Annual Report

Fiscal Year 2026

(April 1, 2025 to March 31, 2026)

CIRO · OCRI

Canadian Investment Regulatory Organization

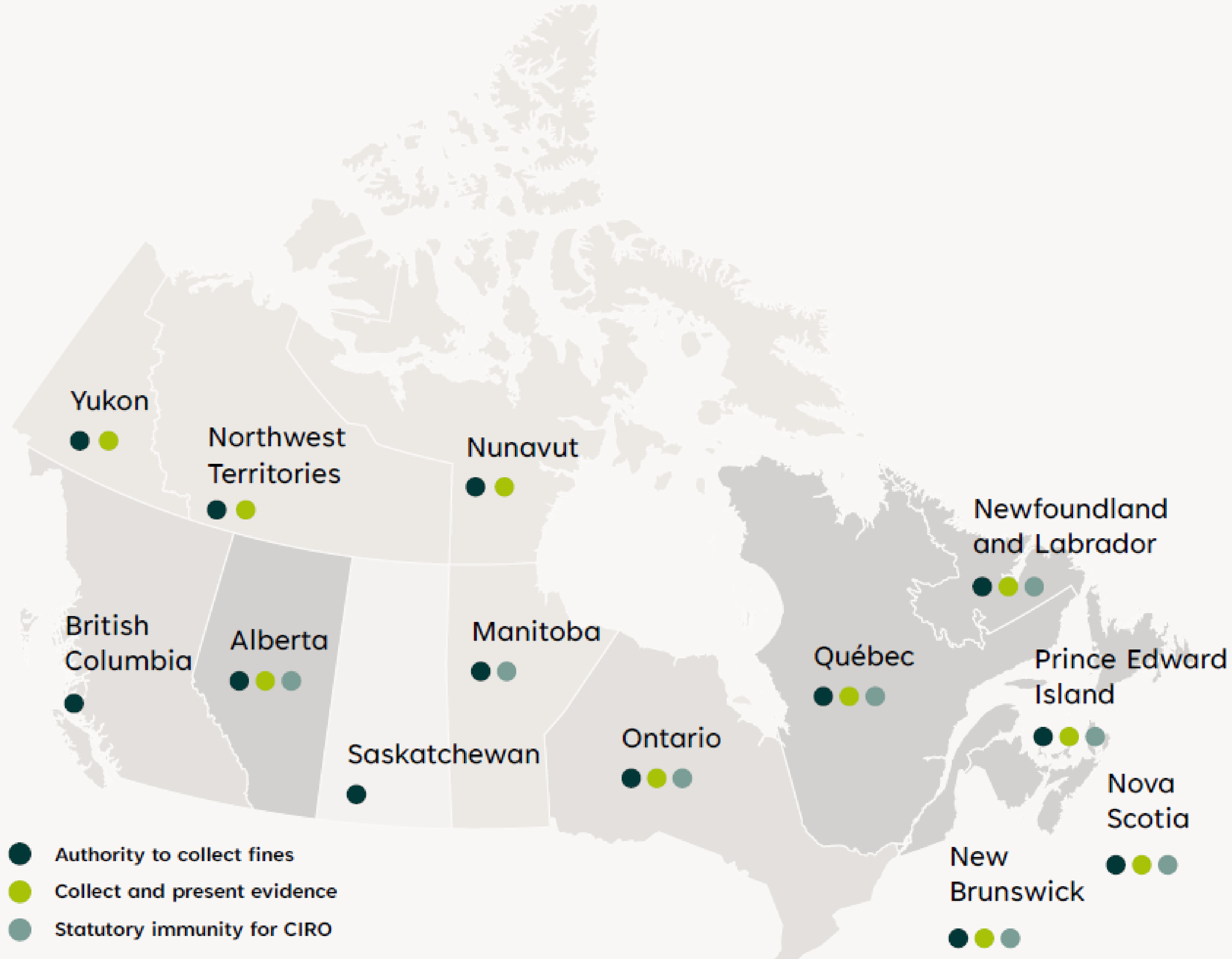
Organisme canadien de réglementation des investissements

Legal Authority Map

The Canadian Investment Regulatory Organization (CIRO) is the pan-Canadian self-regulatory organization that oversees all investment dealers, mutual fund dealers and trading activity on Canada's debt and equity marketplaces.

CIRO builds trust in Canada's financial system by protecting investors and the capital markets.

Since 2017, every province and territory has taken action to enhance CIRO's enforcement powers. CIRO now has fine collection authority across the country.



Yukon

November 2018: collect fines and collect/present evidence

Northwest Territories

November 2018: collect fines and collect/present evidence

Nunavut

November 2018: collect fines and collect/present evidence

British Columbia

May 2018: collect fines

Alberta

June 2000: collect fines

June 2017: collect/present evidence and statutory immunity

Saskatchewan

May 2019: collect fines

Manitoba

June 2018: collect fines and statutory immunity

Ontario

May 2017: collect fines

June 2025: collect/present evidence and statutory immunity

Québec

June 2013: collect fines

June 2018: collect/present evidence and statutory immunity

New Brunswick

December 2019: collect fines, collect/present evidence and statutory immunity

Nova Scotia

October 2018: collect fines, collect/present evidence and statutory immunity

Prince Edward Island

January 2017: collect fines

December 2018: collect/present evidence and statutory immunity

Newfoundland and Labrador

November 2021: collect fines, collect/present evidence and statutory immunity

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Message from the Chair

On behalf of the Board, I am pleased to present the 2026 Annual Report of the Canadian Investment Regulatory Organization (CIRO).

The past year challenged institutions across Canada, including CIRO, to reconsider how we can best serve the public interest. In an increasingly uncertain geopolitical environment, protecting investors and supporting well-functioning capital markets has never been more important. CIRO has an important role to play in strengthening both.

Against that backdrop, and during a year with an already ambitious agenda, we faced an unexpected challenge: CIRO's August 2025 cyber incident.

Anyone who has experienced a cyber incident understands how demanding these events can be. In the initial response to the incident, the Board stood up a Cyber Incident Sub-Committee and held additional Board meetings specifically to oversee CIRO's response. As the immediate crisis subsided, oversight transitioned into the Board's regular meeting cycle, where cyber incident remediation and related matters continue to receive ongoing attention.

I want to thank all CIRO employees for the professionalism, dedication and resilience they demonstrated throughout. Their commitment to transparency and to responding quickly and comprehensively to those affected reflected the values that underpin our organization.

Crises also bring clarity. The cyber incident provided important lessons that will strengthen not only CIRO, but the broader investment industry. It reinforces the need to continually strengthen cyber resilience and presents an opportunity to rethink how data is managed and protected across the financial and regulatory ecosystem.

While crises naturally demand attention, they cannot be allowed to displace an organization's broader mandate. Throughout the year, the Board remained focused on ensuring that CIRO responded effectively to the cyber incident while continuing to deliver on its strategic priorities. I am pleased to say that it did both.

Two initiatives stand out as particularly significant.

On January 1, 2026, CIRO successfully launched the new proficiency regime for investment dealers and their Approved Persons. The transition was smooth, reflecting the extensive work undertaken over several years. The new exam-centric model aligns with leading practices by separating learning from assessment, helping ensure that proficiency standards continue to support investor protection and market integrity.

In February 2026, CIRO republished the Dealer Consolidated (DC) Rules for a final comment period. Bringing all five phases together responded directly to industry feedback and allowed stakeholders to assess the framework as a whole. This represents an important milestone in completing the integration of our predecessor organizations and positions CIRO to focus on the next generation of regulatory priorities.

The past year has also marked a period of transition for the Board. Strong boards balance continuity with renewal. This year, we have the opportunity to thank one valued director for their service while welcoming a new colleague whose experience and perspective will strengthen the Board.

After more than a decade of service to CIRO and its predecessor, the Mutual Fund Dealers Association, Janet Woodruff concluded her Board service. As former Chair of the Human Resources & Pension Committee, Janet provided thoughtful counsel, sound judgment and unwavering commitment throughout the merger that created CIRO. On behalf of the Board, I thank Janet for her many contributions and wish her every success in the future.

At the same time, we were pleased to welcome our newest Independent Director, Helena Gottschling. As the former Chief Human Resources Officer at Royal Bank of Canada, Helena brings deep executive leadership experience, and her insights have already strengthened both the Board and management discussions. We look forward to her continued contributions.

Continuity and thoughtful succession planning remain hallmarks of good governance. In that spirit, in June 2026, Andrew Kriegler announced his intention to retire as President and CEO, providing the Board with ample time to conduct a thorough search for the organization's next leader.

On behalf of the Board, I want to thank Andrew for his integrity, his commitment to public service, and his leadership of both CIRO and, before that, IIROC. As CIRO's inaugural CEO, Andrew guided the successful integration of our predecessor organizations, strengthened the credibility of Canada's regulatory framework and built strong relationships across Canada and internationally. He leaves CIRO exceptionally well positioned for the future. We are grateful for his many contributions and wish him every happiness in his well-earned retirement.

Looking ahead, CIRO's agenda remains ambitious. The environment in which we operate is becoming increasingly complex, making effective, principles-based regulation more important than ever. The Board looks forward to working with Andrew and the leadership team during the transition to a new President and CEO as CIRO continues to protect investors, support healthy capital markets and strengthen confidence in Canada's financial system.

Miranda Hubbs
Chair, Board of Directors

Message from the CEO

An annual report letter reminds me of the self-assessments that every professional does as part of their annual performance review process. Done well, it shows pride in what has been accomplished, offers some signposts about the road ahead, yet still acknowledges that some things didn't quite go to plan. But having announced my intention to retire from CIRO later this year, this letter is also a reflection on my time as CEO of CIRO, and IIROC before that.

It would be an understatement to say that our cyber incident was not according to plan, and indeed it caused many of our plans for the year to be set aside for a time. However, as discussed in what follows, we came back to the priorities we had set for the year and accomplished them all the while responding to the incident and supporting all of those affected by it.

I deeply regret what happened and what so many of you were put through as a result. At the same time, I am very proud of how the organization responded to such difficult circumstances and that we were able to be as transparent and open as we were. Importantly, our day-to-day regulatory oversight was not disrupted, nor were the market regulation and market surveillance functions that are so critical to the Canadian capital markets, and that is a compliment to our team.

As the incident itself recedes into the past, the real challenge is to ensure that we have learned from and implemented the lessons this incident taught us, and to share as many of them as possible with the industry, with fellow regulators and with other partner organizations to help them protect themselves going forward.

The lessons go well beyond technology and cyber security in a narrow sense. The ways in which the financial services industry, CIRO, and its partner regulators work together in respect of collection, exchange and retention of data, need to change to reflect our new reality. Our collective infrastructure will be much stronger as a result, but we must also accept that there will be time and effort associated with getting there.

Notwithstanding the demands of responding to the cyber incident, we were determined to continue to deliver on our day-to-day regulatory responsibilities and on the annual priorities to which we had committed. And I am delighted to report that we did! It was a very big year for CIRO and its ability to deliver effective and efficient regulation across Canada and I am proud of the work we have accomplished together.

Last year, the CSA delegated to us registration responsibilities for the remaining jurisdictions across Canada. With a one-stop shop, we now have the opportunity to optimize the process and the underlying systems to make things faster, easier to use and more efficient.

In July 2025, Québec introduced a series of changes to the structure of financial regulation in the province. Bill 92 simplified the regulatory landscape, introducing changes which led to the creation of a single insurance SRO, the Chambre de l'assurance and to the transfer of the oversight of mutual fund representatives to CIRO by the AMF. This was an important step toward completely harmonizing the regulatory oversight model of mutual fund dealers and their representatives across Canada.

We also entirely modernized the proficiency model for investment dealer Approved Persons, changing from a course-based model to an exam-centric model supported by our new partner Fitch Learning. Given the scope of this change, the fact that its implementation went almost unnoticed is surely the highest compliment for everyone involved.

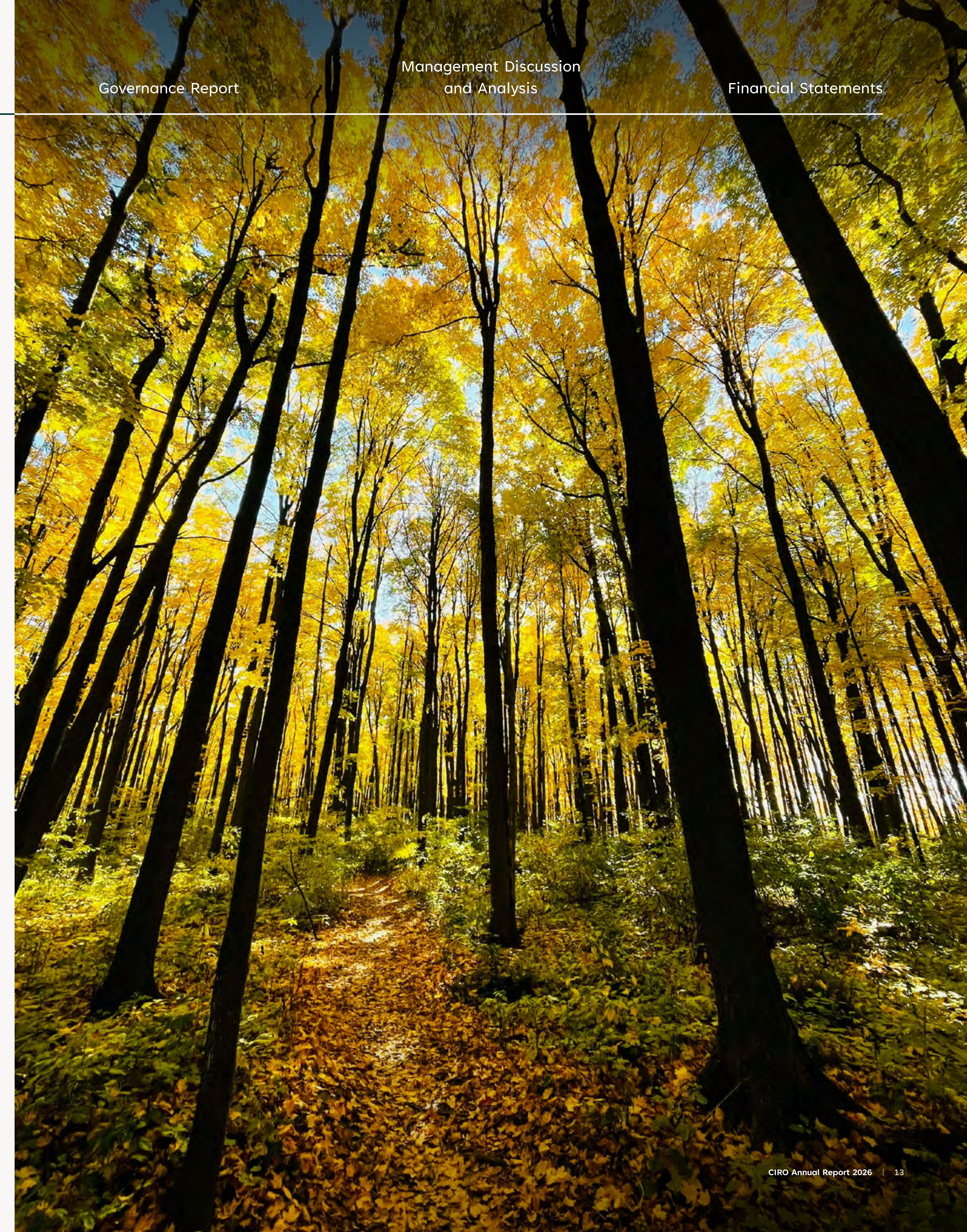
And the consolidation of the CIRO rulebook is almost complete! Another multi-year exercise, the consolidated rulebook was one of the key deliverables coming out of the merger of our two predecessors and, with the final consultation phase now live, we continue to be on track for implementation. Importantly, putting the rulebook consolidation behind us will also free up resources for the many other issues on the minds of investors, industry and our regulatory colleagues.

We also launched InnovateSafe, a regulatory sandbox that allows for new ideas and new business practices to be tested, without requiring a lengthy regulatory exemption process. To serve Canadians, CIRO needs to be able to respond quickly to the realities of rapidly evolving investor preferences and market circumstances, and InnovateSafe allows us to do just that.

As this is my final letter as President and CEO of CIRO, I would like to take a moment to thank the CIRO board, my colleagues at the CSA, and my friends and sparring partners from investor advocacy groups and industry alike, without whom CIRO would not be in a position to set such ambitious goals and respond to the changes we see in the industry today.

To the CIRO team, thank you for your commitment to our purpose and for showing up every day to serve the public interest. We've certainly had difficult times and challenging conversations over the years, but this is also what has made this organization impactful in the ways that matter. A lot has changed since I came on as CEO, but I leave confident that we have stayed true to our core mandate of protecting investors and supporting Canada's capital markets—it's an honour to have played a role in that.

