share capital of LSEG (as a result of the Merger) and replaces any such authority conferred on the LSEG Directors at the most recent AGM of LSEG held prior to Completion. The authority will expire (unless previously unconditionally renewed, varied or revoked) on the conclusion of the first AGM of Mergeco following Completion. LSEG currently holds no shares in treasury.

In accordance with the Pre-emption Group's Statement of Principles, it is expected that the Mergeco Board's intention is that no more than 7.5 per cent. of LSEG's issued ordinary share capital as enlarged by the Merger (excluding treasury shares) will be issued for cash on a non pre-emptive basis during any rolling three-year period. A sale of treasury shares will be treated as an issue of shares for the purposes of this

(3) The figure of 11,946,181 includes options outstanding under the LSEG Employee Share Plans and the TMX Group Option Plan as at the LSEG Latest Practicable Date.

Resolution. There is no present intention of exercising this authority and it is expected that the Mergeco Board will renew this authority annually.

5 Merged Group working capital statement

LSEG is of the opinion that, taking into account the Merged Group's cash resources and available bank facilities, the Merged Group has sufficient working capital for its present requirements, that is, for at least 12 months following the date of publication of this Circular.

6 Consents

KPMG LLP is a member of the Institute of Chartered Accountants in England & Wales. KPMG LLP has given and not withdrawn its written consent to the incorporation by reference in this Circular of its report set out in Part 17—"Historical financial information relating to TMX Group" of the Prospectus in the form and context in which it is included.

Morgan Stanley has given and not withdrawn its written consent to the issue of this Circular with references to its name being included in the form and context in which they appear.

Barclays Capital has given and not withdrawn its written consent to the issue of this Circular with references to its name being included in the form and context in which they appear.

RBC Capital Markets has given and not withdrawn its written consent to the issue of this Circular with references to its name being included in the form and context in which they appear.

7 Documents on display

Copies of the following documents may be physically inspected at the offices of Freshfields Bruckhaus Deringer LLP at 65 Fleet Street, London EC4Y 1HS during usual business hours on any Business Day for a period from and including the date of this Circular until and including the date of the LSEG Meeting:

- (a) the memorandum of association of LSEG and the LSEG Articles;
- (b) the Prospectus;
- (c) the Merger Agreement;
- (d) the letters of consent referred to in paragraph 6 of Part 7 (Additional information) of this Circular;
- (e) accountant's report from KPMG LLP set out in Part 17—"Historical financial information relating to TMX Group" of the Prospectus;
- (f) the audited consolidated accounts of LSEG for the financial period ended 31 March 2009 set out in Part 16—"Historical financial information relating to the LSEG Group" of the Prospectus;
- (g) the audited consolidated accounts of LSEG for the financial period ended 31 March 2010 set out in Part 16—"Historical financial information relating to the LSEG Group" of the Prospectus;
- (h) the audited consolidated accounts of LSEG for the financial period ended 31 March 2011 set out in Part 16—"Historical financial information relating to the LSEG Group" of the Prospectus; and
- (i) this Circular.

PART 8: DEFINITIONS

The following definitions apply throughout this Circular unless the context requires otherwise.

Acquisition Proposal means, other than the transactions contemplated by the Merger Agreement and other than any transaction involving only a party to the Merger Agreement and/or one or more of its respective wholly-owned Subsidiaries, any offer, proposal or inquiry from any person or group of persons, whether or not in writing and whether or not delivered to the shareholders of a party, after the date hereof, relating to: (a) any acquisition or purchase, direct or indirect, through one or more transactions, of: (i) the assets of that party and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20 per cent. or more of the consolidated assets of that party and its Subsidiaries, taken as a whole, or which contribute 20 per cent. or more of the consolidated revenue of a party and its Subsidiaries, taken as a whole, or (ii) 20 per cent. or more of any voting or equity securities of that party or any one or more of its Subsidiaries that, individually or in the aggregate, contribute 20 per cent. or more of the consolidated revenues or constitute 20 per cent. or more of the consolidated assets of that party and its Subsidiaries, taken as a whole; (b) any takeover bid, tender offer or exchange offer that, if consummated, would result in such person or group of persons beneficially owning 20 per cent. or more of any class of voting or equity securities of that party; or (c) a plan of arrangement, scheme of arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination, reorganisation, recapitalisation, liquidation, dissolution or other similar transaction involving that party and/or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20 per cent. or more of the consolidated assets or revenues, as applicable, of that party and its Subsidiaries, taken as a whole;

Adjusted Earnings Per Share means IFRS basic earnings per share adjusted to exclude the impact (including associated tax effect) of non-recurring items which are material by size and/or nature, impairment of goodwill and amortisation of acquired intangible assets;

Admission means the re-admission of the Existing Shares and the admission of the New Shares by the FSA (in its capacity as the UKLA), to listing on the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange becoming effective;

AGM means annual general meeting;

AMF means Quebec's Autorité des marchés financiers;

Ancillary LSEG Resolutions means, conditional on the passing of the LSEG Resolution and on, and with effect from, Completion:

- (a) ordinary resolutions to:
 - (i) increase the aggregate maximum remuneration payable to non-executive directors of Mergeco (excluding the Chairman) from £1.5 million to £2.0 million; and
 - (ii) adopt a replacement authority for the Mergeco Directors to allot Mergeco Shares by reference to the issued ordinary share capital of LSEG as enlarged by the Merger; and
- (b) special resolutions to:
 - (i) change the name of LSEG to "LTMX Group plc";
 - (ii) adopt a replacement share buy back authority by reference to the issued ordinary share capital of Mergeco as enlarged by the Merger; and
 - (iii) adopt a replacement authority disapplying pre-emption rights in relation to allotments of Mergeco Shares for cash consideration by reference to the issued ordinary share capital of Mergeco as enlarged by the Merger,

the precise terms of which are set out in the Notice of General Meeting at the end of this Circular;

