

FORM FBOT—EXHIBIT C

Request: Attach the following:

- (1) A description of the requirements applicable to membership on the governing board and significant committees of the foreign board of trade.
- (2) A description of the process by which the foreign board of trade ensures that potential governing board and committee members/other participants meet these standards.
- (3) A description of the provisions to minimize and resolve conflicts of interest with respect to membership on the governing board and significant committees of the foreign board of trade.
- (4) A description of the rules with respect to the disclosure of material non-public information obtained as a result of a member's or other participant's performance on the governing board or significant committee.

Response:

Qualifications for Board and Committee Membership

As noted previously, NGX is a private Alberta-domiciled corporation and a wholly owned subsidiary of the TMX Group, a publicly traded company, the shares of which are listed on the Toronto Stock Exchange. NGX's Board of Directors is composed of eight individuals, all of whom are employees and members of management of the TMX Group. NGX Board Members are selected by the TMX Group Board of Directors. As of January 1, 2012, the following individuals comprise the Board of Directors: Kevan Cowan, Brenda Hoffman, Thomas Kloet, Peter Krenkel, Alain Miquelon, Sharon Pel, Michael Ptasznik and Eric Sinclair.¹ The NGX Board meets the requirements of Alberta law with respect to its organization and composition.

The Board of the TMX Group, which as parent, is the operator of NGX, must have at least fifty percent independent members. To be independent, a Board member, or immediate family member may not have been an officer of, or employed by, the TMX Group within the last three years. The Board itself must affirmatively determine that Directors meet the independence criteria.

Conflict of Interest Provisions

As noted above, the Board of NGX is composed entirely of TMX Group management. As employees of TMX Group, NGX Board members must comply with the terms and conditions of the TMX Group Inc. Employee Code of Conduct, which applies across all TMX Group subsidiaries.² NGX Board members and employees are prohibited from engaging in insider trading activity or in other types of behavior which would create a conflict of interest in carrying

¹ The biographies of the board members are provided in Attachment A-1a.

² The TMX Employee Inc. Code of Conduct is appended as Attachment C-1.

out their duties. Employees are also prohibited from using for personal gain confidential information which they obtain through their employment.

The TMX Board is bound to follow a “Board Code of Conduct.” The Board Code of Conduct can be accessed at <http://www.tmx.com/en/pdf/TSXGroupBoardCodeOfConduct.pdf>. As noted above, Board members are restricted from using confidential information gained through their official duties.

NGX is a Commission registered DCO. As such, NGX will comply both with Alberta law and with any Commission rules which may be adopted governing governance and conflict of interest.³

Disclosure of Material Non-Public Information

The TMX Employee Code of Conduct, which applies across all TMX Group Inc. entities, prohibits the use of confidential information obtained through employment with the TMX Group. This applies to information gained through one’s official duties on a committee of the Board. The Code of Conduct states as follows:

All information and materials that come into your possession as an employee (whether that information relates to entities covered by this Code or otherwise, including non-wholly owned subsidiaries of TMX Group Inc. or its subsidiaries) must be kept confidential, even after your employment with TMX has ended. Because of the need for public confidence in the integrity of the marketplace, and in order to protect TMX’s reputation, it is critical that no advantage is taken, or perceived to be taken, of any confidential information that you receive as a result of your employment with TMX. You are responsible for the security of information and materials entrusted to you. You must provide reasonable protection from unauthorized access for all information and materials, both during the working day and after hours. For further guidelines on maintaining and protecting confidentiality, refer to the following policies:

- *Timely Disclosure, Confidentiality and Insider Trading Policy; and*
- *TMX Group Corporate Security Principles.*

Moreover, under the CPA, all Participants agree to use the NGX Trading System and any materials or information obtained in respect to NGX, the Trading System, or the Clearing System only for the purposes contemplated by the CPA, and to keep all such information confidential.⁴ Participants further agree not to copy or reproduce such information or to publish or otherwise make such information available to any person not contemplated by the CPA.⁵ Similarly, Participants may not publish or otherwise disclose publicly any information regarding the

³ The Commission has proposed, but not yet finalized, regulations to implement these core principles. *See* Governance Requirements for Derivatives Clearing Organizations, Designated Contract Markets, and Swap Execution Facilities; Additional Requirements Regarding the Mitigation of Conflicts of Interest, 76 Fed. Reg. 722 (January 6, 2011) ; “Requirements for Derivatives Clearing Organizations, Designated Contract Markets, and Swap Execution Facilities Regarding the Mitigation of Conflicts of Interest,” 75 Fed. Reg. 63732 (October 18, 2010).

⁴ Attachment A-3a, CPA Article 3.2(d).

⁵ *Id.*

market, not relating solely to the Participant, created through the Participant's access to the NGX Trading System and Clearing System.⁶ Under the terms of the CPA, NGX further agrees to use commercially reasonable efforts to keep confidential any and all financial or other information received from Participants, including information regarding transactions, trading patterns, prices, and accounts.⁷

⁶ *Id.*

⁷ *Id.* at Article 3.4(a).