Andrew J. Kriegler
President and CEO



Executive Leadership Team

Andrew J. Kriegler

President and CEO

Claudyne Bienvenu

Senior Vice-President, Québec and Atlantic Canada

Ian Campbell

Chief Information Officer

Nicholas Hrebicek

Chief Financial Officer

Richard Korble

Regional Vice-President, Western Canada

Kevin McCoy

Senior Vice-President, Market Regulation

Elsa Renzella

Senior Vice-President, Member Compliance and Registration

Mark Stechishin

General Counsel and Corporate Secretary

Alexandra Williams

Senior Vice-President, Strategy, Innovation and Stakeholder Protection

Georgina Whitehead

Chief Human Resources Officer

Industry Statistics

Market Data

CIRO regulates equity trading activity on six stock exchanges:

- Toronto Stock Exchange (TSX)
- TSX Venture Exchange (TSXV)
- Alpha Exchange (Alpha)****
- Canadian Securities Exchange (CSE)*
- Cboe Canada Inc. (CBOE)**
- Nasdaq (CXC) Limited (Nasdaq Canada)***

*Canadian Securities Exchange operates two distinct trading books: CSE and CSE2.
**Cboe Canada Inc. operates the following separate trading books: NEO-L, NEO-N, NEO-D, MATCHNow and a crossing facility.
***Nasdaq (CXC) Limited operates three separate trading books: Nasdaq CXC (CXC), Nasdaq CX2 (CX2) and Nasdaq CXD (CXD).
****Alpha Exchange operates three distinct trading books: Alpha, Alpha-X and Alpha DRK.

CIRO regulates trading activity on four equity Alternative Trading Systems or ATSs.

- Omega ATS (Omega)
- Lynx ATS (Lynx)
- Liquidnet Canada Inc. (Liquidnet)
- Instinet Canada Cross Limited (ICX)

CIRO also regulates Crypto Asset Trading Platforms, or CTPs. CIRO regulates two crypto marketplaces and five crypto dealer platforms:

Crypto marketplace platforms

- Coinsquare Capital Markets (Coinsquare Pro)
- NDAX Canada Inc. (NDAX)

Crypto dealer platforms

- Coinsquare Capital Markets (Coinsquare Trade)
- NDAX Canada Inc. (NDAX)
- Shakepay Inc.
- Wealthsimple Investment Inc.
- Fidelity Clearing Canada ULC

Share Volume – Canada's Equity Marketplaces (Where trading took place in 2025-2026)

	TSX Listed Percentage	TSXV-Listed Percentage	CSE-Listed Percentage	CBOE-Listed Percentage
Toronto Stock Exchange (TSX)	51.25%	0.00%	0.00%	0.05%
TSX Venture Exchange (TSXV)	0.00%	53.90%	0.00%	0.00%
Canadian Securities Exchange (CSE)	1.94%	1.12%	66.45%	0.91%
Liquidnet Canada Inc (Liquidnet)	0.13%	0.01%	0.00%	0.00%
MATCHNow	4.75%	2.29%	1.48%	3.97%
Omega ATS (Omega)	4.97%	11.96%	11.19%	6.55%
Nasdaq CXC (CXC)	14.83%	3.59%	2.58%	9.14%
Alpha Exchange (Alpha)	3.92%	6.89%	0.00%	0.01%
Instinent Canada Cross Limited (ICX)	0.06%	0.04%	0.01%	0.01%
Nasdaq CX2 (CX2)	4.05%	8.71%	9.76%	6.78%
Lynx ATS (Lynx)	1.97%	2.23%	1.76%	1.24%
NEO-N	1.87%	3.16%	2.89%	4.35%
NEO-L	6.39%	3.22%	2.45%	65.21%
Nasdaq CXD (CXD)	3.18%	1.32%	0.61%	1.06%
NEO-D	0.25%	0.19%	0.05%	0.28%
CSE2	0.29%	1.31%	0.76%	0.44%
Alpha-X	0.16%	0.06%	0.00%	0.00%
Alpha DRK	0.00%	0.00%	0.00%	0.00%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Trading Activity on the Equity Marketplaces Regulated by CIRO	2025-2026
Trades (Number of Transactions in millions)	740
Volume (Total shares traded in billions)	361
Value (of shares traded in billions of dollars)	7,363

Actuals	2025-2026
Trades	739,963,887
Volume	361,370,161,556
Value	7,363,052,376,381

Members

Categories of CIRO Members	Number
Investment Dealers	148
Mutual Fund Dealers	90
Dual-Registered Dealers	12

All tables, except Member Firms by Revenue, present data as at March 31, 2026. The total number of CIRO Dealer Member firms as at March 31, 2026, was 250.

Individuals and Firms Regulated by CIRO (Mutual Fund Dealers) by Jurisdiction*

Province	Approved Persons	Branch Office	Head Office
Alberta	7,846	1,603	5
British Columbia	10,356	1,900	7
Manitoba	2,096	401	1
New Brunswick	1,164	315	0
Newfoundland and Labrador	711	188	0
Nova Scotia	1,508	380	0
Northwest Territories	42	14	0
Nunavut	8	5	0
Ontario	30,616	6,025	51
Prince Edward Island	202	59	0
Québec	18,387	3,272	9
Saskatchewan	2,002	458	3
Yukon	61	14	0
United States	5	0	0
Other	2	0	0
Total	**75,006**	**14,634**	**76**

*This table excludes data from the 14 deemed members from Québec.

Individuals and Firms Regulated by CIRO (Investment Dealers including dual-registered firms) by Jurisdiction

Province	Approved Persons	Branch Office	Head Office
Alberta	3,504	1,358	13
British Columbia	4,707	1,653	9
Manitoba	579	294	2
New Brunswick	349	152	1
Newfoundland and Labrador	124	64	0
Nova Scotia	541	225	0
Northwest Territories	0	3	0
Nunavut	0	0	0
Ontario	14,702	3,868	111
Prince Edward Island	70	41	0
Québec	5,372	946	24
Saskatchewan	593	405	0
Yukon	8	8	0
United States	401	0	0
Other	69	0	0
Total	**31,019**	**9,017**	**160**

Member Firms by Revenue*

	Number of Mutual Fund Dealers	Number of Investment Dealers (including dual-registered dealers)	Total Percentage of Firms
Less than $5 million	46	41	34%
Greater than $5 million and less than $10 million	9	19	11%
Greater than $10 million and less than $100 million	23	61	32%
Greater than $100 million and less than $1 billion	15	31	18%
Greater than $1 billion	2	12	5%
Total	**95**	**164**	**100%**

*Revenue data is provided for the period April 1, 2025 to March 31, 2026. For financial transparency, this table includes information about member firms who left CIRO during the year. As such, the total numbers may not align with what is presented in other tables which present the information as at March 31, 2026.

Member Firms by Number of Approved Persons

	Number of Mutual Fund Dealers	Number of Investment Dealers (including dual-registered dealers)	Total Percentage of Firms
10 or fewer	31	48	33
11 to 100	29	77	42
101 to 500	14	19	13
501 to 1,000	3	1	1
Over 1,000	13	15	11
Total	**90**	**160**	**100**

Enforcement

Sanctions Imposed

Firms	FY26
Decisions	9
Fines	$4,097,500
Costs	$285,000
Disgorgement	$4,305,790
Total	**$8,688,290**
Suspension	0
Conditions	2
Termination	0

Individuals	FY26
Decisions	39
Fines	$6,266,999
Costs	$392,113
Disgorgement	$958,684
Total	**$7,617,796**
Suspension	16
Permanent Bar	10
Conditions	1

Fine Collection Rate

CIRO makes all reasonable efforts to collect monetary sanctions imposed by hearing panels, including utilizing the collection powers available in each province and territory. The collection rates represent the percentage of monetary sanctions collected to date for that fiscal year. The rate does not include monetary sanctions imposed for cases that are under appeal. The rate for a given year may increase over time as CIRO continues to collect monetary sanctions after the year in which the sanctions were imposed.

Individuals that remain registered or get re-registered with CIRO pay 100% of the sanctions imposed on them. CIRO's ability to collect monetary sanctions against individuals depends on a variety of factors including the availability of assets or income, and consumer proposals or bankruptcies. In some cases, CIRO will refrain from utilizing collection powers while clients attempt to recover losses caused by advisor misconduct.

CIRO typically collects 100% of the amounts imposed on firms. The collection rate for firms in FY 2026 is not yet 100% as one Dealer Member is subject to a payment plan that will be completed by July 1, 2026. There are circumstances where firms may not pay all sanctions, such as insolvency issues or where a suspension is imposed. Firms that do not pay are no longer members of CIRO in good standing.

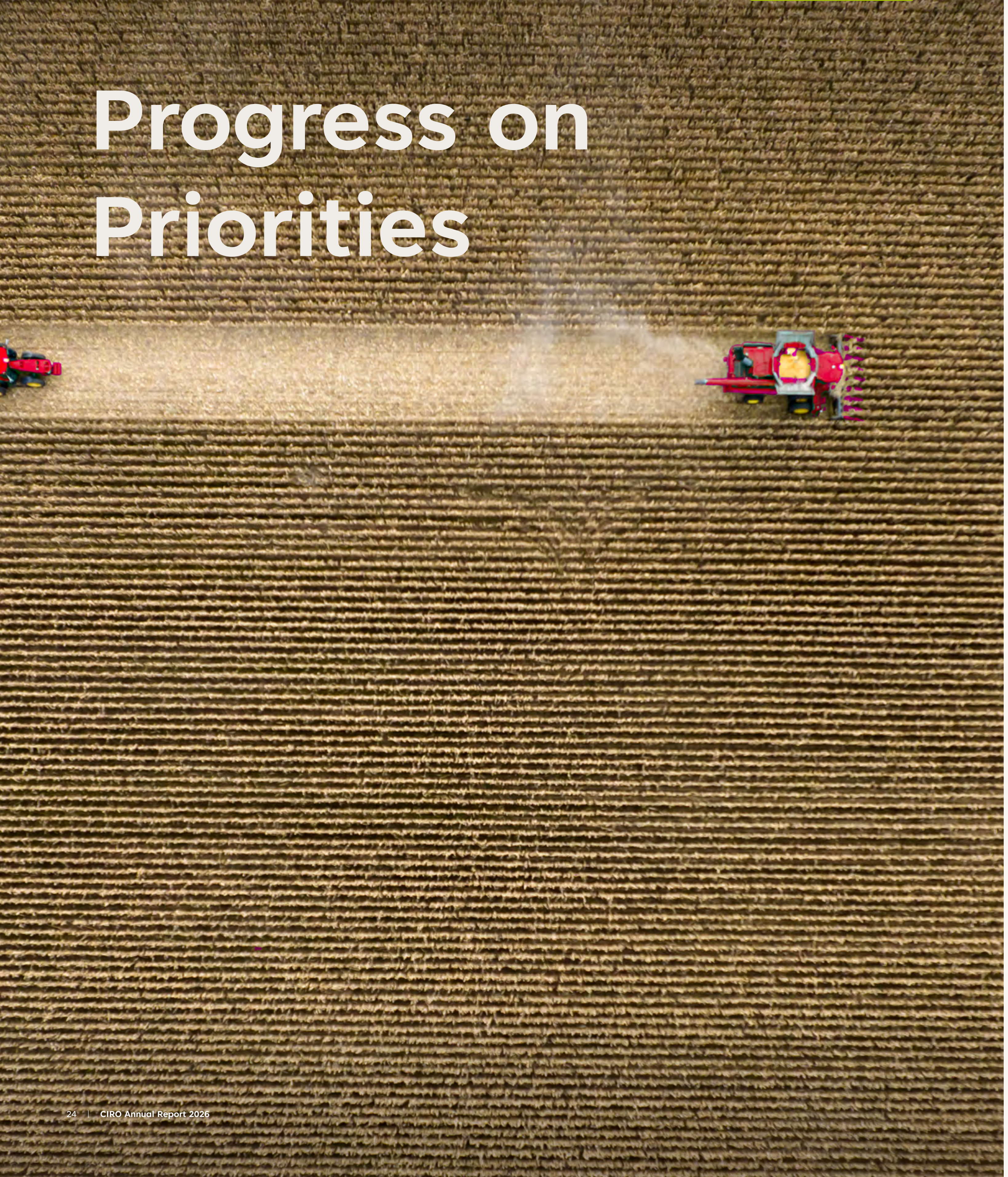
Enforcement Sanctions and Fine Collection

Individuals	FY26
Decisions	39
Fines	$6,266,999
Costs	$392,113
Disgorgement	$958,684
Total	**$7,617,796**
Suspension	16
Conditions	1
Permanent Bar	10
Fine Collection Rate	18%
Sanctions with permanent bar* and fine collection rate	$5,557,265 0.2%
Sanctions without permanent bar and fine collection rate**	$2,060,531 68%

*Cases involving permanent bans from the industry: (1) account for 80% of financial sanctions, (2) result in limited collections due to lack of assets and income, and (3) disproportionately reduce collection rates.
**Individuals who remain registered or get re-registered pay 100% of sanctions.

Firms	FY26
Decisions	9
Fines	$4,097,500
Costs	$285,000
Disgorgement	$4,305,790
Total	**$8,688,290**
Suspension	0
Termination	0
Fine Collection Rate	100%

Progress on Priorities



CIRO's Annual Public Priorities from the 2026 fiscal year marked the second year of CIRO operations guided by our inaugural Strategic Plan released in April 2024. We are proud to report that CIRO delivered on all 28 Annual Priorities from last year.

Our achievements are set out in three broad categories: Regulatory Delivery and Operations, Integration, and finally, Priorities to Advance our Strategic Plan.

Regulatory Delivery and Operations

CIRO is committed to the continuous delivery of effective regulation. Last year, we achieved eight Annual Priorities related to our day-to-day operations and regulatory services.

- Published amendments to the **client reporting rules** that came into effect on January 1, 2026 and addressed public comments on the previously proposed enhanced cost reporting.
- Published findings and guidance from the **Client Focused Reforms (CFR) Phase 2 Sweep** in collaboration with the CSA.
- Published the **Digital Asset Custody Framework** and Guidance on Digital Asset Custody for Crypto-Asset Trading Platforms.
- Conducted an operational resiliency exercise on CTP Members' ability to respond and recover from potential disruptions.
- Developed tools and processes to identify trading data quality issues to enable better Dealer Member compliance processes.
- Improved the operations of the National and Regional Councils.
- Developed information-sharing mechanisms between la Chambre de l'assurance and CIRO.
- Developed cost-recovery models for new and/or expanded mandates.

Integration

Our Strategic Plan laid out six strategic objectives. While Integration was one of those objectives, its importance during the period has led us to treat it distinctly. As in previous years, Integration is central to how CIRO operates and remained a core objective for the year.

- Published **Phase 5 of the Rule Consolidation Project** rule proposal for comment.
- Finalized and published the entire **Rule Consolidation Project** (Proposed CIRO Rules) for comment.
- Published **Amendments to harmonize CIRO Continuing Education Programs – Phase 1**
- Published **Rule amendments on the Proposal to harmonize CIRO Continuing Education Programs – Phase 2**, for comment
- Developed proposed rule amendments to expand Approved Persons' activities through a corporation and obtained feedback on regulatory and tax compliance.

Priorities to Advance Our Strategic Plan

CIRO's inaugural Strategic Plan was the product of significant collaboration with members, stakeholders, and the CSA. Through that collaboration, CIRO was able to target areas for enhancement during the period that would address the needs of Canadian investors and the industry of the future. Many of the initiatives laid out in the plan are multi-year initiatives.

Regulatory Evolution

- Stood up a program to identify opportunities to increase efficiencies for CIRO Members relative to current processes and requirements.

Access to Advice

- Assessed feasibility of standardizing and streamlining account disclosures.
- Reviewed guidance for advisory and managed accounts to explore ways to facilitate access to online advice.
- Published updated guidance to clarify regulatory **limitations on decision-making supports** for order execution only Investment Dealer Members who wish to offer non-tailored advice to DIY investors.

Investor Research, Education and Protection

- **Partnered with Canadian non-profits** to improve investor education and protection.
- Supported Investor Advisory Panel in publishing its first research initiative on **Women and Investing**.
- Published research on **DIY investors' use of social media**.
- Advanced **proposal to return disgorged funds to harmed investors**.
- Continued consultations with key stakeholders on adoption of Canada's Consumer-Driven Banking framework and ways to reduce regulatory duplication.
- Followed up on our survey of Members' use of technology and third parties to identify how we can support CIRO firms in adoption of various technologies like generative AI.

Registration and Proficiency

- Conducted additional registration functions as delegated by CSA.
- Finalized proficiency rules for the new Investment Dealer proficiency model.
- Ensured a smooth transition to the new Investment Dealer proficiency model.

Market Regulation

- Continued to strengthen the **short-selling regulatory regime and proposed amendments for mandatory close-outs**.
- Reviewed and modernized Market Regulation guidance bulletins to aid Dealers in regulatory compliance.

Looking Ahead: 2027 Annual Priorities and the Next Strategic Plan

CIRO's Strategic Plans are formed through significant collaboration and consultation. The inaugural Strategic Plan laid out an ambitious program for the new SRO and since amalgamation, the organization has delivered quickly to harmonize and create efficiency.

CIRO is evaluating whether to extend the current Strategic Plan by one year to align future priorities with several significant developments underway. We will take a thoughtful and deliberate approach before making any decision regarding the future strategic planning horizon.

For more information about CIRO's priorities for the year ahead, please visit **CIRO's 2027 Annual Priorities.**

Governance Report

Governance Overview

CIRO operates under a governance framework established by the Canadian Securities Administrators' (CSA) Recognition Orders. These orders mandate that CIRO's governance structure ensures fair, meaningful and diverse representation on its Board of Directors and its Board Committees. This governance framework facilitates effective oversight and strategic direction, supporting the organization's mission to promote healthy capital markets by regulating fairly and effectively so that investors feel protected and confident when investing for their futures.