Ancillary Rights means the Voting Rights, the Automatic Exchange Right and the Automatic Exchange Rights on Liquidation;

Arrangement Resolution means the special resolution of the TMX Group Shareholders approving the Merger which is to be considered at the TMX Group Meeting;

Articles of Arrangement means the articles of arrangement of TMX Group Inc. in respect of the Merger to be filed with the OBCA Director after the Final Order is made, which shall be in form and content satisfactory to TMX Group Inc. and LSEG, each acting reasonably;

ASC means the Alberta Securities Commission;

ATS means an alternative trading system;

Authorisation means any authorisation, order, permit, approval, grant, license, registration, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, by-law, rule or regulation, of, from or required by any Governmental Entity;

Automatic Exchange Right has the meaning given in section 5.1 of the Voting and Exchange Trust Agreement;

Automatic Exchange Rights on Liquidation means the benefit of the obligation of Mergeco to effect the automatic exchange of Exchangeable Shares for Mergeco Shares under the Voting and Exchange Trust Agreement in connection with the liquidation or insolvency of Mergeco;

Barclays Capital means Barclays Capital, the investment banking division of Barclays Bank PLC;

BCSC means the British Columbia Securities Commission;

Borsa Italiana means Borsa Italiana S.p.A., a company incorporated in Italy and a Subsidiary of LSEG;

BOX or *Boston Options Exchange* means Boston Options Exchange Group, LLC, a US operated equity options market;

Business Day means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or London, United Kingdom;

Calco means LSEG Calco Limited, a corporation existing under the laws of the province of Ontario or any successors thereto;

Canadian Director means a director who is ordinarily resident in Canada, or if at least five directors are ordinarily resident in Canada, one may be a Canadian citizen who is not ordinarily resident in Canada, provided that, before the fourth anniversary of LSEG's undertakings to the OSC, such individual is ordinarily resident anywhere other than Europe;

Canadian dollars or *C\$* or *\$* means the lawful currency of Canada;

Canadian Resident means a resident of Canada for the purposes of the Canadian Tax Act and who is not exempt from tax under Part I of the Canadian Tax Act, and includes a partnership any member of which is a Canadian Resident;

Canadian Securities Regulators means the BCSC, the ASC, the Saskatchewan Financial Services Commission, the Manitoba Securities Commission, the OSC, the AMF, the New Brunswick Securities Commission, the Superintendent of Securities of Prince Edward Island, the Nova Scotia Securities Commission, the Securities Commission of Newfoundland and Labrador, the Registrar of Securities of the Northwest Territories, the Registrar of Securities of the Yukon Territory, and the Registrar of Securities of Nunavut;

CC&G means Cassa di Compensazione e Garanzia S.p.A, a Subsidiary of LSEG;

CCP means central counterparty;

CDCC means Canadian Derivatives Clearing Corporation;

CDS means the clearing and depository service operated by CDS Clearing and Depository Services Inc. or Canadian Depository for Securities Limited, as the context requires;

Certificate of Arrangement means the certificate of arrangement to be issued by the OBCA Director pursuant to section 183(2) of the OBCA in respect of the Articles of Arrangement;

CFTC means the US Commodity Futures Trading Commission;

Chairman's Letter means the letter from the LSEG Chairman which is set out in Part 2 (Chairman's Letter) of this Circular;

Change in Recommendation means an LSEG Change in Recommendation or a TMX Group Change in Recommendation, as the context requires;

CIBC Mellon means CIBC Mellon Trust Company;

CIFRS means Canadian International Financial Reporting Standards;

Circular means this document;

Companies Act means the Companies Act 2006, including any statutory modification or re-enactment thereof;

Competition Act means the Competition Act (Canada), as amended and the regulations promulgated thereunder;

Completion means completion of the Merger;

Consideration means the consideration to be received by the TMX Group Shareholders pursuant to the Plan of Arrangement as consideration for their TMX Group Shares, consisting of either 2.9963 New Shares or 2.9963 Exchangeable Shares (and Ancillary Rights) per TMX Group Share;

Contract means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which a party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject;

Court means the Ontario Superior Court of Justice (Commercial List);

CREST means the system for the paperless settlement of trades in securities and the holding of uncertified securities operated by EUI in accordance with the Regulations;

CSA means Canadian Securities Administrators, the national umbrella group representing Canada's securities regulators;

CSD means central securities depository which is an entity that holds and administrates securities and enables securities transactions to be processed by book entry transfer;

CSD Regulation means the consultation initiated by the European Commission in January 2011 on CSDs and on the harmonisation of certain aspects of securities settlement in the EU;

Declaring Party means either of LSEG or TMX Group Inc., as the context requires;

Disclosure and Transparency Rules means the Disclosure and Transparency Rules made by the FSA pursuant to FSMA;

Dodd-Frank Act means the US Dodd-Frank Wall Street Reform and Consumer Protection Act;

Effective Date means the date shown on the Certificate of Arrangement giving effect to the Merger;

Effective Time means 12:01 a.m. (Eastern time) on the Effective Date or such other time as the parties agree to in writing before the Effective Date;

Eligible TMX Group Shareholder means a TMX Group Shareholder who is: (i) a Canadian Resident who is holding TMX Group Shares on its own behalf; or (ii) holding TMX Group Shares on behalf of a beneficial owner who is a Canadian Resident;

EMIR means the proposed regulation of the European Parliament and the European Council on OTC derivatives, CCPs and trade repositories, also known as the European Market Infrastructure Regulation;

Equicom means The Equicom Group Inc;

EU means the European Union;

EUI means Euroclear UK and Ireland Limited;

Exchange Ratio means 2.9963;

Exchangeable Shareholders means the holders of Exchangeable Shares and "Exchangeable Shareholder" shall mean any one of them;

