

Balanced Gender Representation on LCH Boards Background

When searching for candidates for Board appointments LCH Group Holdings Limited and its subsidiaries, including LCH SA (the “Group”) will make appointments on merit against objective criteria with due regard for the benefits of diversity. This includes gender diversity.

The Group operates in a number of countries across Europe, North America and Asia and its approach to diversity reflects this geographical footprint. Our recruitment practices include a commitment to recruit and promote employees on the basis of their suitability for the job without discrimination on any grounds. The Group offers flexible training and development and mentoring programmes to assist all its employees to achieve their potential, taking account of their diverse development needs. We recognise the benefit of a diversity of input from people with a wide range of backgrounds and nationalities. This is reflected at Board level by the diverse backgrounds and nationalities of Directors.

Gender diversity

The Board supports the principles set out in the European Capital Requirements Directive (as implemented in France) that in order to facilitate independent opinions and critical challenge, the Board should be sufficiently diverse as regards age, gender, geographic provenance, education and professional background to present a variety of views and experiences.

The Board supports the extension of these principles to the executive Management Committees within LCH and other senior positions.

The Board supports the Women on Boards Review by Lord Davies in the UK and its conclusion that greater efforts should be made in improving the gender balance of corporate boards and that quotas for female Board representation are not the preferred approach.

The Board recognises that under representation of either gender on the Board or within a Management Committee or other senior positions requires appropriate action to be taken as a matter of priority.

The promotion of women to Board and other senior positions within the Company is dependent on the recruitment, development and retention of women in the workforce, both within LCH and in the wider pool of female executive talent in the business and professional community. To support women in the workforce LCH offers enhanced maternity leave payments and support flexible working patterns. LCH also participates in LSEG’s group-wide Women Inspired Network (WIN). LSEG is also a signatory to the United Kingdom’s Treasury Women in Finance Charter and has set a stretch target of 40% female representation for senior management and its overall population by the end of 2020. LSEG is also aligned with the proposals of the Hampton Alexander Review to ensure talented women at the top of business, and throughout LSEG as a whole, are recognised, promoted and rewarded and the value in investing in a pipeline of talent by encouraging a broad range of senior individuals within the business to take on additional roles.

The Board will continue to ensure that; appointments are of the best candidates to promote the success of LCH; appointments are based on merit; and that they also meet the requirements of applicable equality legislation. Subject to these requirements, the Board and LCH have an on-going commitment to further strengthening female representation at Board and top management level within LCH. At Board level, this will include requesting head hunters to ensure that as far as practicable a significant proportion of long- listed candidates are female.

The Nomination Committee of the Board will provide a report to the ACPR and other relevant regulators as may be required from time to time to demonstrate compliance with this policy.