Board Committee Mandates
The Board has established four standing committees: Governance; Finance, Audit and Risk; Human Resources and Pensions; and the Appointments Committees. All committees have a majority of Independent Members, with the Governance Committee composed entirely of Independent Directors.

The Governance Committee:
- Reviews the governance policies, principles and practices of CIRO and makes recommendations with respect to governance practices;
- Manages and oversees the process for nominating new Directors to the Board with a view to ensuring that the Board reflects the national character of CIRO and draws upon the diversity and expertise of its members;
- Manages and oversees the process for evaluating the overall performance of the Board and its Committees on an annual basis;
- Ensures that there is an effective process in place for the identification and management of real, potential or perceived conflicts of interest;
- Appoints individuals to the CIRO Investor Advisory Panel; and
- Plans for Board succession.

The Finance, Audit and Risk Committee:
- Oversees the integrity of CIRO's accounting and financial reporting processes;
- Ensures the qualifications, independence and performance of CIRO's external and internal auditors;
- Oversees CIRO's processes relating to its internal control systems and security of information;
- Oversees CIRO's policies and processes for risk management.

The Human Resources and Pension Committee:
- Ensures that CIRO attracts and retains personnel with the appropriate status and experience to achieve its corporate objectives;
- Ensures that CIRO attracts and retains a workforce that will enhance the professionalism and effectiveness of the organization;
- Ensures that CIRO has a CEO succession plan; and
- Assists the Board in its oversight of CIRO's human resources policies and procedures, benefits and pension plans, organizational performance metrics and with ensuring regulatory compliance thereof.

The Appointments Committee:
- Appoints public and industry members to the District Hearing Committees;
- If applicable, removes individual members from the District Hearing Committees;
- Oversees CIRO's processes associated with such appointments and removals.

Board of Directors

CIRO's governance is guided by its Board of Directors, which is responsible for the organization's strategic direction and oversight of management. The Board, as at March 31, 2026, consists of 14 members, including the Chief Executive Officer, six Industry Directors and seven Independent Directors. This composition is designed to provide a broad range of expertise to CIRO's Board, representing various member business models, geographic regions and the public interest.

Board Members

Miranda Hubbs
(Chair, Independent) Corporate Director

Andrew J. Kriegler,
President and CEO

Independent Directors

Kathryn Chisholm,
Corporate Director

Helena Gottschling,
Former Chief Human Resources Officer

Philip Mayers,
Corporate Director

Louis Marcotte,
Vice Chair, Intact Financial Corporation and Managing Director, Intact Insurance Europe SA

Laura Tamblyn Watts,
CEO, CanAge

Jennifer Newman,
Chief Operating Officer, Mastercard Foundation Asset Management

Janet Woodruff,
Corporate Director*

*Janet Woodruff resigned from the CIRO Board in June 2025. Her participation and compensation reflect this timeline.

Industry Directors

Debra Doucette,
Chair, Odlum Brown

Robert Frances,
Founder, Chairman and Chief Executive Officer, PEAK Financial Group

Rhonda Goldberg,
Executive Vice-President and General Counsel, IGM Financial Inc.

Kevin Kennedy,
Executive Vice-President and Head of North American Market Services, Nasdaq

Michelle Khalili,
Managing Director and Head, Global Equity Capital Markets, Scotiabank

Timothy Mills,
Senior Vice-President, Treasury Market and Liquidity Risk Management, CIBC

Board Skills Matrix

Name	Years on Board*	Finance, Audit and Risk Management	Governance	Human Resources	Innovation, Technology, Data and Security	Legal and Compliance	Marketing and Communications	Regulatory, Public Policy and External Relations	Strategic Planning	Consumer Advocacy / Protection**
Kathryn Chisholm	3		●	●		●		●	●	
Debra Doucette	3	●	●	●				●	●	
Robert Frances	3			●	●		●	●	●	
Rhonda Goldberg	2	●	●			●		●	●	
Helena Gottschling	1	●	●	●	●				●	
Miranda Hubbs	3	●	●	●	●				●	
Kevin Kennedy	2	●	●	●				●	●	
Michelle Khalili	3	●	●	●				●	●	
Andrew Kriegler	12	●		●	●			●	●	
Louis Marcotte	3	●	●		●			●	●	
Philip Mayers	3	●	●	●	●				●	
Timothy Mills	7	●	●		●			●	●	
Jennifer Newman	6	●	●		●	●			●	
Laura Tamblyn Watts	6		●				●	●	●	●
Janet Woodruff	11	●	●	●	●				●	

*Years on Board includes periods served as either an appointed or elected Director, and includes time served on the Boards of CIRO's predecessor organizations, IIROC and the MFDA.
**This competency is applicable only to Independent Directors.

Definitions of Director Competencies

Consumer Advocacy / Investor Protection is critical to CIRO's mandate and commitment to protecting investors through advocacy, education, research and policy.

Finance, Audit and Risk Management experience allows the Board and relevant committees to meet their oversight responsibilities, as well as contribute to the audit and reporting oversight of CIRO.

Governance competency involves understanding of the corporate governance trends and best practices, often involves previous or concurrent board of director experience, and professional designations such as the ICD.D or similar.

Human Resources expertise is critical to building an engaged employee culture at CIRO, in navigating change, and the management of compensation-related risks.

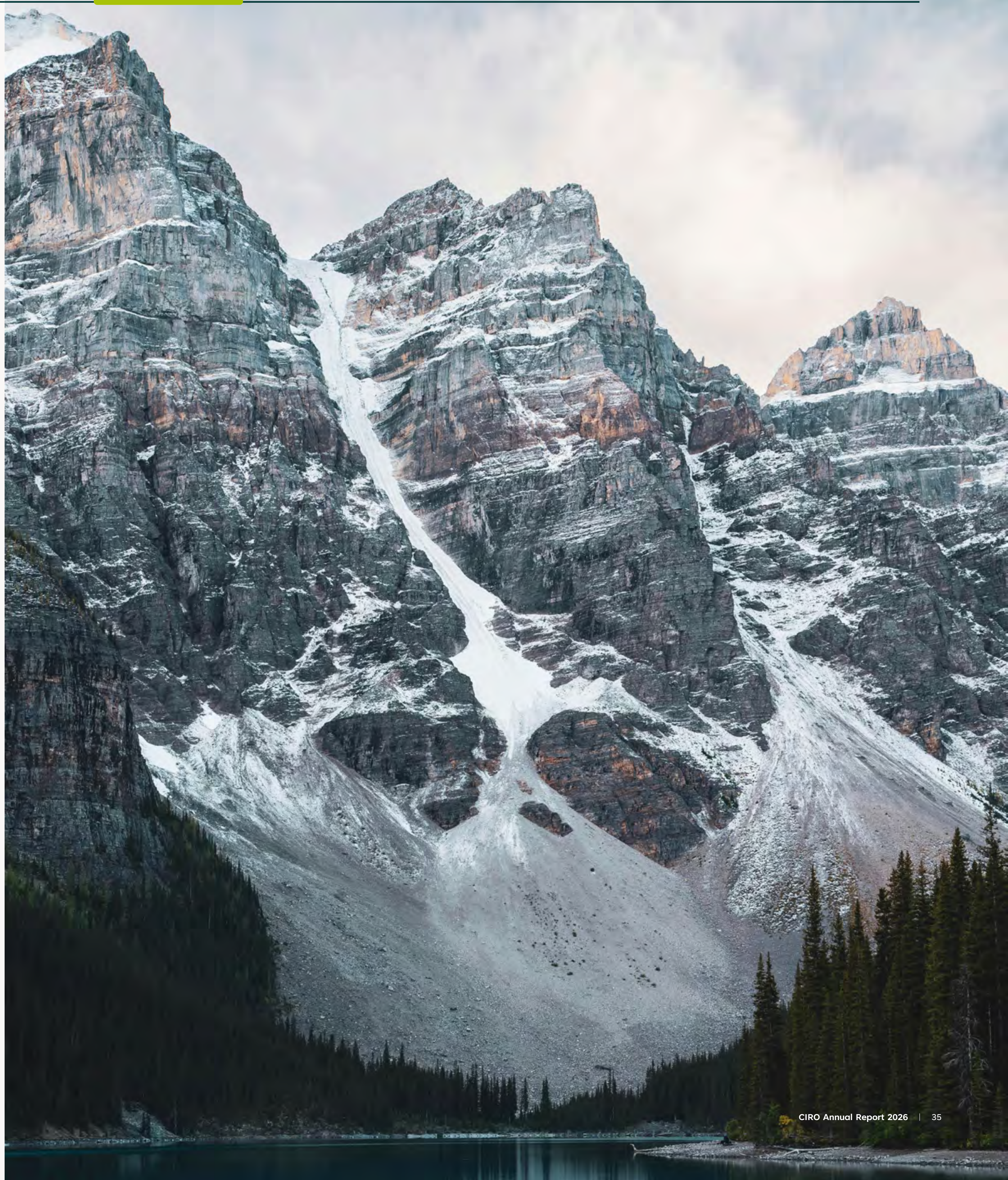
Innovation, Technology, Data and Security experience among our Board enhances business operations, products, services, solutions and security at CIRO and within the policy proposals, including oversight of data privacy and data management and cyber security.

Legal and Compliance expertise is key to CIRO's regulatory mandate and to understanding the internal controls required while reviewing current and potential risks an organization faces.

Marketing and Communications experience supports CIRO in the execution of internal and external communication activities including brand awareness, employee engagement and growth.

Regulatory, Public Policy and External Relations experience is a core competency for the CIRO Board as the organization navigates complexities in the regulatory environment.

Strategic Planning is critical for CIRO as a newly amalgamated organization with a pan-Canadian mandate. It involves expertise in leadership, management of organizational planning, and defining strategy or direction.



Directors' Biographies

Independent Directors

Miranda Hubbs

First Appointed: January 2023
Location: Ontario

CIRO Committees:
Board Chair ex officio all Committees

Other Boards:
- Imperial Oil (IOL-TSX, NYSE)
- Nutrien (NTR-TSX, NYSE)
- PSP Investments
- Canadian Red Cross (Chair)

Reasons for Nomination to Our Board:
Ms. Hubbs has extensive governance experience in some of Canada's largest public companies, Crown corporations and not-for-profits. Additionally, she brings a capital markets perspective from both buy-side and sell-side experience, as well as mergers and acquisitions (M&A), and integration. She is a CFA charterholder, a graduate of the NYU-Nasdaq Center for Board Excellence Cyber Scholar Program, and holds the CERT Certificate in Cyber security Oversight from the Software Engineering Institute of Carnegie Mellon University.

Additional Leadership Experience and Service:
Former board member of Agrium (AGU-TSX, NYSE) and Spectra Energy (SE-NYSE), ICD (Institute of Corporate Directors) Climate Strategy Advisory Board, ICD Sustainability and Resilience Course Academic Advisor, Global Risk Institute Sustainable Finance Advisory Committee.
- Brendan Wood International TopGun Award Top50 Portfolio Manager Canada (2010)
- Brendan Wood International TopGun Investment Mind Oil and Gas Canada (2011)
- King Charles III Coronation Medal

Career Highlights:
McLean Budden Ltd | 2002–2011
- Executive Vice President and Managing Director
- Portfolio Manager (Canadian Growth, US Core, Global Core)

HSBC Securities (Gordon Capital prior to merger) | 1994–2000
- Partner, Investment Banking
- Research Analyst

Kathryn Chisholm

First Appointed: January 2023
Location: Alberta

CIRO Committees:
- Appointments
- Governance
- HR&P, Chair

Other Boards:
- Alberta Cancer Foundation
- Emissions Reduction Alberta
- Palix Foundation

Reasons for Nomination to Our Board:
Ms. Chisholm is a retired energy executive with experience that spans strategic planning, sustainability, legal and regulatory, investor and government relations, market forecasting and analytics, media and communications, internal audit, ethics and compliance and stakeholder engagement. She holds an LL.B, MBA, and ICD.D designation.

Additional Leadership Experience and Service:
- Former Member of Alberta Securities Commission as Lead Independent Director
- Women's Executive Network Canada's Most Powerful Women: Top 100 Hall of Fame Canadian
- Corporate Counsel Association "Robert V.A. Jones" Lifetime Achievement Award.
- Former Chair of the Board of Governors, University of Alberta

Career Highlights:
Capital Power | 2009–2023
- Senior Vice President, Chief Legal, Strategy and Sustainability Officer

Helena Gottschling

First Appointed: July 2025
Location: British Columbia

CIRO Committees:
- HR&P
- Governance

Other Boards:
- Plan International Canada
- Breakthrough T1D (formerly JDRF)

Reasons for Nomination to Our Board:
Ms. Gottschling brings invaluable experience as the former Chief Human Resources Officer at RBC, where she worked for more than 35 years. Her knowledge of talent management, HR best practices, learning and development, and managing change resulting from technology adoption and mergers and acquisitions, positions her uniquely to contribute to the CIRO Board.

Additional Leadership Experience and Service:
- Former Committee Member: GTA United Way Major Gifts Campaign (7 years)
- WXN Top 100 Award (2021)
- Former Member: C.D. Howe Institute Human Capital Policy Council
- Former Board Member: Mosaic Institute, Toronto
- Former Board Member: CanStage Theatre Company, Toronto
- Former Board Member: Calgary Chamber of Commerce

Career Highlights:
RBC | 1985–2022
- Chief Human Resources Officer
- Senior Vice President, Leadership and Organizational Development
- Vice President, Client Strategy Development

Louis Marcotte

First Appointed: January 2023
Location: Québec

CIRO Committees:
- Governance
- FAR

Other Boards:
- RSA Insurance Group Limited (UK regulated)
- Intact Insurance UK Limited (UK regulated)
- Intact Insurance Europe SA (regulated)
- Cartan Trade (France)
- Canada Guarantee Mortgage Insurance Company

Reasons for Nomination to Our Board:
As a prior Chief Financial Officer of a large Canadian regulated publicly listed insurance company, Mr. Marcotte brings significant financial management acumen to the Board, including M&A, systems implementation, public reporting, tax and corporate governance. Additionally, his global experience with regulated environments and his appointment as board member of foreign subsidiaries brings an important lens to CIRO's business. He holds an FCPA designation and completed an Executive MBA in financial services.

Additional Leadership Experience and Service:
- Fellow of Québec Order of CPAs
- Leadership role in Canada's Sustainable Finance Action Council
- Former Board Member, Board of Governors of Finance Montréal

Career Highlights:
Intact Financial | 2006–Present
- Vice Chair, Intact Financial Corporation and Managing Director, Intact Insurance Europe SA
- Executive Vice-President and Chief Financial Officer
- Senior Vice-President of Strategic Distribution
- Treasurer

Philip Mayers

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- FAR, Chair
- HR&P

Other Boards:
- Sagen MI Canada

Reasons for Nomination to Our Board:
Mr. Mayers has 30 years of finance and general management experience in regulated financial services and other businesses. His C-suite and leadership skills help support the CIRO Board's oversight role. He holds CPA, CA and CMA designations.

Additional Leadership Experience and Service:
- Youth Mentor in Jane-Finch Community (Toronto) with Seeds of Hope.
- Founding sponsor of the University of Waterloo School of Accounting and Finance's Financial Literacy Competition.
- Top Gun CFO (2019) based on Brendan Wood International Shareholder Confidence survey of public company CFOs.

Career Highlights:
Sagen MI Canada | 2009–2023
- Senior Vice President and Chief Financial Officer

Mortgage Insurance Company of Canada

Esso Petroleum Canada

Deloitte & Touche

Jennifer Newman

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- Appointments, Chair
- FAR
- Governance, Chair

Reasons for Nomination to Our Board:
Ms. Newman is a CPA and has extensive experience in finance, technology, project, risk and change management. She also brings valuable institutional knowledge having chaired the FAR Committee of the Investment Industry Regulatory Organization of Canada (IIROC) board, one of CIRO's predecessors. She holds an ICD.D designation.

Additional Leadership Experience and Service:
- Former IIROC board member

Career Highlights:
Mastercard Foundation Asset Management (MFAM) | 2022–Present
- Chief Operating Officer
- Special Advisor to the Investment Committee of Mastercard Foundation

Ontario Teachers' Pension Plan | 2009–2021
- Senior Managing Director, Operations and Technology Delivery
- Senior Managing Director, Enterprise Service Delivery
- Vice President, Investment Finance Operations

CIBC | 2005–2009
- Vice President, Finance

BMO | 1997–2005
- Director, Finance PricewaterhouseCoopers | 1992–1997

Laura Tamblyn Watts

First Appointed: January 2023
Location: Nova Scotia

CIRO Committees:
- Appointments
- Governance
- HR&P

Other Boards:
- AGE-WELL: Canada's Network Centre of Excellence on Aging and Technology
- PACE Independent Living

Reasons for Nomination to Our Board:
Ms. Tamblyn Watts has done extensive advocacy work focusing on vulnerable investors, consumer rights, social justice, aging and inclusion. She is a public interest executive with 25 years' experience giving a lens to a key CIRO stakeholder group, as well as institutional knowledge from her service on the IIROC board. She holds an LL.B, ICD.D and C.Arb (Certificate in Adjudication for Administrative Agencies, Boards and Tribunals) designations.