Exchangeable Shares means the exchangeable shares in the capital of Exchangeco, having substantially the rights, privileges, restrictions and conditions set out in Exhibit 1 to the Plan of Arrangement;

Exchangeco means LSEG Exchangeco Limited, a corporation existing under the laws of the province of Ontario or any successors thereto;

Existing Shares means the 271,108,651 ordinary shares of 6⁷⁹/₁₀₀ pence each in the capital of LSEG as at the LSEG Latest Practicable Date;

FBOT means a foreign board of trade;

Final Order means the final order of the Court pursuant to section 182(5) of the OBCA, in a form acceptable to TMX Group Inc. and LSEG, each acting reasonably, approving the Merger, as such order may be amended by the Court (with the consent of both TMX Group Inc. and LSEG, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both TMX Group Inc. and LSEG, each acting reasonably) on appeal;

Forms of Proxy means the forms of proxy accompanying this Circular relating to the Resolutions to be proposed at the General Meeting;

FSA means the Financial Services Authority;

FSMA means the Financial Services and Markets Act 2000;

FTSE means FTSE International Limited;

General Meeting means the general meeting of LSEG to be held at London Stock Exchange, 10 Paternoster Square, London EC4M 7LS at 3:00 p.m. on 30 June 2011 (or any adjournment thereof), notice of which is set out at the end of this Circular;

Governmental Entity means (i) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, ministry, bureau or agency, domestic or foreign; (ii) except for the purposes of section 6.1(c) of the Merger Agreement, any stock exchange, including TSX and the London Stock Exchange; (iii) any subdivision, agent, commission, board or authority of any of the foregoing; or (iv) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organisation, exercising any regulatory, anti-trust, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing;

Group Consolidation Rules means the rules set out in Chapter 8 of the FSA Prudential Sourcebook for Banks, Building Societies and Investment Firms which is part of the FSA Handbook;

holder means a registered holder, and includes any person(s) entitled by transmission;

HSR Act means the Hart-Scott-Rodino Anti-trust Improvements Act of 1976 (US), as amended;

IDB means inter-dealer broker;

IFRS means International Financial Reporting Standards as adopted for use in the EU;

IIROC means the Investment Industry Regulatory Organization of Canada;

Interim Order means the interim order of the Court made pursuant to section 182(5) of the OBCA, in a form acceptable to TMX Group Inc. and LSEG, each acting reasonably, providing for, among other things, the calling and holding of the TMX Group Meeting, as the same may be amended by the Court with the consent of TMX Group Inc. and LSEG, each acting reasonably;

Investment Canada Act means the Investment Canada Act, as amended;

Investment Canada Act Approval means that the Minister of Industry shall have advised LSEG in writing that he or she is satisfied or is deemed to be satisfied that the transactions contemplated by the Merger Agreement are likely to be of “net benefit to Canada” and such approval has not been modified or withdrawn;

Jerseyco means LSEG Jerseyco Trust Limited, a corporation existing under the laws of the Isle of Jersey or any successors thereto;

Listing Rules means the listing rules and regulations of the FSA made under Part VI of FSMA relating to the admission of securities to the Official List, as amended from time to time;

London Stock Exchange means London Stock Exchange plc, a Subsidiary of LSEG;

LSEG means London Stock Exchange Group plc, a public limited company incorporated in England and Wales with registered number 5369106;

LSEG Articles means the articles of association of LSEG;

LSEG Board means the board of directors of LSEG as the same is constituted from time to time;

LSEG Chairman means the chairman of the LSEG Board;

LSEG Change in Recommendation means when: (i) the LSEG Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to TMX Group Inc. or fails to publicly reaffirm its recommendation of the Merger within five Business Days (and in any case prior to the LSEG Meeting) after having been requested in writing by TMX Group Inc. to do so, but in each case only until such time as the condition in section 6.1(d) of the Merger Agreement is satisfied; and (ii) the LSEG Board or a committee thereof shall have approved or recommended any Acquisition Proposal;

LSEG Directors means the current members of the LSEG Board and “LSEG Director” shall mean any one of them;

LSEG Employee Share Plans means the LSEG Performance Aligned Restricted Share Plan 2010, the LSEG Employee Share Option Plan 2009, the LSEG Long-Term Incentive Plan 2004, the LSEG SAYE Option Scheme; the LSEG International Sharesave Plan 2008, the MillenniumIT Share Award Plan, the LSEG Long-Term Incentive Plan for Xavier Rolet, the LSEG Long-Term Incentive Plan for Kevin Milne, the LSEG Long-Term Incentive Plan For Antoine Shagoury, the LSEG Initial and Annual Share Plans and the LSEG Executive Share Option Scheme;

LSEG Executive Directors means the current executive members of the LSEG Board and “LSEG Executive Director” shall mean any one of them;

LSEG Expense Fee means C\$10,000,000 (inclusive of any amounts in respect of VAT, sales or turnover tax or any other similar tax, if applicable);

LSEG Group means LSEG and its current Subsidiaries as at the date of this Circular;

LSEG Latest Practicable Date means 30 May 2011 (being the latest practicable date prior to publication of this Circular);

LSEG Material Adverse Effect means any event, change, occurrence, effect or state of facts, that, individually or in the aggregate with other events, changes, occurrences, effects or states of facts is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, capital, property, obligations (whether absolute, accrued, conditional or otherwise) or financial condition of LSEG and its Subsidiaries taken as a whole, except any such event, change, occurrence, effect or state of facts resulting from or arising in connection with:

- (a) any change or development affecting the industries in which LSEG and its Subsidiaries operate;
- (b) any change or development in general economic, business or regulatory conditions or in global financial, credit, currency or securities markets;
- (c) any change or development in global, national or regional political conditions (including any act of terrorism or any outbreak of hostilities or war or any escalation or worsening thereof) or any natural disaster;
- (d) any adoption, proposed implementation or change in applicable law or any interpretation thereof by any Governmental Entity;
- (e) any change in IFRS;
- (f) the announcement of the entering into of the Merger Agreement;
- (g) actions or inactions expressly required by the Merger Agreement or that are taken with the prior written consent of the applicable party;
- (h) any change in the market price or trading volume of any securities of LSEG (it being understood, without limiting the applicability of paragraphs (a) through (g), that the causes underlying such changes in market price or trading volume may be taken into account in determining whether an LSEG Material Adverse Effect has occurred), or any suspension of trading in securities generally or on any securities exchange on which any securities of LSEG trades; or
- (i) the failure, in and of itself, of LSEG to meet any internal or public projections, forecasts or estimates of revenues or earnings (it being understood, without limiting the applicability of paragraphs (a) through (g), that the causes underlying such failure may be taken into account in determining whether an LSEG Material Adverse Effect has occurred);

provided, however, that any such event, change, occurrence, effect or state of facts referred to in paragraphs (a), (b), (c), (d) or (e), above does not primarily relate only to (or have the effect of primarily

relating only to) LSEG and its Subsidiaries taken as a whole, or disproportionately adversely affects LSEG and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the industries in which LSEG and its Subsidiaries operate (and for the purposes of this proviso, the term Governmental Entity in paragraph (d) above shall exclude LSEG). References in the Merger Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a LSEG Material Adverse Effect has occurred;

LSEG Meeting means the general meeting of LSEG Shareholders, including any adjournment or postponement thereof, to be called to consider the LSEG Resolution and Ancillary LSEG Resolutions;

LSEG Non-Executive Directors means the current non-executive members of the LSEG Board and “LSEG Non-Executive Director” shall mean any one of them;

LSEG Record Date means 6:00 p.m. (local UK time) on 28 June 2011;

LSEG Resolution means the resolutions of the LSEG Shareholders:

(a) to approve the Merger; and

(b) to authorise the LSEG Directors pursuant to section 551 of the Companies Act to allot relevant securities up to a maximum aggregate nominal amount of £15,912,791 for the purposes of the Merger,

the precise terms of which are set out in the Notice of General Meeting at the end of this Circular at Resolution 1;

LSEG Shareholder Approval means the requisite approval by LSEG Shareholders of the LSEG Resolution;

LSEG Shareholders means the holders of Existing Shares and “LSEG Shareholder” shall mean any one of them;

LSEG Termination Fee means C\$39,000,000 (inclusive of any amounts in respect of value added tax, sales or turnover tax or any other similar tax, if applicable);

Main Market means the main market for listed securities;

Maple has the meaning given in paragraph 15 of Part 2 (Chairman’s Letter) of this Circular;

Material Contracts means, in respect of a party any Contract: (i) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have an LSEG Material Adverse Effect or TMX Group Material Adverse Effect (as the case may be) on such party; (ii) under which such party or any of its Subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course endorsements for collection) in excess of C\$20,000,000 in the aggregate; (iii) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of C\$20,000,000; (iv) relating to any Key Joint Venture (as such term is defined in the Merger Agreement); (v) under which such party or any of its Subsidiaries is obligated to make or expects to receive payments in excess of C\$20,000,000 over the remaining term of the contract; or (vi) that is a collective bargaining agreement, a labour union contract or any other memorandum of understanding or other agreement with a union;

Mergeco means LSEG following Completion proposed to be re-named “LTMX Group plc” with effect from Completion;

Mergeco Board means the board of directors of Mergeco;

Mergeco Chairman means the chairman of the Mergeco Board;

Mergeco Directors means the members of the Mergeco Board and “Mergeco Director” shall mean any one of them;

Mergeco Shareholders means the holders of Mergeco Shares and “Mergeco Shareholder” shall mean any one of them;

Mergeco Shares means the ordinary shares of 6⁷/₈₆ pence each in the capital of Mergeco (and, for the avoidance of doubt, includes the Existing Shares and the New Shares);

Merged Group means Mergeco and its Subsidiaries (and, for the avoidance of doubt, includes TMX Group);

Merger means the arrangement of TMX Group Inc. and LSEG under section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or

variations thereto made in accordance with the Merger Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order (provided that any such amendment or variation is acceptable to both TMX Group Inc. and LSEG, each acting reasonably);

Merger Agreement means the merger agreement entered into on 9 February 2011 between TMX Group Inc. and LSEG, providing for, among other things, the terms and conditions on which the parties agree to complete the Merger, a copy of which was filed on SEDAR on 9 February 2011;

MiFID means Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;

MiFID Review means the consultation initiated by the European Commission in December 2010 regarding proposed amendments to MiFID;

MillenniumIT means Millennium Information Technologies Limited, a Subsidiary of LSEG;

Minister means the minister responsible for the Investment Canada Act;

Monte Titoli means Monte Titoli S.p.A. a Subsidiary of LSEG;

Morgan Stanley means Morgan Stanley & Co. Limited;

MTS means Società per il Mercato dei Titoli di Stato Borsa Obbligazionaria Europea S.p.A., a Subsidiary of LSEG and the owner and operator of an electronic trading platform for European fixed income securities;

Multilateral Trading Facilities means electronic communications networks, and alternative trading systems as categorised under MiFID;

MX means the Montréal Exchange Inc.;

New Shares means the ordinary shares of 67⁷⁹/₈₆ pence each in the capital of Mergeco to be issued by Mergeco pursuant to the Merger or on exercise of a Replacement Option;

NGX means Natural Gas Exchange Inc., a corporation existing under the laws of Canada;

NI 45-106 means National Instrument 45-106—*Prospectus and Registration Exemptions of the Canadian Securities Administrators*, as adopted by the Canadian Securities Regulators;

Notice of General Meeting means the notice of general meeting of LSEG Shareholders attached at the end of this Circular;

