

CMC Markets plc
("the Company")

NOMINATION COMMITTEE
("the Committee")

TERMS OF REFERENCE

1. CONSTITUTION

1.1 The Committee was constituted as a committee of the board of directors (the "Board") of the Company at a meeting of the board held on 25 January 2016 in accordance with the articles of association of the Company.

1.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.

2. MEMBERSHIP

2.1 The Committee shall comprise of a minimum of three members. A majority of Committee members shall be independent non-executive directors as determined by the Board. If the Board decides that a member of the Committee is no longer independent and as a result a majority of the members of the Committee are not independent non-executive directors, that member will then cease to be a member of the Committee.

2.2 The Board shall appoint members of the Committee in consultation with the Committee chairman.

2.3 Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent.

2.4 The Board shall appoint the chairman of the Committee from among the independent non-executive directors and shall determine the period for which the chairman of the Committee will hold office. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting.

2.5 The Committee chairman shall review membership of the Committee annually, as part of the annual effectiveness review of the Committee.

2.6 The Company Secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring that the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

3. ATTENDANCE AT MEETINGS

3.1 The Committee shall meet at least two times a year and additionally as and when required.

3.2 Only Committee members have the right to attend and vote at Committee meetings. Non-members may be invited to attend all or part of any meetings as and when necessary. The Committee

chairman shall have the discretion to decide who, other than the Committee members, may attend and address Committee meetings.

3.3 The secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

3.4 Committee members shall be deemed to meet together if they are in separate locations but are linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other.

3.5 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

3.6 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be considered, shall be sent to each member of the Committee and any other person invited to attend, at least three days prior to the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time as the notice of the meeting, but Committee papers may be forwarded at shorter notice with the approval of the Committee chairman.

3.7 The quorum necessary for the transaction of business at a Committee meeting shall be two members for the duration of the meeting. If there is difficulty in achieving a quorum, independent non-executive directors, who are not members of the Committee, may be co-opted as members for individual meetings.

3.8 A duly convened Committee meeting 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.

3.9 Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting.

3.10 If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote on that matter.

3.11 Except where he has a personal interest, the Committee chairman shall have a casting vote.

4. ROLE AND RESPONSIBILITIES

The Committee shall carry out the following duties for the Company and its subsidiaries (the "Group") as appropriate:

4.1 Regularly review the structure, size and composition, including the skills, knowledge, experience and diversity, of the Board and make recommendations to the Board with regard to any changes. 4.2 (a) Give full consideration to succession planning for directors and other senior executives, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in future;

(b) Ensure plans are in place for an orderly succession to both the Board and senior management positions¹; and

(c) Oversee the development of a diverse pipeline for succession.

4.3 Monitor the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete and function effectively.

4.4 Ensure the Committee is up to date and fully informed on strategic issues and commercial changes affecting the Group and the industry.

4.5 To be responsible for identifying and nominating, for Board approval, a panel of candidates who fit the required profile to ensure a balanced Board to fill Board vacancies as and when they arise.

4.6 Ensure appointments to the Board are subject to a formal, rigorous and transparent process. Before any recommendation is made to the Board the Committee shall evaluate the balance of skills, knowledge, experience and diversity 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:

- (a) use open advertising or the services of external search consultancy to facilitate the search;
- (b) consider candidates from a wide range of backgrounds; and
- (c) consider candidates on merit and against objective criteria and within this context, promoting diversity of gender, social and ethical backgrounds, cognitive and personal strengths, taking care that appointees have enough time available to devote to the position.

4.7 To have oversight and, where appropriate, be responsible for the following:

- (a) In the event that a new Chairman is required, to be responsible for drafting the job description including the expected time commitment. A proposed Chairman's other commitments should be disclosed to the Board prior to appointment and any changes to the Chairman's commitments should be reported to the Board as they arise; and
- (b) In the event that a new Chief Executive Officer ("CEO") is required, to be responsible for drafting the job description with regard to the strategic direction the Company is taking. The current CEO should be asked to provide input into the succession planning process. A panel of candidates should be recommended to the Board and the succession process should involve the entire Board.

4.8 Prior to the appointment of a director, the Committee should ensure the proposed appointee has disclosed any other business interests that may result in a conflict of interest. Directors are required to report any future business interests that could result in a conflict of interest to the Company.

¹ The definition of "senior management" for this purpose should be the executive committee or the first layer of management below board level, including the company secretary.

4.9 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.