Additional Leadership Experience and Service:
- Former IIROC board member.
- #1 Best-selling author of Let's Talk About Aging Parents released in April 2024.
- Canadian expert appointee on the North American Securities Administrators' Association's Seniors' and Vulnerable Persons' Committee.
- International Association of Insurance Supervisors Consumer Advisory Committee.
- Retirement Homes Regulatory Authority Consumer Advisory Committee.
- Commission for Complaints for Telecom-Television Services (CCTS) Consumer Advisory Committee.
- Founding Member of the OSC's Seniors' Expert Advisory Committee 2020/2021.
- Community Leadership in Justice Fellowship by the Law Foundation of Ontario.
- Distinguished International Fellow Award from Stetson University Centre for Excellence in Elder Law.
- Canadian Representative to the International Guardianship Network, Fellow of the World Congress on Adult Guardianship.

Career Highlights:
CanAge | 2019–Present
- Chief Executive Officer

University of Toronto | 2011–Present
- Assistant Professor, (Status) Adjunct Professor

Janet Woodruff

First Appointed: January 2023
Retired: June 2025
Location: British Columbia

Other Boards:
- Ballard Power Systems (BLDP-TSX, Nasdaq)
- Keyera Corporation (KEY-TSX)
- Altus Group Limited (AIF-TSX)

Reasons for Nomination to Our Board:
Ms. Woodruff brings significant governance, financial and human resources experience to the Board from regulated and other industries. She also brings extensive mutual fund dealer self-regulatory knowledge having served on the board of one of CIRO's predecessors, the Mutual Fund Dealers Association of Canada (MFDA). She holds FCPA, FCA and ICD.D designations.

Additional Leadership Experience and Service:
- Former MFDA board member
- Former board member of Capstone Infrastructure Corporation (CSE.A-TSX)
- Fellow Chartered Accountants of British Columbia

Career Highlights:
BC (British Columbia) Hydro | 2010–2011
- Vice President and Special Advisor

British Columbia Transmission Corporation | 2007–2010
- Interim President
- Vice President, Corporate Services and Chief Financial Officer

Industry Directors

Debra Doucette

First Appointed: January 2023
Location: British Columbia

CIRO Committees:
- Appointments
- HR&P

Other Boards:
- Providence Health Care
- Alumni UBC (past Chair)
- Drug Free Kids Canada

Reasons for Nomination to Our Board:
Ms. Doucette's background with a medium-sized self-clearing investment dealer that services retail and wealth management channels brings an important member perspective to CIRO's Board. She also brings self-regulatory governance experience and extensive leadership skills.

Additional Leadership Experience and Service:
- Chancellor of Capilano University
- Former Chair, Canadian Investor Protection Fund
- Former MFDA board member
- Order of British Columbia 2021
- Canada's Most Admired CEO 2017
- BC CEO Award 2016
- Joseph and Rosalie Segal United Way Community Vision Award 2016
- Influential Women in Business 2015
- Queen Elizabeth II Diamond Jubilee Medal 2012
- BC Community Achievement Award 2012
- Women's Executive Network Canada's Most Powerful Women: Top 100 Hall of Fame

Career Highlights:
Odlum Brown | 1991–Present
- Chair
- President and CEO

Robert Frances

First Appointed: January 2023
Location: Québec

CIRO Committees:
- Appointments
- HR&P

Other Boards:
- LANDR Audio (Chair)

Reasons for Nomination to Our Board:
Mr. Frances dedicates much of his time to the finance community and investment industry in Québec. His investment dealer and mutual fund dealer experience at a small- to medium-sized member firm provides invaluable insight to the CIRO Board. He holds a CFP designation.

Additional Leadership Experience and Service:
- Former Chair, Investment Funds Institute of Canada
- Concordia University John Molson School of Business Advisory Board
- International Board Chair, Young Presidents' Organization (2011–2012)
- Ernst & Young Entrepreneur of The Year (Business Services Category)

Career Highlights:
PEAK Financial Group | 1992–Present
- Founder, Board Chair and Chief Executive Officer

Rhonda Goldberg

First Elected: September 2024
Location: Ontario

CIRO Committees:
- FAR

Reasons for Nomination to Our Board:
Ms. Goldberg's deep knowledge of the securities regulatory environment and the asset and wealth management industry positions her to contribute meaningfully to CIRO's Board. She brings the unique skills and experience of both the public and private sectors. She holds an LL.B designation.

Additional Leadership Experience and Service:
- Former board member, Wealthsimple (May 2017–May 2026)
- Former board member, Ombudsman for Banking Services and Investments (OBSI)
- Former member, Ontario Securities Commission, Securities Advisory Committee
- 2019 United Way Campaign Cabinet

Career Highlights:
IGM Financial Inc. | 2015–Present
- Executive Vice President and General Counsel
- Senior Vice President, Client and Regulatory Affairs
- Vice President, Regulatory Affairs

Ontario Securities Commission (OSC) | 1999–2015
- Director, Investment Funds and Structured Products
- Acting Director, Office of the Investor
- Deputy Director-Manager, Investment Funds
- Senior Legal Counsel, Investment Funds

Kevin Kennedy

First Appointed: December 2024
Location: Pennsylvania, U.S.

CIRO Committees:
- FAR

Other Boards:
- The Options Clearing Corporation
- Nasdaq CXC Limited

Reasons for Nomination to Our Board:
Mr. Kennedy has worked in the capital markets for over 35 years, beginning his career as an independent market maker. He brings deep knowledge of options and equities products to our Board, as well as significant cross-border expertise.

Additional Leadership Experience and Service:
- Former U.S. Commodity Futures Trading Commission
- Former Governor of Philadelphia Stock Exchange

Career Highlights:
Nasdaq | 2007–Present
- Executive Vice President and Head of North American Markets
- Head of U.S. Derivatives

Trinity Derivatives | 2005–2006
- Derivatives Trader
- Head of U.S. Derivatives

Goldman Sachs | 2001–2004
- Vice President, Equities

Oppenheimer, Noonan and Weiss | 1999–2001
- Derivatives Trader

Michelle Khalili

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- HR&P

Reasons for Nomination to Our Board:
Ms. Khalili brings experience from a large bank-owned dealer firm, along with extensive capital markets and leadership expertise. She has held CA and CFA designations.

Additional Leadership Experience and Service:
- Former board member Women's College Hospital and Ontario Brain Institute
- Former Chair and Canadian Committee Member of 100 Women in Finance Canada
- Former Vice Chair, IIROC board member

Career Highlights:
Scotiabank | 2018–Present
- Managing Director and Global Head, Equity Capital Markets and Corporate Finance Advisory

CIBC | 2016–2018, 2000–2012
- Managing Director, Private Capital Investment Banking
- Managing Director

Goldman Sachs | 2012–2016
- Managing Director and Head of Equity Capital Markets, Canada

Timothy Mills

First Appointed: January 2023
Location: Ontario

CIRO Committees:
- FAR

Reasons for Nomination to Our Board:
Mr. Mills brings a wealth of risk management and financial expertise to the CIRO Board from a large bank-owned, fully integrated (retail and institutional) Dealer Member, as well as legacy board experience from IIROC, CIRO's predecessor. He holds CFA and FCA designations.

Additional Leadership Experience and Service:
- Former IIROC board member
- Chartered Financial Analyst
- Fellow of the Institute of Chartered Accountants in England and Wales

Career Highlights:
CIBC (Canadian Imperial Bank of Commerce) | 2009–Present
- Senior Vice President, Treasury Market and Liquidity Risk Management
- Vice President, Capital Markets Risk Management

Kaupthing Singer & Friedlander, London, England | 2007–2009
- Head of Interest Rate Derivatives Trading

Nationwide Building Society, Northampton, England | 2003–2007
- Head of Derivatives Trading

Director Compensation

Industry Directors are not compensated for participation on the CIRO Board or its Committees. The following retainer rates came into effect on September 24, 2025. CIRO compensates Independent Directors in accordance with the following framework:

- Independent Directors receive a $110,000 annual retainer for attendance at Board and Committee meetings.
- Independent Directors who serve as Chair of the Board or Committee Chairs will receive an additional annual retainer.
- An additional $88,000 per annum retainer for the Chair of the Board.
- An additional $15,000 per annum retainer for a Committee Chair position with the exception of the Appointments Committee Chair, which is not subject to additional compensation.

Meetings of the Board and Board Committees & Total Compensation

April 1, 2025 to March 31, 2026

CIRO held ten board meetings during the fiscal year. Below is a breakdown of Director attendance at all governance meetings, where the denominator represents the total number of possible meetings during the year.

Director	Board of Directors	Finance & Audit	Governance Committee	Human Resources & Pension	Regulatory Rules Brief	Appointments Committee	Cyber Incident Sub-Committee	Total Compensation*
Kathryn Chisholm*	10/10		6/6	7/7	5/5	1/1	5/5	$127,114.79
Debra Doucette	10/10		6/7	5/5	1/1			
Robert Frances	9/10			7/7	5/5	1/1	5/5	
Rhonda Goldberg	9/9	6/7			5/5		5/5	
Helena Gottschling*	8/8			6/6	4/4			$83,588.05
Miranda Hubbs*	10/10	7/8	5/6	7/7	5/5	0/1	5/5	$200,765.43
Kevin Kennedy	10/10	8/8			5/5			
Michelle Khalili	10/10			7/7	5/5			
Andrew Kriegler	10/10	8/8	5/6	7/7	5/5	1/1	5/5	
Louis Marcotte*	9/10	8/8	6/6		5/5			$111,822.23
Philip Mayers*	10/10	8/8		7/7	5/5		5/5	$127,114.79
Timothy Mills	10/10	8/8			5/5		5/5	
Jennifer Newman*	10/10	8/8	6/6		5/5	1/1	5/5	$127,288.91
Laura Tamblyn Watts*	10/10		6/6	7/7	5/5	1/1		$111,822.23
Janet Woodruff*	1/2		0/2	2/2	0/1			$23,672.13

*Only Independent Directors are compensated by CIRO.

Management Discussion and Analysis

The Management Discussion and Analysis ["MD&A"] on CIRO's operations and financial position is presented for the fiscal year ["FY"] ended March 31, 2026. The MD&A should be read in conjunction with the Financial Statements and related notes.

The MD&A provides a comprehensive review of financial performance and operating results for the fiscal year, along with an outlook aligned with the organization's strategic initiatives. Throughout amounts are shown in thousands of dollars Canadian.

Certain statements in this MD&A are forward-looking and are therefore subject to risks and uncertainties. The financial performance or events forecast in these statements may differ materially from actual financial performance or events. CIRO has based these forward-looking statements on its views of future events and financial performance as of the date of the MD&A. Any assumptions, although reasonable in judgement at the time of publication, are not guarantees or predictions of future performance.

CIRO is a cost-recovery, not-for-profit, pan-Canadian regulator that recovers its operating expenses for each of its key areas of regulation. CIRO was formed through the amalgamation of the Mutual Fund Dealers Association of Canada and the Investment Industry Regulatory Organization of Canada on January 1, 2023. On April 1, 2025, CIRO's new Integrated Fee Model came into effect. Investment Dealer and Mutual Fund Dealer membership fees are now reported on a consolidated basis. Prior year revenues and expenses are restated to align with the Integrated Fee Model. CIRO's primary source of revenue is through fees for Dealer regulation, Equity Market regulation, Debt Market regulation and Debt IP activities, which are collected through the application of their respective fee models.

Dealer regulation secondary sources of revenue include underwriting levies, which represent a stipulated percentage share of the value of certain public equity and debt underwritings in Canada, and registration fees based on arrangements with provincial securities authorities. CIRO also collects fees for Continuing Education ["CE"] course accreditation services and registration, as well as Proficiency examination fees as of January 1, 2026. Within Equity Market regulation, CIRO recovers costs associated with administering timely disclosure services for the TSX, TSXV, CSE, and CBOE exchanges, and earns marketplace revenue from providing regulatory oversight services to alternative trading systems, exchanges, and crypto trading platforms.

FY 2026 in Review

Economic & Market Environment

Canada's economic growth slowed in FY 2026. Trade-related uncertainty, including U.S. tariffs, weighed on exports and business investment, while higher borrowing costs dampened housing activity and consumer demand. GDP growth was weak to flat through 2025, with some quarters showing contraction and early signs of excess supply emerging by early 2026. Labour market conditions softened, with unemployment rising to the high 6% range. Inflation broadly trended toward the Bank of Canada's 2% target, enabling policy rate reductions earlier in the period before inflation ticked up in the fourth quarter. Capital markets activity was resilient but uneven, with lower deal volumes and a shift toward fewer, larger transactions alongside elevated long-term yields, reflecting cautious investor sentiment amid persistent inflation and geopolitical uncertainty. These macroeconomic conditions have impacted CIRO's financial results as follows:

- Higher underwriting levies from increased equity and debt issuances;
- A remeasurement gain for the pension and post-retirement benefit plans; and
- Increased costs due to inflationary pressures, with notable impacts upon compensation and major information technology contract renewals.

Key Highlights

In FY 2026, CIRO made targeted investments aimed at improving the efficiency and effectiveness of the regulatory system. More specifically, these investments have reduced regulatory complexity and administrative duplication, while supporting a more streamlined experience for firms and registrants across the country. As a result – and as part of CIRO's ongoing assessment of its strategic priorities in concert with changing regulatory and Member needs – the organization undertook measures to better align resources, **reducing business-as-usual fees by 1% for FY 2027.**

Key initiatives during FY 2026 included:

- **Registration and Proficiency:** Adopted a single, national registration model, harmonizing requirements across jurisdictions. Additionally, in January 2026, CIRO successfully launched the new Proficiency Program, establishing an exam-centric and modernized proficiency standard for all Investment Dealers and their Approved Persons.
- **Québec Transition:** In close collaboration with L'Autorité des marchés financiers (AMF) and the Chambre de l'assurance (ChA, formerly CSF), CIRO expanded its examination process to include Mutual Fund Dealer firms with activities in Québec.

While these initiatives required additional staff to support expanded responsibilities, concentrating these functions within CIRO has enhanced consistency, created a level playing field, and enabled greater economies of scale and efficiency across the regulatory system. Additionally, CIRO was able to leverage in-year operational savings to address its cyber security incident. In working with external cyber security and legal experts on incident response and remediation efforts, CIRO is significantly strengthening its overall risk posture while continuing to deliver upon its regulatory mandate.

Summary Financial Information

Unrestricted Fund

	FY 2026 $	FY 2025 $	Variance $	Variance %
REVENUE				
Dealer regulation				
Dealer membership fees	**102,569**	**100,518**	2,051	2%
Underwriting levies	**13,518**	**11,272**	2,246	20%
Registration fees	**4,228**	**1,840**	2,388	*
Continuing education revenue	**841**	**625**	216	35%
Proficiency revenue	**694**	**–**	694	*
Entrance fees	**315**	**115**	200	*
Business change fees	**230**	**–**	230	*
	122,395	**114,370**	**8,025**	**7%**
Market regulation				
Equity regulation	**33,067**	**31,930**	1,137	4%
Debt regulation	**2,571**	**2,511**	60	2%
Timely disclosure	**3,898**	**3,668**	230	6%
Marketplace revenue	**517**	**464**	53	11%
	40,053	**38,573**	**1,480**	**4%**
Debt Information Processor [“Debt IP”]	**1,634**	**1,634**	**–**	**0%**
Other revenue				
Investment income including interest	**2,581**	**5,575**	(2,994)	(54%)
Recoveries of enforcement costs	**511**	**311**	200	64%
Miscellaneous	**2,945**	**2,805**	140	5%
	6,037	**8,691**	**(2,654)**	**(31%)**
Total Unrestricted Fund revenue	**170,119**	**163,268**	**6,851**	**4%**
EXPENSES				
Dealer regulation	**128,337**	**115,556**	(12,781)	(11%)
Market equity regulation	**39,087**	**36,198**	(2,889)	(8%)
Market debt regulation	**2,765**	**2,840**	75	3%
Debt IP	**1,382**	**1,341**	(41)	(3%)
Total Unrestricted Fund expenses before integration	**171,571**	**155,935**	**(15,636)**	**(10%)**
(Deficiency)/excess before integration	**(1,452)**	7,333	(8,785)	*
Integration Cost Recovery Fees	**–**	5,091	(5,091)	*
(Deficiency)/excess of revenue over expenses for the year	**(1,452)**	**12,424**	**(13,876)**	*

Variances presented as favourable/(unfavourable)
*Variance is greater than +/- 100% or is not meaningful.

Externally Restricted Fund

	FY 2026 $	FY 2025 $	Variance $	Variance %
REVENUE				
Entrance fees	**45**	252	(207)	(82%)
Monetary sanctions and other fines	**10,723**	4,660	6,063	*
Interest income	**615**	938	(323)	(34%)
Miscellaneous revenue	**64**	11	53	*
Total Externally Restricted Fund revenue	**11,447**	**5,861**	**5,586**	**95%**
EXTERNALLY RESTRICTED FUND EXPENSES				
Costs of administration (hearings, investor advisory panel, investor office)	**1,830**	**1,552**	**(278)**	**(18%)**
Non-profit contributions				
Financial education	**819**	390	(429)	*
Complaint support	**271**	171	(100)	(58%)
Investor advocacy	**248**	25	(223)	*
Total non-profit contributions	**1,338**	**586**	**(752)**	*
Other public interest project expenses				
Proficiency framework infrastructure	**2,052**	409	(1,643)	*
Education and research	**822**	253	(569)	*
Amortization, interest and impairment on capital assets	**729**	892	163	18%
Awareness campaign	**124**	531	407	77%
System development	**93**	-	(93)	
Total other public interest project expenses	**3,820**	**2,085**	**(1,735)**	**(83%)**
Total Externally Restricted Fund expenses	**6,988**	**4,223**	**(2,765)**	**(65%)**
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	**4,459**	**1,638**	**2,821**	*

Variances presented as favourable/(unfavourable)
*Variance is greater than +/- 100%

Unrestricted Fund – Revenues

Unrestricted Fund revenue for the period increased by $6,851 [4%] to $170,119 in FY 2026.