Notice of TMX Meeting means the notice of annual and special meeting of TMX Group Shareholders dated 30 June 2011;

OBCA means the Business Corporations Act (Ontario);

OBCA Director means the director appointed pursuant to section 278 of the OBCA;

Official List means the official list of the FSA;

OSC means the Ontario Securities Commission;

OTC means over-the-counter;

Outside Date means 9 November 2011 provided, however, that if at that time all conditions to Completion shall have been satisfied or waived, other than the condition set forth in section 6.1(e) of the Merger Agreement (and those conditions that by their terms are to be satisfied at the Effective Time), then either party may postpone the Outside Date by an additional 30 days by giving written notice to the other party to such effect no later than 5:00 p.m. (Eastern time) on 9 November 2011 or such later date as may be agreed to in writing by the parties;

Plan of Arrangement means the plan of arrangement of TMX Group Inc., substantially in the form of Annex B to the TMX Group Circular, and any amendments or variations thereto made in accordance with the Merger Agreement and the Plan of Arrangement or upon the direction of the Court in the Final Order with the consent of TMX Group Inc. and LSEG, each acting reasonably;

Prospective Directors means Wayne C. Fox, Thomas A. Kloet, Michael S. Ptaszniak, Raymond Chan, Denyse Chicoyne, J. Spencer Lanthier and John P. Mulvihill and “Prospective Director” shall mean any one of them;

Prospectus means the prospectus prepared by LSEG in connection with the Existing Shares and the New Shares published on the date of this Circular;

Prospectus Rules means the prospectus rules of the FSA made for the purposes of Part VI of the FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market and brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004;

Proposed Agreement means any agreement, understanding or arrangement in respect of an Acquisition Proposal;

RBC Capital Markets means RBC Dominion Securities Inc., a member company of RBC Capital Markets;

Recognised Bodies means recognised bodies under part XVIII of FSMA;

Registrars means Equiniti of Aspect House, Lancing, West Sussex BN99 6DA;

Regulations means the Uncertificated Securities Regulations 2001 (SI 2001/3755);

Regulatory Approvals means the approvals, decisions and confirmations set out in Schedule 5.5 of the Merger Agreement (including by way of any expiration, waiver or termination of any relevant waiting period in relation to any Governmental Entity), as well as any other material approvals, decisions and confirmations that the parties to the Merger Agreement agree, acting reasonably, are required in order to complete the Merger, but excluding any “Regulatory Intervention”;

Regulatory Information Service means an information dissemination provider approved by the FSA and whose name is set out in the list maintained by the FSA;

Regulatory Intervention means a Governmental Entity or regulator having jurisdiction over either party to the Merger Agreement and/or any of their respective Subsidiaries, having indicated that, as a result or consequence of Completion, it intends to or does in fact withdraw, revoke, modify (in any material respect) or otherwise impose any material condition on, any material Authorisation held by that party or its relevant Subsidiary for the conduct of its business, in terms which are considered by either party, acting reasonably, to have a material impact on the party concerned, including (without prejudice to the foregoing) the FSA not having indicated that it intends to:

- (a) revoke London Stock Exchange’s recognition order; or
- (b) give a direction to London Stock Exchange under section 296 of the FSMA: (i) that London Stock Exchange and/or LSEG hold a materially greater level of capital resources; or (ii) which requires a significant divergence from any material commercial term of the Merger;

Replacement Options means an option granted by Mergeco to acquire a number of New Shares equal to the product of 2.9963 multiplied by the number of TMX Group Shares subject to each outstanding TMX Group Option that was not duly exercised prior to the Effective Time;

Resolutions means the resolutions as set out in the Notice of General Meeting at the end of this Circular and “Resolution” shall mean any one of them;

Response Period means five Business Days from the date a party to the Merger Agreement received requisite notice and documentation from the other party in connection with an Acquisition Proposal;

RNS means the London Stock Exchange’s regulatory news and non-regulatory news disclosure service;

RSA Agreement has the meaning given in Part 5 (Regulation of TMX Group) of this Circular;

S&P means Standard and Poor’s;

SEC means US Securities and Exchange Commission;

Securities Regulatory Approvals means the approvals set out under the heading “Description of the Merger—Regulatory Approvals” in the TMX Group Circular and in Schedule 5.5 of the Merger Agreement;

SEDAR means the System for Electronic Document Analysis and Retrieval of the CSAs;

Select Committee has the meaning given in paragraph 6 (Regulatory approvals) of Part 2 (Chairman’s Letter) of this Circular;

Select Committee Report has the meaning ascribed thereto in paragraph 6 (Regulatory approvals) of Part 2 (Chairman’s Letter) of this Circular;

Senior Canadian Officer means the most senior executive officer of the Merged Group (and its Subsidiaries worldwide) (excluding, for greater certainty, the Chairman of the Mergeco Board who is ordinarily resident in Canada);

SETS means the electronic order book operated by the London Stock Exchange for the most liquid securities;

Shorcan means Shorcan Brokers Limited, a corporation existing under the laws of the Province of Ontario;

Shorcan Energy means Shorcan Energy Brokers Inc., a corporation existing under the laws of the Province of Ontario and a wholly-owned Subsidiary of Shorcan;

Short Selling Regulation means the proposed regulation of the European Parliament and the European Council on short selling and certain aspects of credit default swaps;

SIA-SSB means Società Interbancaria per l'Automazione S.p.A.;

SMEs means small and medium-sized enterprises;

SOLA means the electronic trading platform for derivatives developed by MX;

SRO means self-regulatory organisation;

sterling, pounds sterling, GBP, £, pence or p means the lawful currency of the United Kingdom;

Subsidiary or **Subsidiaries** has the meaning given in NI 45-106;

