

London Stock Exchange Group plc ("the Company")

Nomination Committee Terms of Reference

Approved by the Board of the Company on 5 December 2018. Effective 1 January 2019.

1. Constitution and Purpose

The Committee is constituted by the Board of Directors with the purpose of assisting the Board in meeting its responsibilities for ensuring that the Board retains an appropriate balance of skills to support the strategic objectives of the Group¹, has a formal rigorous and transparent approach to the appointment of Directors and maintains an effective framework for succession planning.

2. Membership and Attendance

- 2.1. Members of the Committee shall be appointed by the Board (following recommendation of the Nomination Committee) and shall be made up of least 3 members, the majority of whom should be independent non-executive directors.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.3. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided that the majority of the Committee members remain independent.
- 2.4. The Board shall appoint the Committee Chairman who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

3. Secretary

- 3.1. The Group Company Secretary or their nominee shall act as the Secretary of the Committee and ensure that the Committee receives information and papers in a timely manner to ensure full and proper consideration is given to matters.

4. Quorum

- 4.1. The quorum necessary for the transaction of business shall be 2, both of whom must be independent non-executive directors. A duly convened meeting of the

¹ For the purposes of this Document the Group shall mean London Stock Exchange Group plc and its direct and indirect subsidiaries.

Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

- 5.1. The Committee will meet as necessary to consider proposals for Board appointments and other matters within the scope of its terms of reference.
- 5.2. The Committee may hold meetings by telephone or using any method of electronic communication and may take decisions without a meeting by unanimous written consent, when the Committee Chairman considers this to be necessary or desirable.

6. Notice of Meetings

- 6.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Committee Chairman.

7. Minutes of Meetings

- 7.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2. Minutes of Committee meetings shall be circulated to all members of the Committee and the Chairman of the Board and, once agreed, to all other members of the Board, unless it would be inappropriate to do so.

8. Annual General Meeting

- 8.1. The Committee Chairman shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

9. Responsibilities of the Committee Chairman

- 9.1 The responsibilities of the Committee Chairman include:
 - 9.1.1. fostering an open, inclusive and where appropriate, challenging discussion;
 - 9.1.2. ensuring the Committee receives accurate, high quality, timely and clear information necessary to perform its tasks and devoting sufficient time and attention to matters within its remit;
 - 9.1.3. reporting to the Board on the Committee's activities; and
 - 9.1.4. engaging with shareholders on significant matters related to the areas of responsibility of the Committee.

10. Duties

10.1. The Committee shall:

- 10.1.1. monitor and regularly review the structure, size and composition (including the skills, knowledge, experience, diversity and length of service of the Board as a whole) required of the Board compared to its current position and make recommendations to the Board with regard to any changes;
- 10.1.2. give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, the Company's purpose, values, strategy and culture, and what skills and expertise are therefore needed on the Board in the future for the Company's long-term success and future viability;
- 10.1.3. be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- 10.1.4. before appointment of non-executive directors is made by the Board, evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - 10.1.4.1. use open advertising or the services of external advisers to facilitate the search;
 - 10.1.4.2. consider candidates from a wide range of backgrounds; and
 - 10.1.4.3. consider candidates on merit and against objective criteria and within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths taking care that appointees have enough time available to devote to the position;
- 10.1.5. keep under review the leadership needs of the organisation, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 10.1.6. keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
- 10.1.7. review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;
- 10.1.8. ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;

10.1.9. oversee the development of a diverse pipeline for succession by receiving reports on Group diversity objectives and strategies, monitoring the impact of diversity initiatives and making recommendations to the Board on how to promote diversity in the Group.

10.2. The Committee shall also make recommendations to the Board concerning:

10.2.1. formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive (but see 10.2.7 below);

10.2.2. suitable candidates for the role of Senior Independent Director;

10.2.3. membership of the Audit, Remuneration and Risk Committees, in consultation with the chairmen of those committees;

10.2.4. the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

10.2.5. the re-election by shareholders of any director under the 'retirement by rotation' provisions in the company's articles of association having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

10.2.6. any matters relating to the 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 provisions of the law and their service contract; and

10.2.7. the appointment of any director to executive or other office other than to the positions of Chairman and Chief Executive, the recommendation for which would be considered at a meeting of the full board.

11. **Reporting Responsibilities**

11.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

11.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

11.3. The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

12. **Other**

- 12.1. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

13. **Authority**

- 13.1. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.
- 13.2. The Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference and invite persons giving such advice to attend Committee meetings.
- 13.3. The Committee is authorised to delegate any of its powers to one or more of its members or the Secretary of the Committee.