Fees from Dealer regulation, Equity Market regulation, Debt Market regulation, and Debt IP fee models are the primary sources of revenue. Fees collected from these four fee models, at an aggregate of $139,841, represent approximately 82% of total CIRO revenue [84% in FY 2025]. Fees are approved by the Board, based on projected operating expenses, and reduced by any related secondary sources of revenue. Reasonability is assessed in aggregate, and for each fee model when fees are set.

During the period revenue from Dealer membership fees increased by $2,051 [2%] to $102,569, Equity Market fees increased by $1,137 [4%] to $33,067, and Debt Market fees increased by $60 [2%] to $2,571. These increases were driven by higher costs associated with supporting greater complexity and activity volumes, including additional compensation and information technology expenses. Overall, the fee adjustments reflected both general cost pressures required to sustain effective delivery of CIRO's regulatory mandate in a rapidly evolving environment while continuing to execute its strategic plan. Debt IP fees remained unchanged from FY 2025 at $1,634.

Total revenue from secondary sources for Dealer and Market regulation increased by $6,257 [35%] to $24,241 in FY 2026.

For Dealer regulation, registration fee revenue increased by $2,388 [130%] to $4,228 primarily attributable to newly delegated registration activities. Underwriting levies increased by $2,246 [20%] to $13,518, reflecting higher debt and equity issuances under the prevailing market conditions. Proficiency exam revenue of $694 was recorded following the launch of the program in January 2026. Continuing education revenue increased by $216 [35%] to $841, driven by higher activity during the year. In addition, CIRO recorded $230 in newly introduced business change fees, along with higher entrance fee revenue, which increased by $200 [174%] to $315 due to new entrants.

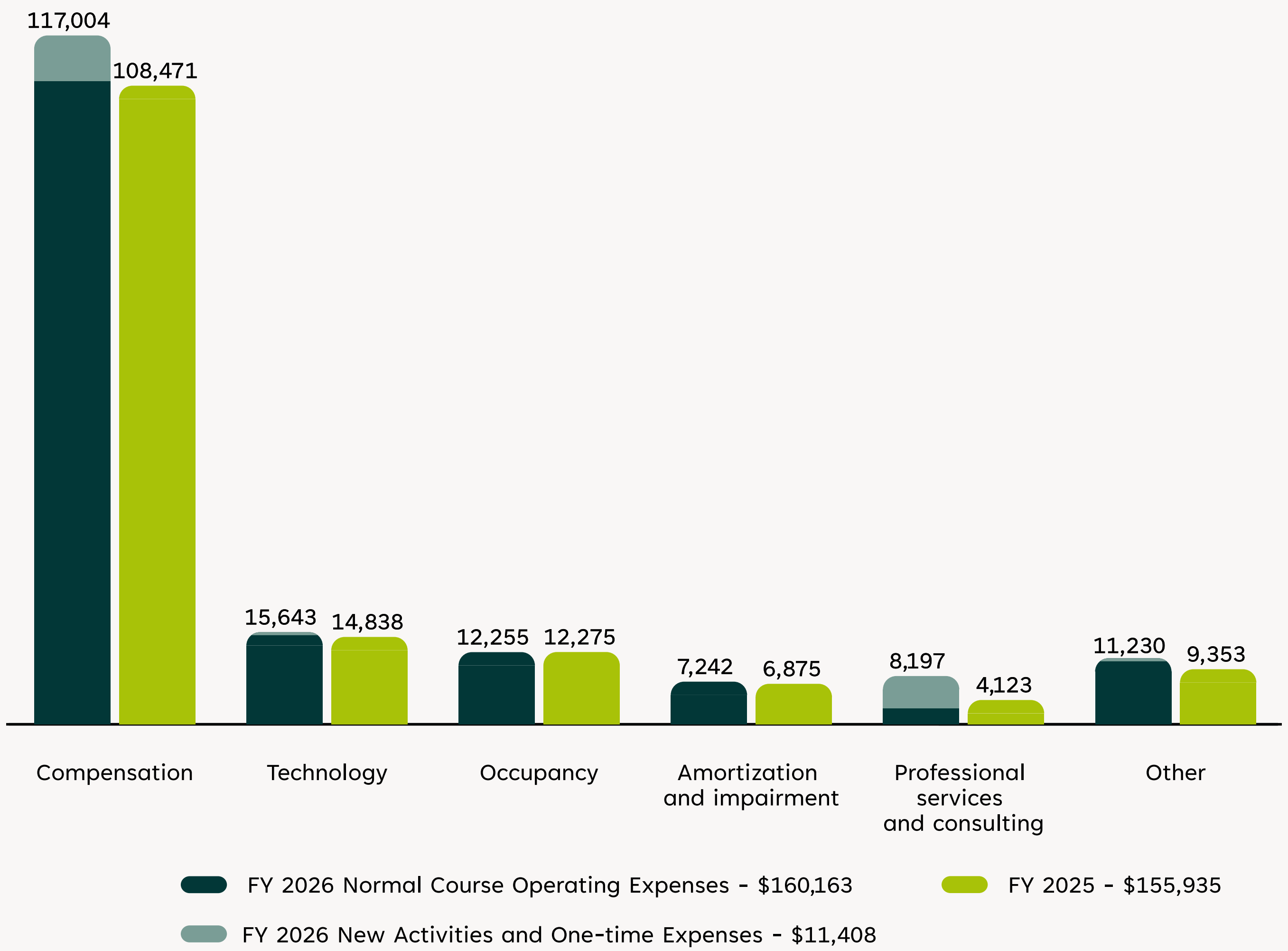
For Market regulation, timely disclosure fees from the TSX, TSXV, CSE and CBOE exchanges increased by $230 [6%] to $3,898. These fees are charged on a cost-recovery basis for administering timely disclosure policies, and the increase reflects higher committed costs related to systems and overhead required to support the delivery of services.

Other revenue declined by $2,654 [31%] to $6,037 in FY 2026. This decrease was primarily driven by lower interest and investment income, which declined by $2,994 [54%] to $2,581, reflecting lower investment returns for non-registered employee pension and post-retirement benefit plans as a result of market fluctuations, as well as reduced interest income on lower rates. The decrease was partially offset by higher enforcement cost recoveries, which increased $200 [64%] to $511 driven by increased settlements.

Unrestricted Fund – Expenses

CIRO's total operating expenses increased $15,636 [10%] to $171,571 in FY 2026. This increase includes $11,408 [7%] related to new initiatives and one-time costs, primarily to support Registration Delegation, Québec Mutual Fund Dealer examinations, the Proficiency Program, and one-time cyber incident response and restructuring activities. CIRO's operating expenses consist of six main categories.

Total Operating Expenses ($)



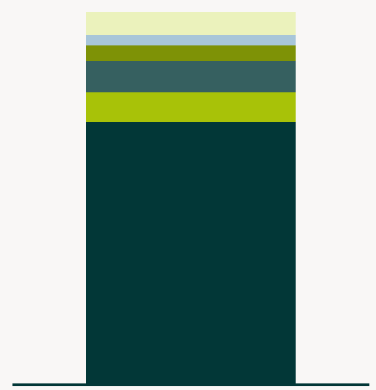
Direct business unit expenses are separately captured for each of the five fee models with indirect expenses being allocated using a cost allocation model based on either direct business unit expenses or business unit headcount as appropriate.

Dealer Regulation Operating Expenses ($)

FY 2026
$128,337

Other	8,867
Professional services and consulting	6,494
Amortization and impairment	5,060
Occupancy	9,832
Technology	9,548
Compensation	88,536

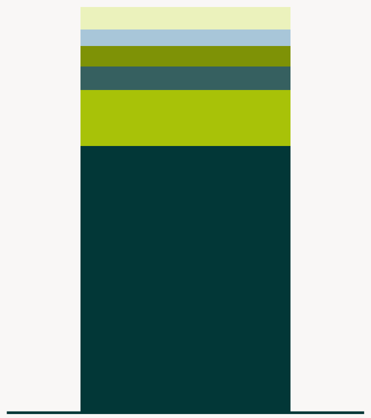
FY 2025
$115,556



Other	7,224
Professional services and consulting	3,192
Amortization and impairment	4,834
Occupancy	9,800
Technology	9,011
Compensation	81,495

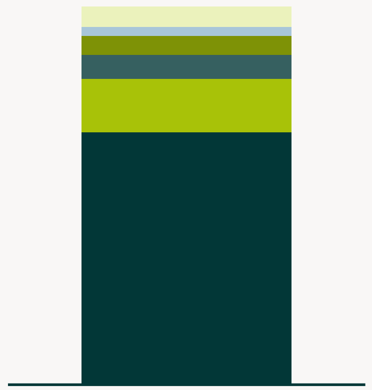
Market (Equity & Debt) Regulation Operating Expenses ($)

FY 2026
$41,852



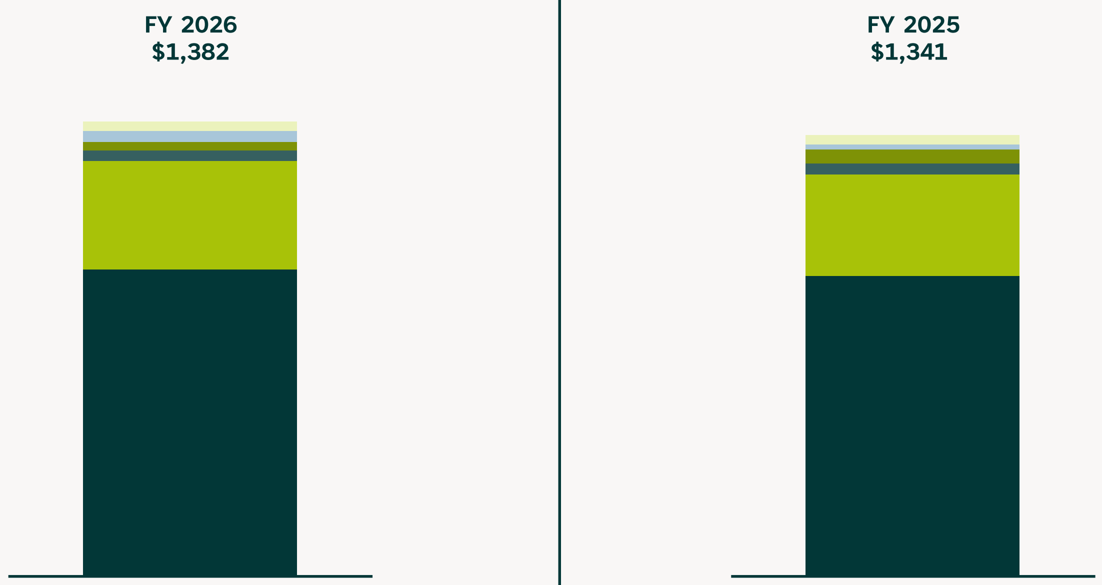
Other	2,333
Professional services and consulting	1,670
Amortization and impairment	2,156
Occupancy	2,391
Technology	5,766
Compensation	27,536

FY 2025
$39,038



Other	2,099
Professional services and consulting	916
Amortization and impairment	1,997
Occupancy	2,433
Technology	5,518
Compensation	26,065

Debt IP Operating Expenses ($)



	FY 2026		FY 2025
Other	30	Other	30
Professional services and consulting	33	Professional services and consulting	15
Amortization and impairment	26	Amortization and impairment	44
Occupancy	32	Occupancy	32
Technology	329	Technology	309
Compensation	932	Compensation	911

In FY 2026, compensation accounted for approximately 68% of operating expenses (similar to the 70% in FY 2025), representing the largest expense category. Compensation increased by $8,533 [8%], with $5,918 [6%] driven by one-time workforce restructuring costs and added headcount to support new initiatives. When excluding these costs, business-as-usual compensation costs increased $2,615 [2%] primarily reflecting normal course merit increases, consistent with CIRO's pay-for-performance culture and market conditions. One-time workforce restructuring costs, funded from in-year operational savings, were incurred to better align resources with changing regulatory needs and drive efficiencies headed into FY 2027. Additional headcount was required to support new mandates for Registration Delegation and Québec Mutual Fund Dealer examinations, which was partially funded through a $4,140 planned deficit to support Members through the transition.

Technology costs increased by $805 [5%], primarily due to major contract renewals reflecting inflationary adjustments, and the addition of services and scaling of applications required to support business operations. These higher costs were partially offset by efficiencies achieved through infrastructure consolidation. Under Market Regulation, the increase also included incremental support services required to increase the capacity of the existing market surveillance system to accommodate higher trading volumes.

Occupancy costs remained flat to the prior fiscal year.

Amortization and impairment increased by $367 [5%], primarily from leasehold improvements, furniture and equipment for the new Calgary premises.

Professional services and consulting expenses increased by $4,074 [99%], driven primarily by one-time cyber security incident response costs net of insurance recoveries, including credit monitoring, external advisory, and remediation activities. These unplanned costs were funded from in-year operational savings and strong underwriting levy results. Under Dealer Regulation, the increase also reflects ongoing operational costs of the new Proficiency Program following its launch.

Other expenses increased by $1,877 [20%], primarily due to incremental costs incurred commensurate with additional Registration Delegation activities under Dealer Regulation and funded from the planned deficit to support the transition.

Unrestricted Fund

There was an operating deficit of revenues over expenses of $1,452 in FY 2026, compared to a surplus before integration recoveries of $7,333 in FY 2025. The FY 2026 deficit was planned to support new mandates for Registration Delegation and Québec Mutual Fund Dealer examinations, and was further impacted by incremental costs associated with the cyber incident response. These factors were mitigated by higher, market-driven underwriting levies, increased Proficiency and registration fee revenue, and lower overall operating costs. The FY 2025 surplus was primarily driven by higher non-controllable revenues and lower project expenditures due to the advancement of capital projects.

The Unrestricted Fund balance increased by $5,373 [5%] to $112,047 due to a net remeasurement gain of $6,825 for the pension and the post-retirement benefit plans, partially offset by the operating deficit noted above.

In assessing the reasonability of the Unrestricted Fund balance, CIRO notes that the balance provides for liquidity requirements as per internal guidelines, protection against potentially significant adverse moves in the funding position and solvency requirements for pension plans, non-registered Supplemental Executive Retirement Plans ["SERP"], and Post-Retirement Benefits Plans ["PRB"]. In addition, CIRO sets aside reasonable amounts for a portion of the Canadian Investor Protection Fund ["CIPF"] loan guarantee, as well as other contingencies.

Externally Restricted Fund

Revenues for the Externally Restricted Fund come from monetary sanctions, meaning any fines or other monetary amounts, including disgorgement, ordered in or arising from an Enforcement Proceeding or any other measure taken by CIRO. Monetary sanctions do not include costs ordered in Enforcement Proceedings.

According to the Recognition Orders effective January 1, 2023, and amended June 1, 2023, for the new name, all monetary sanctions collected by the CIRO may only be used, directly or indirectly, in the public interest as follows:

[a] as approved by the Governance Committee [“GC”],

- [i] for the development of systems or other related expenditures that are necessary to address emerging regulatory issues and are directly related to protecting investors or the integrity of the capital markets, provided that any such use does not constitute normal course operating expenses,
- [ii] for education or research projects that are directly relevant to the investment industry, and which benefit the public or the capital markets,
- [iii] for specific funding related to a whistleblower program, provided that any such use does not constitute normal course operating expenses,
- [iv] to contribute to a non-profit, tax-exempt organization, the purposes of which include protection of investors, or those described in paragraph [a][ii], or
- [v] for such other purposes as may be subsequently approved by the Commission;

or

[b] for reasonable costs associated with the administration of CIRO’s Office of the Investor, Investor Advisory Panel and CIRO’s hearings.

Total revenues for the year increased $5,586 [95%] to $11,447, primarily driven by higher monetary sanctions and other fines assessed.

Total expenses increased $2,765 [65%] to $6,988, mainly driven by higher public-interest project costs, including investments in the development of the proficiency framework infrastructure. Non-profit contributions also rose following the January 2025 CIRO open call, which invited external organizations to apply for funding. This process enabled CIRO to strategically allocate funding in support of investor protection initiatives that reflect diverse geographic regions, mandates, and segments of the Canadian population. As part of the FY 2026 funding cycle, seven not-for-profit organizations advancing financial literacy, investor protection, and support for vulnerable Canadian investors were approved for funding, including Momentum, SEED Winnipeg, Launch Okanagan, Osgoode Investor Protection Clinic & Living Lab, the National Institute on Ageing, Junior Achievement of Canada, and FAIR Canada.

The resulting excess of revenues over expenses for the year was $4,459, compared to an excess of $1,638 in the previous year.