Superior Proposal means an unsolicited *bona fide* written Acquisition Proposal to acquire all of the shares of a party to the Merger Agreement or all or substantially all of the assets of a party and its Subsidiaries and (i) that is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the party making such Acquisition Proposal; (ii) that is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the board of directors of such party, acting in good faith (after consultation with its financial advisers and outside legal counsel); (iii) that is not subject to a due diligence and/or access condition; (iv) that did not result from a breach of section 5.8 of the Merger Agreement; and (v) in respect of which the board of directors of such party determines in good faith (after consultation with its outside financial advisers and outside legal counsel), taking into account all of the terms and conditions of such Acquisition Proposal, would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction which would be more likely to promote the success of that party for the benefit of its shareholders, having regard to, among other things, the likely consequences of such Acquisition Proposal in the long-term, the interests of all of the stakeholders of the party, including capital market participants, employees and the community in which the party operates, and the impact of the proposed governance and management structure of the party under such Acquisition Proposal on those stakeholders, than the Merger (including any adjustment to the terms and conditions of the Merger proposed by the other party pursuant to subsection 5.8(f) of the Merger Agreement);

Target2 Securities or **T2S** means the European Central Bank's project to deliver a single central settlement process for securities belonging to Eurozone and other participating countries;

Tax Returns includes all refunds, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form), including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required by a Governmental Entity to be made, prepared or filed by law in respect of taxes;

TMX Datalinx means the information services division of TMX Group;

TMX Group means TMX Group Inc. and its Subsidiaries;

TMX Group Board means the board of directors of TMX Group Inc. as the same is constituted from time to time;

TMX Group Change in Recommendation means when: (i) the TMX Group Board fails to recommend or withdraws, amends, modifies or qualifies, in a manner adverse to LSEG or fails to publicly reaffirm its recommendation of the Merger within five Business Days (and in any case prior to the TMX Group Meeting) after having been requested in writing by LSEG to do so but, in each case, only until such time as

the condition in section 6.1(a) of the Merger Agreement is satisfied; and (ii) the TMX Group Board or a committee thereof shall have approved or recommended any Acquisition Proposal;

TMX Group Circular means the Notice of Meeting and the management information circular of TMX Group Inc., including all schedules, appendices and exhibits thereto, sent to the TMX Group Shareholders in connection with the TMX Group Meeting, as amended, supplemented or otherwise modified from time to time;

TMX Group Inc. means TMX Group Inc., a corporation existing under the laws of the Province of Ontario or any successors thereto;

TMX Group Material Adverse Effect means any event, change, occurrence, effect or state of facts, that, individually or in the aggregate with other events, changes, occurrences, effects or states of facts is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, capital, property, obligations (whether absolute, accrued, conditional or otherwise) or financial condition of TMX Group taken as a whole, except any such event, change, occurrence, effect or state of facts resulting from or arising in connection with:

- (a) any change or development affecting the industries in which TMX Group operate;
- (b) any change or development in general economic, business or regulatory conditions or in global financial, credit, currency or securities markets;
- (c) any change or development in global, national or regional political conditions (including any act of terrorism or any outbreak of hostilities or war or any escalation or worsening thereof) or any natural disaster;
- (d) any adoption, proposed implementation or change in applicable law or any interpretation thereof by any Governmental Entity;
- (e) any change in IFRS;
- (f) the announcement of the entering into of the Merger Agreement;
- (g) actions or inactions expressly required by the Merger Agreement or that are taken with the prior written consent of the applicable party;
- (h) any change in the market price or trading volume of any securities of TMX Group Inc. (it being understood, without limiting the applicability of paragraphs (a) through (g), that the causes underlying such changes in market price or trading volume may be taken into account in determining whether a TMX Group Material Adverse Effect has occurred), or any suspension of trading in securities generally or on any securities exchange on which any securities of TMX Group Inc. trades; or
- (i) the failure, in and of itself, of TMX Group to meet any internal or public projections, forecasts or estimates of revenues or earnings (it being understood, without limiting the applicability of paragraphs (a) through (g), that the causes underlying such failure may be taken into account in determining whether a TMX Group Material Adverse Effect has occurred);

provided, however, that any such event, change, occurrence, effect or state of facts referred to in paragraphs (a), (b), (c), (d) or (e), above does not primarily relate only to (or have the effect of primarily relating only to) TMX Group, taken as a whole, or disproportionately adversely affects TMX Group, taken as a whole, compared to other companies of similar size operating in the industries in which TMX Group operates (and for the purposes of this proviso, the term Governmental Entity in paragraph (d) above shall exclude TMX Group Inc.). References in the Merger Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a TMX Group Material Adverse Effect has occurred;

TMX Group Expense Fee means C\$10,000,000 (inclusive of any amounts in respect of value added tax, sales or turnover tax or any other similar tax, if applicable);

TMX Group Meeting means the annual and special meeting of TMX Group Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

TMX Group Options means the outstanding options to purchase TMX Group Shares granted under the share option plan dated 25 April 2007 and those replacement options to purchase TMX Group Shares granted to MX optionees pursuant to TMX Group Inc.'s combination with MX on 1 May 2008;

TMX Group Option Plan means the TMX Group Inc. share option plan dated 25 April 2007;

TMX Group Record Date means 5.00 p.m. (Eastern time) on 20 May 2011;

TMX Group Shareholder Approval means the requisite approval for the Arrangement Resolution, being two-thirds of the votes cast on the Arrangement Resolution by the TMX Group Shareholders present in person or represented by proxy at the TMX Group Meeting and voting as a single class;

TMX Group Shareholders means the holders of TMX Group Shares and “TMX Group Shareholder” shall mean any one of them;

TMX Group Shares means the common shares in the authorised share capital of TMX Group Inc.;

TMX Group Termination Fee means an amount equal to C\$39,000,000 (inclusive of any amounts in respect of value added tax, sales or turnover tax or any other similar tax, if applicable);

TMX Group Undertaking has the meaning given in Part 5 (Regulation of TMX Group) of this Circular;