4.10 Ensure a formal and rigorous annual evaluation of the performance of the Board, its committees, the chair and individual directors. The Committee shall:

- (a) consider and set the criteria for the individual performance reviews of the Chairman and each Non-Executive Director;
- (b) ensure that annual assessments of the individual performance of the Executive Directors are undertaken;
- (c) ensure an annual performance evaluation is undertaken of the effectiveness of the Board, each Committee of the Board and the contribution of each Director, and consider whether a regular externally facilitated board evaluation should be conducted
- (d) ensure the Committee reviews the results of the board evaluation processes that relate to the Board composition;
- (e) ensure that the conclusions and recommendations arising out of the annual board evaluation and the individual performance evaluations are reported to the Board; and
- (f) agree an action plan addressing the results of the board evaluation and monitor performance on a regular basis against the agreed plan.

4.11 To review annually:

- (i) the time required from the non-executive directors. Annual effectiveness reviews should be used to assess whether non-executive directors are able to commit sufficient time to fulfil their duties; and
- (ii) the continued independence of each NED in the context of re-election and re-appointment.

4.12 Work and liaise as necessary with all other Board committees.

4.13 Recommend membership of the Group Audit Committee, Group Risk Committee, Remuneration Committee and any other Board committee as appropriate, in consultation with the respective committee chairman, and ensure members are committed and considered independent.

4.14 Advise on and, if appropriate, recommend the re-appointment of any non-executive director at the conclusion of their specified term of office following due consideration of their performance and ability to continue to contribute to the Company's long-term sustainable success.

4.15 Recommend the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code or the retirement by rotation provisions in the Company's Articles of Association, following due consideration of their performance and ability to continue to contribute to the Board in respect of the knowledge, skills and experience required and the need for

progressive refreshing of the Board. The Board's opinion regarding the continued Independence of non-executive directors shall be included in the annual report.

4.16 Advise and recommend on 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 Group subject to the provisions of the law and their service contract.

4.17 Keep under review compliance with the terms of the Relationship Agreement with the Group's Principal Shareholders.

4.18 Recommend the appointment of any director to executive or other office including the role of senior independent director

5. MINUTES OF MEETINGS

5.1 The company secretary (or his or her nominee) shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

5.2 Draft minutes of Committee meetings shall be circulated promptly to all Committee members.

5.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee.

6. ANNUAL GENERAL MEETING

6.1 All Committee members shall attend the annual general meeting and the Committee chairman (or other appropriate member) shall be available to respond to any shareholder questions on the Committee's activities and areas of responsibility.

7. REPORTING RESPONSIBILITIES

The Committee shall:

7.1 Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and the minutes of all Committee meetings shall be included in the board papers for a subsequent board meeting unless the Committee chairman deems this inappropriate;

7.2 Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is desirable;

7.3 Prepare a formal report to shareholders on its activities to be included in the Company's annual report, which shall include:

(a) Details of the membership of the Committee, number of meetings held and attendance over the course of the year;

(b) the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline. Where an external search consultancy has been

used, it shall be identified in the annual report and a statement about any other connection it has with the Company or individual directors;

(c) how the board evaluation has been conducted and, where used, the nature and extent of an external evaluator's contact with the Board and individual directors, the outcomes and actions taken, and how it has or will influence board composition;

(d) the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives; and

(e) the gender balance of those in the senior management² and their direct reports.

8. GENERAL MATTERS

The Committee shall:

8.1 Consider other duties determined by the Board from time to time;

8.2 Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary, as required;

8.3 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members. Any individual training to be discussed and agreed with the Company Secretary;

8.4 Give due consideration to all applicable laws and regulations, in particular the directors duties contained in the Companies Act 2006, the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Rules and Transparency Rules and any other applicable rules as appropriate; and

8.5 Arrange for annual review of its own effectiveness and performance and, at least annually, review its terms of reference and recommend any changes it considers necessary to the Board for approval.

9. AUTHORITY

The Board authorises the Committee to:

9.1 Carry out all duties set out in these terms of reference, to have unrestricted access to the Company's documents and information and to obtain, at the Company's expense, appropriate professional advice on any matter within its terms of reference as it considers necessary;

9.2 Seek any information it requires from any Group employee, contractor consultant or other provider of services to the Group to enable it to perform its duties;

9.3 Secure the attendance of external advisers at its meetings if it considers this necessary, at the Company's expense;

² See footnote 1.

9.4 Have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board; and

9.5 Commission, at the Company's expense, any reports or surveys which it deems necessary to help it fulfil its obligations.

Adopted at the board meeting of the Company on 28 November 2018.