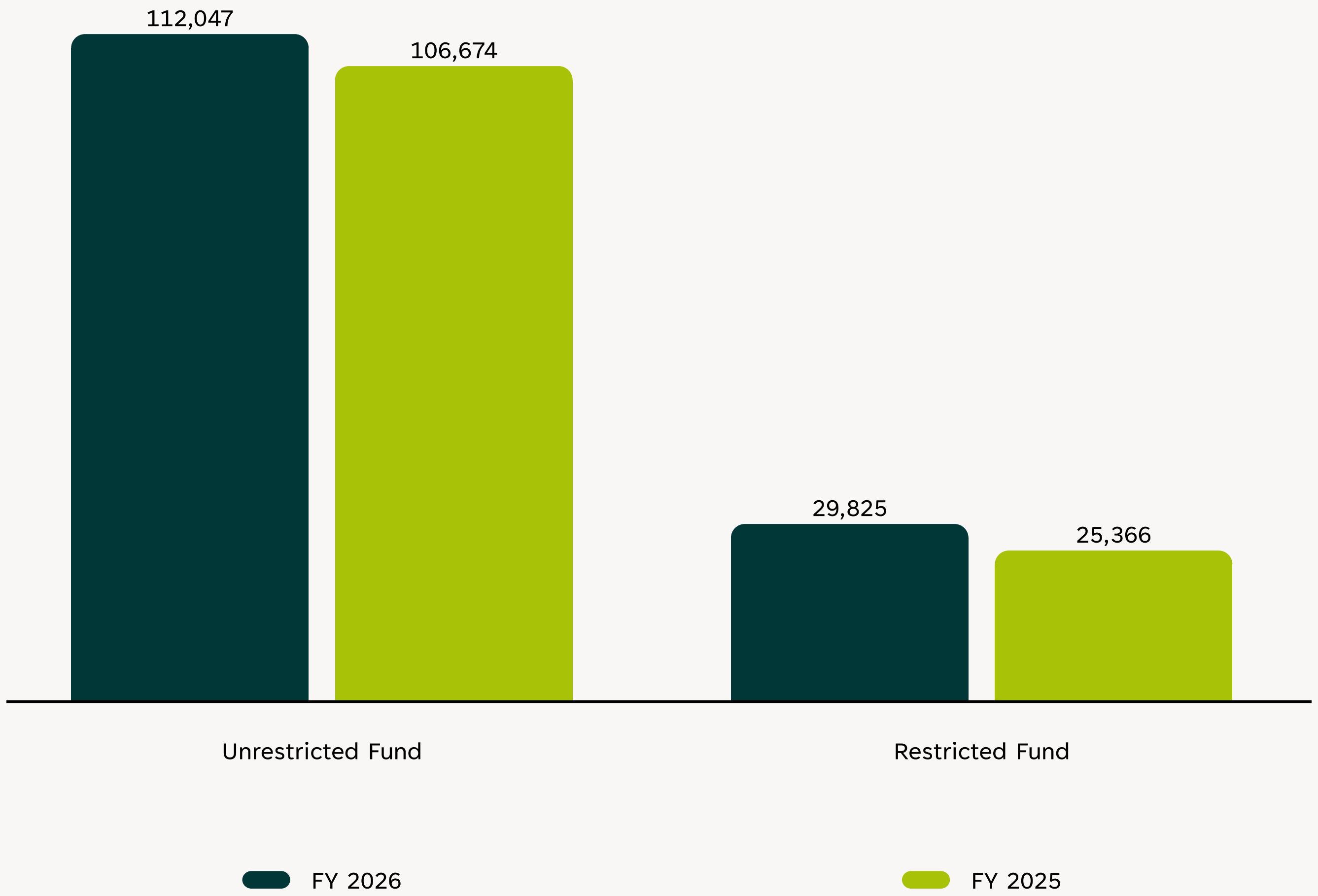
Any items approved by the GC are commitments of funds until the associated project(s) are completed. In addition, CIRO maintains reserves covering three years of hearing costs, as well as Office of the Investor and Investor Advisory Panel costs, as required by internal policy requirements.

At the end of FY 2026, the Externally Restricted Fund had a balance of $29,825, with $8,485 committed. After reserving $6,500 for hearings, Office of the Investor and the Investor Advisory Panel, $14,840 remains uncommitted, which is expected to meet upcoming external and internal needs.

Liquidity and Capital Resources

At the end of FY 2026, combined fund balances in the Unrestricted and Externally Restricted Funds increased $9,832 [7%] to $141,872 from FY 2025. The increase was driven by a net remeasurement gain of $6,825 related to the pension plans and post-retirement benefit plans, as noted earlier, as well as an excess of revenues over expenses of $3,007 due to a $4,459 surplus in the Externally Restricted Fund, partially offset by a $1,452 operating deficit in the Unrestricted Fund.

Fund Balances



During the year, CIRO acquired capital assets of $6,019 [$7,868 in FY 2025]. The acquisitions were primarily for IT hardware refresh and upgrades to support ongoing operations and increased trade volumes [$1,803], data migration initiatives to enhance our cyber security posture [$1,718], integration-related system implementations to streamline business processes [$1,064], and surveillance system hardware and software upgrades to support automation and overall efficiency [$1,027].

In addition to cash and cash equivalents of $60,839, CIRO holds investments of $77,890 in high-quality liquid short-term marketable securities such as government-issued treasury bills, debt instruments of financial institutions with remaining maturities of greater than three months, and mutual funds. Mutual funds are earmarked assets to fulfill non-registered employee pension and post-retirement benefits. Unrestricted cash, cash equivalents and investments excluding earmarked assets are $82,629. After including short-term obligations, pre-payments and receivables, the remaining available liquidity is $71,481.

CIRO has an internal liquidity guideline for the Unrestricted Fund of a minimum of three months' operating expenses. Based on FY 2027 expected operating expenses of $188,226, the minimum required by the guideline is $47,056, which remains sufficiently below the current Unrestricted Fund balance.

Risk Management

In alignment with corporate governance and internal audit best practices, CIRO utilizes a Three Lines of Defense approach for managing risk: business units are the first line; Risk Management and centers of governance functions are the second line; and Internal Audit is the third line. Oversight is provided by management's Risk Committee ["RC"], comprising senior executives of CIRO, and by the Finance, Audit and Risk ["FAR"] Committee of the Board, as set out in their respective Charters.

CIRO's risk management framework includes an annual risk and control self-assessment that combines a top-down and bottom-up evaluation of both operational and enterprise risks as well as emerging risks. The results are reviewed and discussed with the RC, the FAR Committee, and the Board, to ensure key risks are proactively understood, appropriately managed and aligned with CIRO's strategy to support sustainable business performance.

CIRO's Internal Audit function is outsourced to KPMG LLP. The FAR Committee approves the Internal Auditor Charter and annual Internal Audit Plan. Areas for internal audit are selected using a risk-based approach, and performed to independently assess the adequacy and operating effectiveness of CIRO's internal controls. The results of each internal audit are documented and presented to the FAR Committee upon completion. The FAR Committee also receives updates from the Internal Auditor at a minimum four times per year.

Operational and Strategic Risk

Resiliency Risk

CIRO has a robust resiliency program to ensure critical and core regulatory and support services can continue to function in the event of a disruption. This program includes crisis management protocols, playbooks, business continuity plans ["BCPs"] and IT Disaster Recovery protocols. CIRO has processes in place to update and strengthen the program as needed and to periodically test the functioning of various aspects of the program.

Cyber Security Risk & Data Risk

On August 11, 2025, CIRO identified a cyber security incident and has since been actively managing response and remediation efforts with the support of external cyber security legal experts.

CIRO's cyber security program continues to evolve based on industry best practices using the results of controls testing and vulnerability assessments in alignment with the NIST framework. In addition to technical controls and regular user security training and awareness, CIRO also has programs in place to enhance data governance and business practices pertaining to data collection and management. The CIRO information security and data governance teams work closely with key third-party partners to continue to advance CIRO's cyber security posture.

Strategic & Reputational Risk

Strategic risks arise in cases where CIRO is unable to pursue its strategic initiatives and/or deliver upon its Annual Public Priorities. Sound project and change management practices, governed collectively by the sponsoring executive, the Enterprise Project Management Office (ePMO), and Risk Management, mitigate this risk and ensure the execution of CIRO's strategy. Reputational Risk arises from factors that could damage CIRO's public image or stakeholder confidence, potentially affecting financial results and ability to deliver upon its strategic objectives and public priorities.

Strategic and Reputational Risk considerations are integrated into CIRO's risk assessment process, ensuring risks and controls are managed appropriately and are subject to periodic reassessment and independent testing.

Compliance and Legal Risks

Regulatory Compliance Risk

Any failure to comply with the terms and conditions of CIRO's Recognition Orders as set by the recognizing securities commissions of Canada would have serious consequences for the Organization. CIRO uses robust processes and controls to ensure compliance with these terms and conditions for recognition. Ongoing communications with the CSA as well as periodic reviews of CIRO processes and procedures performed by the CSA also mitigate this risk.

Litigation Risk

From time to time, CIRO may face claims by employees, the public and other third parties arising from the ordinary course and conduct of its business. CIRO mitigates the risk of such claims by implementing appropriate controls, and policy and procedural safeguards, and by defending against any and all claims which, in its judgement, are without merit. CIRO continually reviews and enhances, as appropriate, its insurance coverage against various risks with a view to having sufficient coverage against potential losses, for existing and emerging risks whenever possible.

Financial Risks

Revenue Risk

Just over 80% of CIRO's revenue comes from Dealer membership fees, Equity and Debt Market regulation fees and Debt IP fees. The failure of a significant number of firms, or of a relatively large firm, would have a significant impact on CIRO's financial sustainability. Prudent operating cost management and ongoing monitoring of the financial adequacy of firms helps to mitigate this risk. Additional risk arises from possible reductions in market activity that could adversely affect underwriting levies.

Registered Pension, Supplemental Executive Retirement Plan (SERP) and Post-Retirement Benefits (PRB) Risk

CIRO's financial condition as presented on the statement of financial position could be adversely impacted by its registered pension plan. This may occur due to declines in the future market value of the plan investments and/or increases in the pension liability if interest rates fall below current levels. These risks are mitigated by maintaining sufficient funding levels, holding a diversified set of investments, and employing a 100% hedge ratio target to minimize the asset-liability interest rate exposure. Oversight is provided by actuaries and professional investment managers operating under specified mandates and tolerances. CIRO also carefully monitors and manages funding levels and makes contributions required by law and, in addition, makes special contributions to maintain desired funding levels. Similar risks and funding considerations apply to the unregistered plans including assets earmarked for SERP and PRB, although funding levels for these plans are not dictated by law. CIRO monitors and manages funding levels for all unregistered plans for which it makes predetermined and special contributions to achieve desired funding levels.

Financial Instruments Risk

CIRO's main financial instrument risk exposure is detailed in note 11 of the financial statements.

Outlook

The FY 2027 operating budget determines Member fees and reflects responsible cost management while supporting CIRO's Annual Priorities. The Public Priorities are balanced across three key areas of integration, regulatory delivery and operations, and strategic objectives laid out in the three-year Strategic Plan, reflecting a broad variety of considerations, including achievability that may require CIRO to adjust to emerging systemic and non-systemic conditions.

Member fees are based on budgeted operating expenses, net of secondary and other revenue sources, and incorporate any planned deficits for extraordinary or one-time costs.

Operating expenses are budgeted at $188,226 for FY 2027, an increase of $17,153 [10%] over the FY 2026 budget, driven primarily by strategic investments and expanded regulatory responsibilities as per below:

- 4.7% increase for investments in CIRO's multi-year cyber security resilience program. One-time costs associated with this initiative will be funded from existing Unrestricted and Restricted Fund reserves and will not be recovered through Member fees. While the majority of FY 2027 costs have been planned as a deficit in the Unrestricted Fund, CIRO continues to evaluate whether certain expenditures may qualify for funding from the Restricted Fund.
- 2.1% increase for costs associated with CIRO's newly delegated responsibilities in registration and in Québec. These costs were incurred beginning in FY 2026, funded through a planned deficit, and will be fully recovered from Member fees starting in FY 2027.
- 1.8% increase for higher planned spend on strategic initiatives and necessary cyber security incident response costs. These costs will be funded by the planned deficit and not be recovered through Member fees.
- 1.2% increase for business-as-usual growth, including technology costs from vendor renewals, market system upgrades, and operational growth. Additional costs also include the first full-year of Proficiency operating costs, which are largely offset by corresponding Proficiency exam revenues. These increases are offset by staffing efficiencies and lower project operating costs.
- 0.2% increase to support higher market volumes, reflecting increased technology and amortization expenses.

Secondary and other revenue sources are budgeted at $26,291 for FY 2027, an increase of $213 [0.8%] over the FY 2026 budget as per below:

- 8.5% increase for Proficiency exam revenues (offsetting the corresponding cost increases), as well as interest and investment income, and timely disclosure fees.
- (7.7%) reduction for discontinuing National Registration Database (NRD) activity fees and recoveries from certain CSA jurisdictions for Investment Dealer registration. These revenues will now be recovered through Member fees.

Member fees are budgeted at $148,617 for FY 2027, reflecting an increase of $8,748 [6.3%] over the FY 2026 budget for new responsibilities, and are inclusive of operational efficiencies demonstrated through a reduction of CIRO's business-as-usual fees. This continues a pattern of below-inflation increases in business-as-usual fees since the creation of CIRO on January 1, 2023, and a steady reduction in the rate of year-over-year changes. FY 2027 Member fees are comprised of the following:

- (1.0%) reduction on business-as-usual fees, resulting from staffing efficiencies achieved in FY 2026, lower project operating costs, higher interest and investment income and timely disclosure fees. These savings are partially offset by higher technology costs due to vendor contract renewals, market system upgrades, and operational growth.
- 7.0% increase to fully recover the costs of newly assigned registration and Québec responsibilities following a planned deficit in FY 2026, along with the discontinuation of NRD fees and recoveries from CSA jurisdictions.
- 0.3% increase to support higher market volumes.

Total revenues in the Unrestricted Fund are budgeted at $174,908, resulting in a planned deficit of $13,318. The deficit reflects the strategic use of reserves to offset fee impacts associated with several key initiatives, including the Cyber Security Incident Response and Resilience Program, the Vancouver office relocation, credentialing start-up costs, and the proficiency program shortfall. CIRO's Board continues to support the use of Unrestricted Fund reserves to enhance the organization's ability to execute strategic projects more effectively and efficiently, while minimizing impacts on annual fees and delivering greater value to the investment industry.

Financial Statements

To the Members of
Canadian Investment Regulatory Organization

Opinion

We have audited the financial statements of Canadian Investment Regulatory Organization [the "Organization"], which comprise the statement of financial position as at March 31, 2026, and the statement of changes in fund balances, statement of operations and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis in the Organization's Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for The Audit of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 17, 2026

Statement of Financial Position

[in thousands of dollars] As at March 31	2026 $	2025 $
ASSETS		
Current		
Cash and cash equivalents	**60,839**	50,535
Investments *[note 3]*	**77,890**	85,480
Receivables *[note 4]*	**19,594**	10,650
Prepaid expenses	**7,871**	6,360
Total current assets	**166,194**	**153,025**
Employee future benefits *[note 7]*	**10,439**	7,564
Capital assets, net *[note 5]*	**35,308**	37,261
Deposit	**545**	545
	212,486	**198,395**
LIABILITIES AND FUND BALANCES		
Current		
Payables and accruals	**37,680**	30,010
Government remittances payable	**258**	447
Current portion of capital lease obligations *[note 6]*	**459**	353
Deferred revenue	**366**	75
Current portion of deferred rent and lease inducements	**647**	853
Total current liabilities	**39,410**	**31,738**
Capital lease obligations *[note 6]*	**708**	481
Deferred rent and lease inducements	**8,375**	8,970
Employee future benefits *[note 7]*	**22,121**	25,166
Total liabilities	**70,614**	**66,355**
Commitments and contingencies *[notes 9 and 10]*		
Fund balances		
Unrestricted Fund	**112,047**	106,674
Externally Restricted Fund	**29,825**	25,366
Total fund balances	**141,872**	**132,040**
	212,486	**198,395**

See accompanying notes

On behalf of the Board:

Andrew J. Kriegler,
President and CEO

Philip Mayers,
Chair of the Finance, Audit and Risk Committee

Statement of Changes in Fund Balances

[in thousands of dollars] Year ended March 31	2026 Unrestricted Fund $	2026 Internally Restricted Fund $	2026 Externally Restricted Fund $	2026 Total $	2025 Total $
Fund balances, beginning of year	**106,674**	**—**	**25,366**	**132,040**	**110,984**
Excess (deficiency) of revenue over expenses for the year	**(1,452)**	**—**	**4,459**	**3,007**	14,062
Remeasurements and other items [note 7]	**6,825**	**—**	**—**	**6,825**	6,994
Fund balances, end of year	**112,047**	**—**	**29,825**	**141,872**	**132,040**