TSX means Toronto Stock Exchange;

TSXV or **TSX Venture Exchange** means the division of TSX Venture Exchange Inc. which operates TMX Group’s equity exchange for junior listings;

UK Corporate Governance Code means the UK Corporate Governance Code published by the UK Financial Reporting Council;

UK or **United Kingdom** means the United Kingdom of Great Britain and Northern Ireland;

UKLA means the UK FSA in its capacity as the competent authority for the purposes of Part VI of the UK FSMA or any successor thereto;

Undertakings Regarding TSX Venture Exchange means the undertakings provided by TSX Inc. and TMX Group Inc. to the ASC and BCSC in relation to TSX Venture Exchange;

UMIR means the Universal Market Integrity Rules maintained by IIROC, as amended from time to time;

US dollars, USD or **US\$** means the lawful currency of the US;

US or **United States** means the United States of America; and

VAT means value added tax;

Voting and Exchange Trust Agreement means an agreement to be made between LSEG, Exchangeco, Interco, Jerseyco and the Trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

NOTICE OF GENERAL MEETING
London Stock Exchange Group plc

(Registered in England No. 5369106)

Notice is hereby given that a general meeting of London Stock Exchange Group plc (the “**Company**”) will be held at 3:00 p.m. on 30 June 2011 at London Stock Exchange, 10 Paternoster Square, London EC4M 7LS (the “**General Meeting**”) for the purpose of considering, and if thought fit, passing the following resolutions (the “**Resolutions**”) of which the resolutions numbered 1, 2 and 3 will be proposed as ordinary resolutions and resolutions numbered 4, 5 and 6 as special resolutions:

ORDINARY RESOLUTIONS

1. **THAT:**
 - (a) the proposed merger of the Company and TMX Group Inc. on the terms, and subject to the conditions, of the Merger Agreement (as defined in the circular of the Company dated 1 June 2011 a copy of which, initialled by the Chairman of the meeting for the purposes of identification, has been produced to the meeting (the “**Circular**”)) including the associated and ancillary arrangements contemplated by the Merger Agreement and/or described in the Circular and the conversion of options and rights held by TMX Group Inc. option holders and right holders, respectively, over TMX Group Inc. shares into options and rights, respectively, over ordinary shares of the Company (together, the “**Merger**”), be and are hereby approved and that the directors of the Company (or any duly authorised committee thereof) be and are hereby authorised to take all such steps as may be necessary or desirable in relation thereto and to implement the same with such modifications, variations, revisions, waivers or amendments as the directors of the Company or any such committee may deem necessary, expedient or appropriate (provided such modifications, variations, revisions, waivers or amendments are not material); and
 - (b) in addition and without prejudice to all existing authorities, the directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to a maximum aggregate nominal amount of £15,912,791 for the purposes of the Merger for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this Resolution or at the conclusion of the 2012 annual general meeting of the Company, whichever is earlier, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors of the Company may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
2. **THAT**, subject to Resolution 1 being passed and on, and with effect from, completion of the Merger, for the purposes of Article 137 of the articles of association of the Company, the maximum amount of the aggregate remuneration of the directors who do not hold executive office for their services (excluding fees as Chairman or for other services or any amounts payable under any other provision of these Articles) shall be increased from £1.5 million to £2.0 million.
3. **THAT**, subject to Resolution 1 being passed and on, and with effect from, completion of the Merger:
 - (a) the directors of the Company be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to:
 - (i) allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:
 - (A) up to an aggregate nominal amount of £11,400,000; and
 - (B) comprising equity securities (as defined in the Companies Act 2006) up to an aggregate nominal amount of £22,800,000 (including within such limit any shares issued or rights granted under paragraph (A) above) in connection with an offer by way of a rights issue:
 - (I) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and

(II) to people who are holders of other equity securities (including any exchangeable shares issued in connection with the Merger) if this is required by the rights of those securities or, if the directors of the Company consider it necessary, as permitted by the rights of those securities;

and so that the directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

for a period expiring (unless previously unconditionally renewed, varied or revoked by the Company pursuant to a resolution approved in general meeting) at the end of the next annual general meeting of the Company after the date on which this resolution becomes effective; and

- (ii) make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the directors of the Company may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired;
- (b) that subject to paragraph (c) and subject to this Resolution becoming effective, all existing authorities given to the directors of the Company pursuant to section 551 of the Companies Act 2006, other than the authority granted under Resolution 1 above, be revoked by this Resolution; and
- (c) that paragraph (b) shall be without prejudice to the continuing authority of the directors of the Company to allot shares, or grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

SPECIAL RESOLUTIONS

- 4. **THAT**, subject to Resolution 1 being passed and on, and with effect from, completion of the Merger, pursuant to Section 77 of the Companies Act 2006, the name of the Company be changed to “LTMX Group plc”.
- 5. **THAT**, subject to Resolution 1 being passed and on, and with effect from, completion of the Merger, the Company be and hereby is generally and unconditionally authorised to make market purchases (within the meaning of Section 693 of the Companies Act 2006) of its own ordinary shares, provided that:
 - (a) the maximum number of ordinary shares authorised to be purchased is 49,400,000 ordinary shares in the capital of the Company;
 - (b) the minimum price which may be paid for an ordinary share shall not be less than the nominal value of the ordinary shares at the time of purchase which amount shall be exclusive of expenses;
 - (c) the maximum price which may be paid for an ordinary share is, in respect of an ordinary share contracted to be purchased on any day, the higher of:
 - (i) an amount (exclusive of expenses) equal to 105 per cent. of the average of the mid-market quotations for an ordinary share of the Company as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
 - (ii) an amount (exclusive of expenses) equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS);
 - (d) the authority hereby conferred shall expire at the conclusion of the next AGM of the Company following this Resolution becoming effective or 18 months from the date of this Resolution (whichever is earlier), unless such authority is unconditionally renewed pursuant to a resolution taking effect prior to such time; and
 - (e) the Company may conclude a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after

such expiry, and may make a purchase of ordinary shares in pursuance of any such contract as if the authority hereby conferred had not expired; and

