

**Schedule of Matters reserved for the  
London Stock Exchange Group plc (“the Company”) Board**

**Approved 9 December 2014**

**1. Strategy and Management**

- 1.1 Responsibility for the overall management of the Company and direct and indirect subsidiaries (“the Group”) and setting the Group’s values and standards.
- 1.2 Approval of the Group’s long terms objectives and commercial strategy.
- 1.3 Approval of the Group’s annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Group’s operations ensuring:
  - competent and prudent management
  - sound planning
  - an effective risk management framework
  - an adequate system of internal control
  - adequate accounting and other records
  - compliance with statutory and regulatory obligations.
- 1.5 Review of performance in the light of the Group’s strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Any decision to cease to operate all or any material part of the Group’s business.

**2. Structure and capital**

- 2.1 Changes relating to the Group’s capital structure including reduction of capital, share issues (except under employee share plans), share buy backs including the use of treasury shares.
- 2.2 Major changes to the Group’s corporate structure.
- 2.3 Changes to the Group’s management and control structure.
- 2.4 Any changes to the Company’s listing or its status as a plc.

**3. Financial reporting and controls**

- 3.1 Approval of interim results statements, preliminary announcement of final results and Interim Management Statements.

- 3.2 Approval of the annual report and accounts, including the corporate governance statement and remuneration report.
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of the interim dividend and recommendation of the final dividend.
- 3.5 Following a recommendation approval of any significant changes in accounting policies or practices.
- 3.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

#### **4. Internal controls**

- 4.1 Ensuring maintenance of a sound system of internal control and risk management including:
  - approving the Group's risk strategy and risk appetite statements
  - receiving reports on, and reviewing the effectiveness of, the Group's risk management and internal control systems in place to support and the delivery of its strategic objectives
  - approving procedures for the detection of fraud and the prevention of bribery following a recommendation from the Audit or Risk Committee
  - undertaking an annual assessment of these processes
  - approving an appropriate statement for inclusion in the annual report.

#### **5. Material Expenditure items**

- 5.1 Approval of all expenditure over £10 million as per the approved delegated authority limits. (Expenditure includes contracts, operating expenditure and all other arrangements that financially commit the Company to external expenditure).
- 5.2 There are certain exceptions to 5.1 above and these are detailed in the Finance manual and treasury policies. These include:
  - payments due to HMRC for VAT and corporation tax with the approval of the CFO
  - authorised staff compensation
  - CEO and CFO may jointly approve additional or amended credit lines over £100 million and up to £300 million. Treasury Committee may approve additional or amended credit lines up to an aggregate maximum of £100 million
  - Treasury Committee may approve foreign currency transactions below £250 million in aggregate in any financial year

## **6. Communication**

- 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholder at a general meeting.
- 6.2 Approval of all circulars listing particulars and prospectuses.
- 6.3 Approval of press releases concerning matters decided by the board.

## **7. Board membership and other appointments**

- 7.1 Changes to the structure, size and composition of the board, following recommendations from the Nomination Committee.
- 7.2 Ensuring adequate succession planning for the board and senior management.
- 7.3 Appointments to the board, following recommendations by the Nominations Committee.
- 7.4 Selection of the Chairman of the board and the Chief Executive.
- 7.5 Appointment of the Senior Independent Director.
- 7.6 Membership and Chairmanship of board committees.
- 7.7 Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 7.8 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.
- 7.9 Appointment or removal of the company secretary.
- 7.10 Appointment, reappointment or removal of the external auditor to be put to shareholder for approval, following the recommendation of the Audit Committee.
- 7.11 Appointments to boards of material subsidiaries which is delegated to either the Chairman or Chief Executive.

## **8. Remuneration**

- 8.1 Determining the remuneration policy for the directors, company secretary and other senior executives following a recommendation from the Remuneration Committee.

8.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.

8.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

## **9. Delegation of Authority**

9.1 The division of responsibilities between the Chairman and Chief Executive which should be in writing.

9.2 Approval of terms of reference of board committees and receiving reports from board committees on their activities.

## **10. Corporate governance matters**

10.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.

10.2 Determining the independence of directors in the light of their character judgement and relationships.

10.3 Considering the balance of interests between shareholders, employees, customers and the community.

10.4 Review of the Group's overall corporate governance arrangements.

10.5 Receiving reports on the views of the Company's shareholders.

## **11. Policies**

11.1 Approval of the Group's key policies, including:

- Anti bribery and corruption
- Code of Conduct
- Dealing in LSEG shares policy
- Enterprise-wide Risk Management Framework
- Health and safety policy
- Disclosure policy
- Corporate social responsibility policy
- Treasury policy
- Conflict of interest policy
- CCP financial policy

## **12. Other**

Exceptions to the policies listed under 11.1

12.1 Approval of the appointment of the Group's principal professional advisers.

12.2 Prosecution, defence or settlement of litigation being material to the interests of the Group.

12.3 Major changes to the rules of the Group's pension scheme, or changes of trustees or when this is subject to the approval of the Company changes in the fund management arrangements.

12.4 This schedule of matters reserved for board decisions.

Matters which the board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.