See accompanying notes

Statement of Operations

[in thousands of dollars] Year ended March 31	Unrestricted Fund $	Externally Restricted Fund $	2026 Total $	2025 Total $
REVENUE				
Dealer regulation				
Dealer membership fees	**102,569**	**—**	**102,569**	100,518
Underwriting levies	**13,518**	**—**	**13,518**	11,272
Registration fees	**4,228**	**—**	**4,228**	1,840
Continuing education revenue	**841**	**—**	**841**	625
Proficiency revenue	**694**	**—**	**694**	—
Entrance fees	**315**	**45**	**360**	367
Business change fees	**230**	**—**	**230**	—
	122,395	**45**	**122,440**	**114,622**
MARKET REGULATION				
Equity regulation	**33,067**	**—**	**33,067**	31,930
Debt regulation	**2,571**	**—**	**2,571**	2,511
Timely disclosure	**3,898**	**—**	**3,898**	3,668
Marketplace revenue	**517**	**—**	**517**	464
	40,053	**—**	**40,053**	**38,573**
Debt Information Processor	**1,634**	**—**	**1,634**	**1,634**
Other revenue				
Investment income including interest	**2,581**	**615**	**3,196**	6,513
Monetary sanctions and other fines	**—**	**10,723**	**10,723**	4,660
Recoveries of enforcement costs	**511**	**—**	**511**	311
Miscellaneous	**2,945**	**64**	**3,009**	2,816
	6,037	**11,402**	**17,439**	**14,300**
	170,119	**11,447**	**181,566**	**169,129**
EXPENSES [NOTE 8]				
Dealer regulation operating	**128,337**	**—**	**128,337**	115,556
Market equity regulation operating	**39,087**	**—**	**39,087**	36,198
Market debt regulation operating	**2,765**	**—**	**2,765**	2,840
Debt Information Processor operating	**1,382**	**—**	**1,382**	1,341
Externally Restricted Fund	**—**	**6,988**	**6,988**	4,223
	171,571	**6,988**	**178,559**	**160,158**
Excess (deficiency) of revenue over expenses for the year before integration costs and recovery fees	(1,452)	**4,459**	**3,007**	8,971
Integration cost recovery fees	**—**	**—**	**—**	5,091
Excess (deficiency) of revenue over expenses for the year	**(1,452)**	**4,459**	**3,007**	**14,062**

See accompanying notes

Statement of Cash Flows

[in thousands of dollars] Year ended March 31	2026 $	2025 $
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	**3,007**	14,062
Add (deduct) items not involving cash		
Amortization of capital assets	**7,666**	7,545
Rent amortization	**(801)**	712
Impairment write-down of capital assets	**304**	219
Employee future benefits expense *[note 7]*	**4,880**	5,311
	15,056	**27,849**
Changes in non-cash working capital balances related to operations		
Receivables	**(8,944)**	1,547
Prepaid expenses	**(1,511)**	(2,671)
Deposit	**—**	(57)
Payables, accruals and government remittances payable	**7,481**	(5,814)
Deferred rent and lease inducements	**—**	2,561
Employer contributions for employee future benefits *[note 7]*	**(3,975)**	(3,892)
Deferred revenue	**291**	—
Cash provided by operating activities	**8,398**	**19,523**
INVESTING ACTIVITIES		
Disposal (purchase) of investments, net	**7,590**	(31,789)
Purchase of capital assets	**(5,231)**	(7,523)
Cash provided by (used in) investing activities	**2,359**	**(39,312)**
FINANCING ACTIVITIES		
Repayment of capital lease obligations	**(453)**	(1,685)
Cash used in financing activities	**(453)**	**(1,685)**
Net increase (decrease) in cash during the year	**10,304**	(21,474)
Cash and cash equivalents, beginning of year	**50,535**	72,009
Cash and cash equivalents, end of year	**60,839**	**50,535**
CASH AND CASH EQUIVALENTS CONSIST OF		
Cash on hand and balances with bank	**28,954**	19,124
Cash equivalents	**31,885**	31,411
	60,839	**50,535**
SUPPLEMENTAL CASH FLOW INFORMATION		
Acquisition of capital assets under capital lease	**(786)**	(345)

See accompanying notes

Notes to Financial Statements

[in thousands of dollars]
March 31, 2026

1. Organization

Canadian Investment Regulatory Organization ["CIRO" or the "Organization"] is the national self-regulatory organization that oversees all Investment Dealers, Mutual Fund Dealers, Crypto Asset Trading platforms and trading activity on Canada's debt and equity marketplaces. CIRO carries out its regulatory responsibilities under Recognition Orders from the provincial securities commissions that make up the Canadian Securities Administrators ["CSA"]. The Organization sets and enforces rules regarding the proficiency, business conduct and financial conduct of dealer firms and their Approved Persons, as well as market integrity rules regarding trading activity on Crypto Asset Trading platforms, and Canadian debt and equity markets. The Organization is committed to the protection of investors, providing efficient and consistent regulation, and building Canadians' trust in financial regulation and the people managing their investments. As a not-for-profit organization, CIRO is exempt from income taxes under Section 149(1)(l) of the Income Tax Act (Canada).

2. Summary of significant accounting policies

Basis of presentation

The Organization has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations using the restricted fund method of accounting.

Fund accounting

Unrestricted Fund
The Unrestricted Fund includes:

[a] Dealer regulation, market regulation and Debt Information Processor revenue and expenses, including amortization of Unrestricted Fund capital assets;
[b] Recoveries of enforcement costs ordered by the Organization hearing panels as part of enforcement actions; and
[c] Funding of any deficit in the registered and non-registered defined benefit pension and post-retirement benefit plans.

Externally Restricted Fund
The collection of monetary sanctions [any fines and other monetary amounts, including disgorgement, ordered in or arising from an enforcement proceeding or any other measures taken by the Organization] are recorded in other revenue. Use of these funds must be in accordance with the terms and conditions of respective provincial securities commissions' and authorities' Recognition Orders. This fund may only be used, directly or indirectly, in the public interest as follows:

[a] For the development of systems or other related expenditures that are necessary to address emerging regulatory issues and are directly related to protecting investors or the integrity of the capital markets, provided that any such use does not constitute normal course operating expenses;
[b] For education or research projects that are directly relevant to the investment industry, and that benefit the public or the capital markets;
[c] For specific funding related to a whistleblower program, provided that any such use does not constitute normal course operating expenses;
[d] To contribute to a non-profit, tax-exempt organization, the purposes of which include protection of investors, or those described in paragraph [b];
[e] For such other purposes as may be subsequently approved by the provincial securities commissions; or
[f] For reasonable costs associated with the administration of the Organization's Investor Office, Investor Advisory Panel and hearings.

Revenue recognition

The Organization operates on a cost recovery basis generally through published fee models, which set out the basis of the cost recovery for each of the Organization's activities. The fee structures and models of the legacy organizations continued to apply through March 31, 2025, with necessary modifications, as the Interim Fee Model for the Organization. The new Integrated Fee Model approved by the CSA took effect April 1, 2025. Investment Dealer and Mutual Fund Dealer membership fees are now reported on a consolidated basis as dealer membership fees. Prior year revenues were reclassified to align with the Integrated Fee Model.

Unrestricted revenue is recognized as revenue as follows:

Dealer regulation
Annual membership fees are assessed upon Investment Dealers and Mutual Fund Dealers for the fiscal year as approved by the Board and are recognized as revenue on a straight-line basis over the fiscal year. Underwriting levies are recognized when the underwriting transaction closes and the assessment basis is available with collection reasonably assured. Registration fees, entrance fees and business changes fees are recorded as revenue when billed and collection is reasonably assured. Continuing education accreditation revenue is recognized when the application is received to initiate the accreditation process. Course registration and renewal fees pertaining to course availability on the Continuing Education Reporting and Tracking System are recognized as revenue when received.

Proficiency examination fees are recognized as revenue when examinations are held.

Market regulation
Under the marketplace regulation services agreements, revenue from equity regulation fees is governed by the Market Regulation Fee Model. Fees are assessed for the fiscal year as approved by the Board and are recognized as revenue on a straight-line basis over the fiscal year. These fees are then allocated to Investment Dealers and Marketplace Members. For attribution to each Investment Dealer on each marketplace, technology costs are assessed on the number of messages sent, while non-technology costs are assessed on the number of trades executed.

Debt regulation fees are assessed for the fiscal year as approved by the Board and are recognized as revenue on a straight-line basis over the fiscal year. These fees are allocated to Investment Dealers who trade debt securities. Fees are allocated to each Investment Dealer based on its prorated share of the number of primary, secondary and repurchase agreement [“repos”] transactions, with a monthly fee reduction for repos on costs recovered from the Bank of Canada.

Timely disclosure revenue and marketplace revenue are recognized as billed and when collection is reasonably assured.

Debt Information Processor
Debt Information Processor fees are assessed for the fiscal year as approved by the Board and are recognized as revenue on a straight-line basis over the fiscal year.

Other revenue
Recoveries of enforcement costs from member firms are recognized as revenue when assessed and amounts become receivable. Recoveries of enforcement costs from Approved Persons are recognized as revenue when received. Miscellaneous revenue includes rental revenue recognized over the term of the premises sub-lease as it becomes due.

Integration cost recovery
Integration cost recovery fees for fiscal year 2025 were assessed upon Dealer Member firms who are affiliated with the same controlling ownership interest and those who are dual-registered, as approved by the Board. Integration cost recovery fees are recognized as revenue on a straight-line basis over the fiscal year.

In January 2025, the Board approved the use of the Unrestricted Fund to fund the remaining balance as of the end of fiscal 2025.

Restricted revenue is recognized as follows:

Monetary sanctions, continuing education and other fines due from member firms are recognized as revenue in the Externally Restricted Fund when they are assessed, amounts can be reasonably estimated, and collection is reasonably assured. Any other fines, including monetary sanctions from Approved Persons and late filing of notice of termination of registrants by member firms, are recognized as revenue in the Externally Restricted Fund when received.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and highly liquid marketable securities such as government-issued promissory notes and treasury bills, and debt instruments of financial institutions with remaining maturities of three months or less.

Investments

Investments consist mainly of highly liquid marketable securities such as government-issued promissory notes and treasury bills, debt instruments of financial institutions with remaining maturities of greater than three months, mutual funds and an equity investment.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. A financial asset or liability is recognized when the Organization initially becomes party to contractual provisions of the instrument.

Initial measurement
The Organization initially measures its financial instruments at fair value. For financial instruments subsequently measured at cost or amortized cost, the initial fair value incorporates the amount of the related financing fees and transaction costs that are directly attributable to their origination, acquisition, issuance or assumption. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations immediately when issued or acquired.

Subsequent measurement
At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost [less impairment in the case of financial assets] or at fair value. Fair value treatment is applied to all cash equivalents and investments, both equity and debt, that the Organization has elected to measure at fair value. The financial instruments measured at cost or amortized cost are cash, receivables, loans receivable, and payables and accruals. The Organization uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees in the statement of operations for those items measured at cost or amortized cost.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indicators of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it immediately recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Capital assets

Capital assets are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization of office furniture and equipment is computed by the straight-line method at 20% per annum, and computer equipment, software and technology projects at 33⅓% per annum except for certain technology projects, which are amortized at 20% per annum to better reflect the useful life of these assets. Leasehold improvements are amortized over the term of the respective leases. Amortization commences the quarter after the assets are available for use.

When a capital asset no longer has any remaining service potential to the Organization, the net carrying amount is impaired. A partial impairment loss is recognized when a capital asset still has remaining service life but where the net carrying amount of a capital asset exceeds the asset's fair value or replacement cost. Impairment losses are recognized as an expense in the statement of operations. The Organization assesses whether fair value or replacement cost is applied to measure impairment on an asset-by-asset basis. Previously recognized impairment write-downs are not reversed. The Organization undertakes an annual review to assess whether capital assets are no longer in use and should be written off entirely.

Assets and obligations under capital lease
Leased capital assets are recognized at cost at the beginning of the lease term. For hardware and office equipment under capital lease, the beginning of the lease term is upon installation, which approximates the financing date. Cost corresponds to the present value of the estimated minimum lease payments, excluding executory costs, at the beginning of the lease term. Amortization is based on the lesser of estimated useful life of the asset or term of the lease and begins in the quarter after the asset is available for use. Both hardware and office equipment under capital lease have estimated useful lives of five years, amortized at 20% per annum. End-user computer equipment under capital lease has an estimated useful life of four years, amortized at 25% per annum.

An obligation under a capital lease is similar to a loan. Lease payments are allocated to a reduction of the obligation, interest expense and any related executory costs. The interest expense is calculated using the discount rate used in computing the present value of the estimated minimum lease payments applied to the remaining balance of the obligation. The discount rate used is equal to the Organization's rate for incremental borrowing at inception of the lease.

Deferred rent and lease inducements

Certain of the Organization's operating leases contain predetermined fixed escalations of minimum property rentals during the original lease terms. The Organization recognizes the related rental expense on a straight-line basis over the life of the lease and records the difference between the amounts charged to operations and amounts paid as deferred rent [included in lease inducement] in the early years of the lease, when cash payments are generally lower than straight-line rent expense. Deferred rent is reduced in the later years of the lease when payments begin to exceed the straight-line expense. The Organization also receives certain lease incentives in conjunction with entering into operating leases. These lease incentives are recorded as a lease inducement at the beginning of the lease term and recognized as a reduction of rent expense over the lease term.

Employee future benefits

The Organization accrues its obligation under employee defined benefit plans and related costs as follows:

- The defined benefit obligation is measured based on an actuarial valuation for accounting purposes at the statement of financial position date. The defined benefit obligation is determined using the projected benefit method prorated on services, which incorporates management's best estimate for each actuarial assumption. Actuarial assumptions are used in the calculation of the benefit obligation and the assumptions relate to administrative expenses and taxes, termination rates, disability claim rates, rates of employee turnover, retirement age, mortality, dependency status, per capita claims cost by age and by type of benefit, health care cost trend rates, discount rates to reflect the time value of money, and future salary and benefits level.
- Plan assets are measured at fair value as at the statement of financial position date. The Organization recognizes a valuation allowance for any excess of plan surpluses over the expected future benefit.

The cost of the defined benefit plans relating to current service cost and financing cost [net of interest on the defined benefit liability] is recorded on the statement of operations.

- Remeasurements and other items are recorded directly on the statement of changes in fund balances. These relate to:

  [a] The difference between the actual return on plan assets and the return calculated using the discount rate used to determine the defined benefit obligation;
  [b] Actuarial gains and losses, including impacts of the CPM2014 Mortality Improvement scale;
  [c] The effect of any valuation allowance;
  [d] Past service costs; and
  [e] Gains and losses arising from settlements and curtailments.

The Organization also offers a defined contribution pension plan to employees. An expense is recorded in the period when the Organization is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included on the statement of financial position under payables and accruals.

Allocation of expenses

The Organization engages in dealer regulation and market regulation and is the Debt Information Processor for certain securities.

To facilitate proper fee allocations, direct costs are separately captured for dealer regulation, market equity and debt regulation activities, and Debt Information Processor activities, with indirect costs being allocated to each of these using a cost allocation model based on either direct business unit cost or headcount as appropriate. The new Integrated Fee Model approved by the CSA took effect April 1, 2025. Investment Dealer and Mutual Fund Dealer membership expenses are now reported on a consolidated basis. Prior year expenses were reclassified to align with the Integrated Fee Model.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each year-end date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require the use of management's judgment in arriving at a best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known. Items subject to significant management estimates include accruals, allowance for doubtful accounts, eligibility of expenditures for capitalization, date of substantial completion of technology projects to begin amortization, useful lives of capital assets, minimum lease payments, lease discount rate, and valuation of employee future benefits asset/liability.

3. Investments

Investments, at fair value, consist of the following:

	2026 $	2025 $
Marketable securities	49,910	57,702
Mutual funds		
Bond funds	19,903	19,913
Global equity funds	8,077	7,865
	77,890	85,480

Marketable securities consist of government-issued promissory notes and treasury bills, and debt instruments of financial institutions with yields between 2.23% and 2.73% [2025 – 2.59% and 3.63%].

Mutual funds are earmarked assets to fund the liabilities of the non-registered employee pension and post-retirement benefits.

The Organization owns a 10% interest in the common shares of FundSERV Inc. ["FundSERV"], an organization created as a depository and clearing house for the investment fund industry, which is recorded at its original cost of nil.

4. Receivables

Receivables consist of the following:

	2026 $	2025 $
Trade	11,346	10,699
Other receivables	8,297	—
Allowance for doubtful accounts	(49)	(49)
	19,594	10,650

5. Capital assets

Capital assets consist of the following:

	2026			2025
	Cost $	Accumulated amortization $	Net book value $	Net book value $
Unrestricted Fund				
Tangible				
Leasehold improvements	24,974	5,405	19,569	21,354
Technology projects hardware	7,839	3,932	3,907	4,281
Office furniture and equipment	6,364	3,728	2,636	3,471
Computer equipment and software	401	322	79	65
Assets under capital lease				
Computer equipment	1,841	634	1,207	886
Intangible				
Technology projects software	24,325	18,918	5,407	5,690
	65,744	32,939	32,805	35,747
Externally Restricted Fund				
Tangible				
Technology projects hardware	1,902	1,833	69	139
Computer equipment	53	53	—	8
Intangible				
Technology projects software	8,833	6,399	2,434	1,367
	10,788	8,285	2,503	1,514
	76,532	41,224	35,308	37,261

During the year, it was determined that assets with costs of $7,785 [2025 – $4,488] and accumulated amortization of $7,481 [2025 – $4,270], respectively, were no longer in use and written off. The Organization recognized disposal losses in the amount of $304 on applications, leasehold improvements and computer equipment under capital lease [2025 – $219 on applications, equipment and computer equipment under capital lease]. The disposal losses were recognized in the statement of operations.

