



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

**Approved by the Board on 18 October 2018**

**Purpose of the Board**

**The LSEG Board is collectively responsible for the long-term sustainable success of LSEG, the delivery of sustainable value to its shareholders and contributing to wider society.**

**The Board’s role is to provide leadership of LSEG within a framework of prudent and effective controls which enables risk to be assessed and managed.**

**The LSEG Board sets the strategic aims of LSEG and its subsidiaries (collectively, the “Group”), ensures the necessary resources are in place for the Group to meet its obligations and reviews financial and business performance.**

**The LSEG Board leads the development of the Group’s culture, values and standards and ensures that its obligations to its shareholders and others are met.**

**In carrying out the duties of the LSEG Board, the directors will act in accordance with all relevant and applicable legislative and regulatory rules. In particular, they will take into account the Directors’ Duties contained in the Companies Act 2006 (the “Act”) and will consider the factors listed in Section 172 of the Act and any other relevant factors.**

**1. Strategy, Management and Operations**

- 1.1 Review and set the Group’s strategic direction including, as appropriate, setting the Group’s long-term objectives and strategy whilst at the same time ensuring a sustainable business model.
- 1.2 Oversee execution of the Group’s strategy and hold executive management to account for its delivery.
- 1.3 Responsibility for the overall management of the Company and its direct and indirect subsidiaries.
- 1.4 Approval of the Group’s annual operating and capital expenditure budgets, business plan and any material changes to them.
- 1.5 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; and
- compliance with statutory and regulatory obligations.

1.6 Approval of any decision to cease to operate all or any material part of the Group's business.

## **2. Culture and Values**

2.1 Lead the development of and assess and monitor the Group's culture, values and standards.

2.2 Oversee the means by which the workforce can raise concerns in confidence and ensure that arrangements are in place for the proportionate and independent investigation of such matters.

2.3 Ensure that workforce policies and practices are consistent with the Group's values and support its long-term sustainable success.

## **3. Structure and capital**

3.1 Approval of 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.

3.2 Approval of material changes to:

- the Group's corporate structure; and
- the Group's management and control structure.

3.3 Approval of any changes to the Company's listing or its status as a plc.

## **4. Financial reporting and controls**

4.1 Approval of the annual report and accounts, including the corporate governance statement and remuneration report, and satisfy itself on the integrity of financial and narrative statements.

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

4.3 Approval of the dividend policy.

4.4 Approval of the interim dividend and recommendation to shareholders of the final dividend.

4.5 Following a recommendation from the Audit Committee, approval of any significant changes in accounting policies or practices.



4.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

## **5. Risk (including Conduct and Internal controls)**

5.1 Following a recommendation from either the Audit or Risk Committee:

- approval of the enterprise wide risk framework (the “Framework”); and
- approval of the risk appetite for strategic and material risks in accordance with the Framework.

5.2 Oversee and ensure the maintenance of a sound system of internal control and risk management including:

- 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; and
- approving an appropriate statement for inclusion in the annual report.

## **6. Material Expenditure items**

6.1 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.

6.2 There are certain exceptions to 6.1 above and these are detailed in the Company’s 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; and
- Treasury Committee may approve foreign currency transactions below £250 million in aggregate in any financial year.

## **7. Communication**

7.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

7.2 Approval of all circulars listing particulars and prospectuses.



7.3 Approval of press releases concerning material matters decided by the Board.

## **8. Board membership, appointments to Material Subsidiaries and other appointments**

### **LSEG Board**

8.1 Approval of changes to the structure, size and composition of the Board, following a recommendation from the Nomination Committee.

8.2 Approval of appointments to the Board, following a recommendation by the Nomination Committee.

8.3 Ensuring adequate succession planning for the Board.

8.4 Selection or Removal of the Chairman of the LSEG Board and the Group Chief Executive.

8.5 Appointment of the Senior Independent Director.

8.6 Selection of membership and Chairmanship of Board Committees.

8.7 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.

8.8 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.

### **Material Subsidiaries**

8.9 Endorsement of appointments of CEOs and external chairman to the Boards of Material Subsidiaries<sup>1</sup>

### **External Appointments**

8.10 Consider and approve requests from members of the LSEG Board for consent to undertake any new external appointments.

### **Other Appointments**

8.11 Appointment or removal of the company secretary.

8.12 Appointment, reappointment or removal of the external auditor to be put to shareholder for approval, following the recommendation of the Audit Committee.

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<sup>1</sup> A Material Subsidiary is a company where LSEG holds more than 50% of the voting and capital rights; and is a company which is either regulated or is expected to become regulated within 12 months of set up, by a financial regulatory authority.



## **9. Remuneration**

- 9.1 Determining the remuneration policy for executive directors, and other senior executives following a recommendation from the Remuneration Committee.
- 9.2 Determining the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.
- 9.3 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.

## **10. Delegation of Authority**

- 10.1 Approval of the division of responsibilities between the Chairman and Chief Executive which should be in writing.
- 10.2 Approval of terms of reference of Board Committees and receiving reports from Board Committees on their activities.

## **11. Corporate governance matters**

- 11.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.
- 11.2 Determining the independence of directors in the light of their character judgement and relationships.
- 11.3 Considering the balance of interests between stakeholders including but not limited to: shareholders, regulators, the workforce, customers, suppliers and the community and find ways to effectively engage with and encourage participation from these stakeholders.
- 11.4 Review of the Group's overall corporate governance arrangements.
- 11.5 Ensuring a satisfactory dialogue with and encourage participation from shareholders based on the mutual understanding of objectives and receiving reports on the views of the Company's shareholders.
- 11.6 Understand the views of the Group's key stakeholders and consider their interests in board discussions and decision making.

## **12. Policies**

- 12.1 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 responsibility policy
- Treasury policy
- Conflict of interest policy
- CCP financial policy
- Subsidiary Procedures
- New product Market
- Financial Crime
- Whistleblowing
- Information Security

### **13. Other**

Exceptions to the policies listed under 12.1

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

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

13.3 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.

13.4 Approval of the overall levels of insurance including for directors and officers and indemnification of directors of LSEG and its subsidiaries.

13.5 This Schedule of Matters Reserved for the Board.

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.