- (f) subject to this Resolution becoming effective, then the authority granted by this Resolution shall be in substitution for any prior authority.
6. **THAT** subject to Resolution 1 and Resolution 3 being passed and on, and with effect from, completion of the Merger and in place (subject to this Resolution becoming effective) of all existing powers the directors of the Company be generally empowered pursuant to sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in the Companies Act 2006) for cash, pursuant to the authority conferred by Resolution 3 as if section 561(1) of the Companies Act 2006 did not apply to the allotment. This power:
- (a) expires (unless previously unconditionally renewed, varied or revoked by the Company pursuant to a resolution approved in general meeting) at the end of the next annual general meeting of the Company after the date on which this resolution becomes effective, but the directors of the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors of the Company may allot equity securities in pursuance of that offer or agreement as if this power had not expired; and
- (b) shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under Resolution 3(a)(i)(B), by way of a rights issue only):
- (i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to people who are holders of other equity securities (including any exchangeable shares issued in connection with the Merger), if this is required by the rights of those securities or, if the directors of the Company consider it necessary, as permitted by the rights of those securities,
- and so that the directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (c) in the case of the authority granted under Resolution 3(a)(i)(A) shall be limited to the allotment of equity securities for cash otherwise than pursuant to paragraph (b) up to an aggregate nominal amount of £1,700,000.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if in the first paragraph of this Resolution the words “pursuant to the authority conferred by the Resolution 3” were omitted.

By order of the board of directors of the Company

Lisa Condron
Company Secretary

1 June 2011

Registered office:

London Stock Exchange Group plc
10 Paternoster Square
London EC4M 7LS

Notes to the Notice of General Meeting

1. The right to attend and vote at the meeting is determined by reference to the Company's register of shareholders. Only a shareholder entered in the register of shareholders at 6:00 p.m. on 28 June 2011 (or, in the event that the meeting is adjourned, on the register of shareholders 48 hours before the time of any adjourned meeting) is entitled to attend and vote at the meeting and a shareholder may vote in respect of the number of ordinary shares registered in that shareholder's name at that time. Changes to the entries in the register of shareholders after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A yellow Form of Proxy is enclosed with this notice for use at the meeting.
3. **To be valid, a Form of Proxy, duly completed, signed or sealed (as appropriate) and dated, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be returned to the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL so as to arrive not later than 3:00 p.m. on 28 June 2011 or not less than 48 hours before the time of any adjourned meeting or the taking of a poll at which the person named in the Form of Proxy proposes to vote.**
4. The Form of Proxy must be executed by the shareholder or his or her attorney duly authorised in writing and (in the case of an individual) must be signed by the individual or his or her attorney duly authorised in writing or (in the case of a corporation) either executed under its common seal or signed on its behalf by a duly authorised officer or attorney of the corporation.
5. In the case of joint registered holders, the signature of one holder will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand on the register of shareholders of the Company in respect of the relevant joint holding.
6. Alternatively a shareholder may appoint a proxy or proxies electronically either via the website run by Equiniti at www.sharevote.co.uk using the number provided on the yellow Form of Proxy or, if such shareholder is a CREST member, by using the procedure described in paragraph 7 below.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual, which can be viewed at www.euroclear.com/CREST. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by not later than 3:00 p.m. on 28 June 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a

message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

8. Any corporation which is a shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers provided that they do not exercise their powers differently in relation to the same shares.
9. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “*Nominated Person*”) may have a right, under an agreement between him or her and the shareholder by whom he or she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
10. The statements of the rights of shareholders in relation to the appointment of proxies in paragraphs 2 to 7 above do not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.
11. As at 30 May 2011 (being the last practicable date prior to the publication of this document) the Company’s issued ordinary share capital consists of 271,108,651 ordinary shares of 6⁷⁹/₈₆ pence each, carrying one vote each. Therefore, the total voting rights in the Company as at 30 May 2011 are 271,108,651.
12. Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. In accordance with section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the meeting and, if applicable, any members’ statements, members’ resolutions or members’ matters of business received by the Company after the date of this notice are available to view and to download on the Company’s website at: <http://www.londonstockexchange.com/investor-relations/investor-relations.htm>.
14. The results of the voting at the meeting will be announced through a Regulatory Information Service and will appear on our website at <http://www.londonstockexchange.com/investor-relations/investor-relations.htm>.
15. Save as provided above, any communication with the Company in relation to the meeting, including in relation to proxies, should be sent to the Company’s Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL. No other means of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice or in any related documents (including the Form of Proxy or the General Meeting Shareholder Admission Card) to communicate with the Company for any purposes other than those expressly stated.
16. In order to access shareholder documents from the Company on the website, you will need to have access to a PC or Mac with: (i) Microsoft Internet Explorer version 6.0 (or later version) which can be downloaded from the Microsoft website at: <http://windows.microsoft.com/en-gb/windows/downloads>, or equivalent alternative web browser software; and (ii) Adobe Acrobat Reader which can be downloaded free from the Adobe website at: <http://www.adobe.com/products/acrobat/readstep2.html>.
17. In order to access LSEG Shareholder documents (including the Prospectus) on the LSEG website, you will need to have access to a PC or Mac with: (i) Microsoft Internet Explorer version 6.0 (or later version) which can be downloaded from the Microsoft website at: <http://windows.microsoft.com/en-gb/windows/downloads>, or equivalent alternative web browser software; and (ii) Adobe Acrobat Reader which can be downloaded free from the Adobe website at: <http://www.adobe.com/products/acrobat/readstep2.html>.