Computer equipment under capital lease

The Organization leases end-user computer equipment, with the intent to replace one-quarter of end-user computer equipment assets each fiscal year moving forward. These leases were assessed to be capital in nature. Computer equipment under capital lease is recorded as an asset at the beginning of the lease term, with present value calculations based on minimum lease payments, excluding executory costs, and the discount rate established at inception of the lease. Computer equipment ordered, shipped and held for preparation at a third-party location for the Organization is recognized as leased capital assets under development using management's best estimates for minimum lease payments, discount rate, and lease commencement date.

Capital assets under development

As at March 31, 2026, there are capital assets under development for hardware, software and leasehold improvements of $5,315. As such, these assets are not yet being amortized.

6. Capital lease obligations

Concurrent with the recognition of assets under capital lease [note 5], equivalent capital lease obligations were recorded at the present value of estimated lease payments, excluding executory costs, using the Organization's estimated rate for incremental borrowing when the asset was recognized. The lease discount rates on the asset recognition dates are as follows:

	Discount rate %
2026	2.83–3.12
2025	3.55–4.73
2024	1.12–5.60
2023	1.07–5.02
2022	0.78–3.06

For end-user computer equipment under capital lease, the lease maturity dates will be four years following the first payment date. End-user computer equipment lease maturity dates are estimated between May 31, 2026 and November 30, 2029. There are no executory costs with the computer equipment leases. The capital lease obligations as at year-end are $1,167 [2025 – $834].

As at March 31, 2026, the estimated future minimum lease payments for capital lease obligations in each of the next four years are as follows:

	Obligations $
2027	467
2028	391
2029	293
2030	75
Amount representing interest	(59)
Total capital lease obligations	**1,167**
Current portion	459
Long-term portion	708
Total capital lease obligations	**1,167**

7. Employee future benefits

As at March 31, 2026, the Organization has the following pension plans:

1. Retirement Plan for Employees of Canadian Investment Regulatory Organization ["CIRO RPP"] – active, includes defined benefit and defined contribution provisions. The defined benefit components of the CIRO RPP are closed to new members.
2. CIRO Supplemental Pension Plan for Executives ["CIRO SERP"] – active, non-registered plan including defined benefit and defined contribution provisions. Effective January 1, 2020, the defined benefit provision of the CIRO SERP was closed to new members. Employees who become eligible for CIRO SERP on or subsequent to January 1, 2020 participate in the defined contribution provision.
3. MFDA Supplemental Executive Retirement Plan ["MFDA SERP"] – inactive as of December 31, 2022, non-registered defined benefit pension plan. An RCA trust has been established for the purpose of funding the pension obligations under the MFDA SERP.

Effective September 19, 2024, the Non-Pension Post-Retirement Benefits Plan for the Mutual Fund Dealers Association of Canada ["MFDA PRB"] was merged into the IIROC Non-Pension Post-Retirement Benefit Plan ["IIROC PRB"] and renamed the Canadian Investment Regulatory Organization Post-Retirement Benefits Plan ["CIRO PRB"].

The legacy IIROC PRB provisions were closed to new employees hired on or after September 1, 2015 and to members who would not otherwise be eligible for benefits by September 1, 2020.

The legacy MFDA PRB provisions were closed to new employees hired on or after January 1, 2020. Effective April 1, 2025, the legacy MFDA provisions were amended to restrict benefit eligibility to active members who will be retirement eligible by December 31, 2027, resulting in a curtailment as at March 31, 2025 of $2,279.

On February 25, 2025, CIRO engaged in a buy-out group annuity contract whereby obligations in respect of the pensions of the CIRO RPP's retired members were assumed by an insurer. A premium amount of $35,783 was transferred on March 11, 2025, resulting in an actuarial gain of $670. The first pension payment for the 127 members was paid by the insurer on August 1, 2025.

The most recent actuarial valuations for funding purposes were prepared with an effective date of April 1, 2023 for the CIRO RPP and the CIRO SERP [defined benefit provisions]. For the MFDA SERP and the CIRO PRB, the most recent actuarial valuations were prepared with effective dates of March 31, 2026 and April 1, 2025, respectively. The next actuarial valuations will be prepared with an effective date of no later than three years from the date listed.

The asset (liability) on the statement of financial position is as follows:

2026	CIRO SERP $	CIRO PRB $	Subtotal $	CIRO RPP $	MFDA SERP $	Subtotal $
Accrued benefit obligation	(15,597)	(6,524)	(22,121)	(116,388)	(6,159)	(122,547)
Fair value of plan assets	—	—	—	124,361	8,625	132,986
Fund status – plan surplus (deficit)	(15,597)	(6,524)	(22,121)	7,973	2,466	10,439
Accrued benefit asset (liability), net of valuation allowance	**(15,597)**	**(6,524)**	**(22,121)**	**7,973**	**2,466**	**10,439**

2025	CIRO SERP $	CIRO PRB $	Subtotal $	CIRO RPP $	MFDA SERP $	Subtotal $
Accrued benefit obligation	(15,412)	(9,754)	(25,166)	(118,297)	(6,429)	(124,726)
Fair value of plan assets	—	—	—	123,499	8,791	132,290
Fund status – plan surplus (deficit)	(15,412)	(9,754)	(25,166)	5,202	2,362	7,564
Accrued benefit asset (liability), net of valuation allowance	**(15,412)**	**(9,754)**	**(25,166)**	**5,202**	**2,362**	**7,564**

The employee future benefit expense is as follows:

2026	CIRO SERP $	CIRO PRB $	CIRO RPP $	MFDA SERP $	Total $
Current service cost	633	210	3,137	—	3,980
Interest cost on accrued benefit obligation	718	457	5,786	283	7,244
Interest income on market value of assets	—	—	(5,953)	(391)	(6,344)
Employee future benefit expense (recovery)	**1,351**	**667**	**2,970**	**(108)**	**4,880**

2025	CIRO SERP $	CIRO PRB $	CIRO RPP $	MFDA SERP $	Total $
Current service cost	649	348	3,081	—	4,078
Interest cost on accrued benefit obligation	708	557	7,199	309	8,773
Interest income on market value of assets	—	—	(7,389)	(428)	(7,817)
Interest on valuation allowance	—	—	277	—	277
Employee future benefit expense (recovery)	**1,357**	**905**	**3,168**	**(119)**	**5,311**

The remeasurements and other items charged on the statement of changes in fund balances are a gain of $6,825 [2025 – gain of $6,994] as follows:

	CIRO SERP $	CIRO PRB $	CIRO RPP $	MFDA SERP $	2026 Total $
Actuarial losses (gains)	(308)	(3,478)	(3,043)	4	(6,825)
Remeasurements and other items	**(308)**	**(3,478)**	**(3,043)**	**4**	**(6,825)**

	CIRO SERP $	CIRO PRB $	CIRO RPP $	MFDA SERP $	2025 Total $
Actuarial losses	527	293	818	195	1,833
Gains arising from settlements and curtailments	—	(2,279)	(670)	—	(2,949)
Change in valuation allowance	—	—	(5,878)	—	(5,878)
Remeasurements and other items	**527**	**(1,986)**	**(5,730)**	**195**	**(6,994)**

There is no outstanding liability for the defined contribution plan as at March 31, 2026 [2025 – nil]. Current year expense for the defined contribution provisions of the CIRO RPP was $4,258 [2025 – $3,874].

The significant actuarial assumptions adopted in measuring the Organization's accrued benefit obligations are as follows:

	2026 %	2025 %
Discount rate – accrued benefit obligation	**4.94 to 5.22**	4.57 to 4.77
Discount rate – benefits cost	**4.57 to 4.77**	4.87 to 4.95
Rate of compensation increase	**3.00**	3.00

For measurement purposes in 2026, inflation of medical expenses and dental costs was assumed to remain unchanged at 5.0% and 4.5%, respectively.

The following is a summary of contributions and benefits paid for defined benefits and PRB plans:

	CIRO SERP $	CIRO PRB $	CIRO RPP $	MFDA SERP $	2026 Total $
Employer contributions	858	419	2,698	—	3,975
Employee contributions	—	—	1,503	—	1,503
Benefits paid	(858)	(419)	(3,331)	(456)	(5,064)

	CIRO SERP $	CIRO PRB $	CIRO RPP $	MFDA SERP $	2025 Total $
Employer contributions	699	339	2,854	—	3,892
Employee contributions	—	—	1,585	—	1,585
Settlements	—	—	(35,783)	—	(35,783)
Benefits paid	(699)	(339)	(5,345)	(456)	(6,839)

Registered pension, SERP and PRB risk

The Organization's financial condition as presented on the statement of financial position could be adversely impacted by its registered pension plan. This may occur due to declines in the future market value of plan investments and/or increases in the pension liability if interest rates fall below current levels. These risks are mitigated by maintaining sufficient funding levels, holding a diversified set of investments, and employing a 100% hedge ratio target to minimize the asset-liability interest rate exposure. Oversight is provided by actuaries and professional investment managers operating under specified mandates and tolerances. The Organization also carefully monitors and manages funding levels and makes contributions required by law and, in addition, makes special contributions to maintain desired funding levels. Similar risks and funding considerations apply to the unregistered plans including assets earmarked for SERP and PRB, although funding levels for these plans are not dictated by law. The Organization monitors and manages funding levels for all unregistered plans for which it makes predetermined and special contributions to achieve desired funding levels.

8. Expenses

Expenses consist of the following:

	2026 $	2025 $
UNRESTRICTED FUND EXPENSES		
Dealer regulation operating expenses		
Compensation	**88,536**	81,495
Technology	**9,548**	9,011
Occupancy	**9,832**	9,800
Amortization and impairment	**5,060**	4,834
Professional services and consulting	**6,494**	3,192
Other	**8,867**	7,224
	128,337	**115,556**
Market equity regulation operating expenses		
Compensation	**25,764**	24,236
Technology	**5,319**	5,068
Occupancy	**2,260**	2,298
Amortization and impairment	**2,003**	1,774
Professional services and consulting	**1,568**	853
Other	**2,173**	1,969
	39,087	**36,198**
Market debt regulation operating expenses		
Compensation	**1,772**	1,829
Technology	**447**	450
Occupancy	**131**	145
Amortization and impairment	**153**	223
Professional services and consulting	**102**	63
Other	**160**	130
	2,765	**2,840**
Debt Information Processor operating expenses		
Compensation	**932**	911
Technology	**329**	309
Occupancy	**32**	32
Amortization and impairment	**26**	44
Professional services and consulting	**33**	15
Other	**30**	30
	1,382	**1,341**
Total Unrestricted Fund expenses	**171,571**	**155,935**

	2026 $	2025 $
EXTERNALLY RESTRICTED FUND EXPENSES		
Costs of administration [investor office, investor advisory panel and hearings]	**1,830**	1,552
Non-profit contributions		
Financial education	**819**	390
Complaint support	**271**	171
Investor advocacy	**248**	25
Total non-profit contributions	**1,338**	586
Other public interest project expenses		
Proficiency framework infrastructure	**2,052**	409
Education and research	**822**	253
Amortization, interest and impairment on capital assets	**729**	892
Awareness campaign	**124**	531
System development	**93**	—
Total other public interest project expenses	**3,820**	2,085
Total Externally Restricted Fund expenses	**6,988**	**4,223**

Contributions to non-profit organizations in fiscal 2026 included support for initiatives by Prosper Canada, the Canadian Foundation for Economic Education, Code F, Junior Achievement Canada, National Institute on Ageing, SEED Winnipeg, Momentum, Launch Okanagan, Clinique juridique de l'Université de Montréal, Osgoode Hall Law School Investor Protection Clinic, MÉDAC [Mouvement d'éducation et de défense des actionnaires], Investor Advocacy Foundation [FAIR] and CIRANO.

9. Commitments

As at March 31, 2026, the basic minimum aggregate annual rental payments, excluding GST/HST and shared operating costs under long-term leases, with varying expiry dates to September 29, 2038, for the Organization's premises are as shown below. In addition to the minimum lease payments noted below, the Organization is also obligated to pay its share of realty taxes, operating costs and utilities, which fluctuate from year to year.

	$
2027	5,499
2028	5,472
2029	5,631
2030	5,153
2031	5,153
Thereafter	39,287
	66,195

In August 2025, the Organization entered into an agreement to sub-lease new office space in Vancouver after the expiry of the current premises lease. The sub-lease turnover date is January 1, 2026 to begin construction and fixturing. The sub-lease agreement expires July 31, 2037.

Rental revenue recognized by the Organization for the premises sub-leased during 2026 was $2,581 [2025 – $2,581]. The undiscounted lease payments to be received in future years are shown below. In addition to the minimum sub-lease payments noted below, the Organization will be receiving its share of realty taxes, operating costs and utilities pertaining to the premises sub-leased, which fluctuate from year to year.

	$
2027	644

10. Contingencies

The Organization has an agreement with the Canadian Investor Protection Fund ["CIPF"], formed through the amalgamation of two predecessor protection funds, the former Canadian Investor Protection Fund and the MFDA Investor Protection Corporation. CIPF is approved by the CSA to provide limited protection [per the CIPF Coverage Policy] for property held by a CIRO-registered Dealer Member firm on behalf of an eligible client who suffers financial loss due to the insolvency of the member firm. CIPF maintains two segregated funds, the Investment Dealer Fund and the Mutual Fund Dealer Fund. CIRO is responsible for collecting from Dealer Members [and whether or not collected, paying to CIPF] assessments calculated in respect of each such member firm.

In order to meet potential financial obligations, CIPF maintains the segregated funds, lines of credit provided by Canadian chartered banks, and excess insurance in respect of each of the segregated funds. CIRO provides two guarantees on the bank lines of credit in the maximum amounts of $125,000 and $30,000 for the Investment Dealer and Mutual Fund Dealer Funds, respectively. Any amount drawn on the CIRO guarantees would be assessed to member firms. The Mutual Fund Dealer Fund line of credit is secured by an assignment agreement for interest in assessments levied by the Organization to the Mutual Fund Dealer Members for the purposes of funding CIPF.

As at March 31, 2026, CIPF had not drawn on these lines of credit.

Following a cyber security incident in August 2025, class action lawsuits were filed in Québec and British Columbia against CIRO. Based on information currently available, including consultation with legal counsel, management believes that a resolution will not result in incremental financial exposure beyond existing insurance coverage. Accordingly, no liability has been recorded in the financial statements as of March 31, 2026.

Where the Organization is subject to legal claims arising in the normal course of business, management reviews all outstanding claims on an ongoing basis, and provisions are made when it is determined that a loss is probable, and the amount can be reasonably estimated. Costs associated with legal matters, including legal fees, settlements and other related expenses, are recognized in the period in which they are incurred.

11. Financial instruments and risk management

Carrying amounts of financial assets

As at March 31, 2026, the carrying amounts of the Organization's financial assets measured at amortized cost and at fair value are as follows:

			2026			2025
	Cost or amortized cost $	Fair value $	Total carrying value $	Cost or amortized cost $	Fair value $	Total carrying cost $
Cash and cash equivalents	28,954	31,885	60,839	19,124	31,411	50,535
Investments	—	77,890	77,890	—	85,480	85,480
Receivables	19,594	—	19,594	10,650	—	10,650
	48,548	109,775	158,323	29,774	116,891	146,665

The Organization's main financial instrument risk exposure is detailed as follows:

Credit risk

The Organization has determined that the primary financial assets with credit risk exposure are accounts receivable since failure of any of these parties to fulfill their obligations could result in financial losses for the Organization. The risk is mitigated by the distribution of receivables over the entire membership, with the most significant amounts exposed to highly rated bank-owned dealers. Marketable securities also expose the Organization to credit risk, which the Organization limits by investing in high-quality securities. Mutual fund investments also indirectly expose the Organization to credit risk. The risk is mitigated by the diversified holdings in mutual funds. The Organization is also exposed to concentration risk in that all of its cash is held with financial institutions and the balances held are in excess of Canada Deposit Insurance Corporation limits.

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is exposed to liquidity risk with respect to its payables and accruals. The Organization mitigates its liquidity risk by preparing and monitoring forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash, and maintaining a minimum of three months of budgeted operating expenses as required by the Organization's internal liquidity guideline.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk.

Currency risk
Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The functional currency of the Organization is the Canadian dollar. The Organization invests a portion of its investment portfolio in mutual funds that invest in foreign equities. The Organization mitigates its currency risk exposure by limiting the extent of foreign currency exposure.

Interest rate risk
Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. Fixed rate financial instruments are subject to fair value risk and floating rate financial instruments are subject to cash flow risk. The Organization is exposed to interest rate risk with respect to cash and cash equivalents and interest-bearing investments. Fluctuations in market rates of interest on cash and cash equivalents, short-term investments and guaranteed investment certificates do not have a significant impact on the Organization's results of operations. The objective of the Organization with respect to interest-bearing investments is to ensure the security of principal amounts invested, provide for a high degree of liquidity, and achieve a satisfactory investment return.

Other price risk
Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices [other than those arising from currency risk or interest rate risk], whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Organization is exposed to other price risk because of its investment in mutual funds.

12. Cyber security incident

On August 11, 2025, CIRO experienced a cybersecurity incident. CIRO continues to work with external cybersecurity and legal experts on incident response and remediation efforts. As of March 31, 2026, net of eligible insurance coverage, CIRO has recorded $4,237 in incident response expenses. The incident also resulted in legal and other matters as described in note 10.

13. Comparative financial statements

The comparative financial statements have been reclassified from financial statements previously presented to conform to the presentation of the 2026 financial statements.

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